



# NEWS RELEASE

**STATE BOARD  
OF EQUALIZATION**

450 N Street  
Sacramento  
California 95814

**RAMON J. HIRSIG**  
Executive Director

**FOR IMMEDIATE RELEASE**

NR# 61-G  
Date: December 29, 2004  
Contact: Anita Gore  
Communications Office  
(916) 327-8988  
Website: <http://www.boe.ca.gov>

## **IMPORTANT TAX LAW CHANGES**

Some notable changes were made to tax laws administered by the California State Board of Equalization (BOE) during the 2004 legislative session. Legislative changes take effect on January 1, 2005, unless otherwise noted.

Highlights are as follows:

SB 1100, which became effective August 16, 2004, requires the Board to administer a sales and use tax penalty amnesty program for the period beginning on February 1, 2005 and ending March 31, 2005. The amnesty program applies to sales and use tax liabilities due and payable for tax reporting periods before January 1, 2003. Under amnesty, individuals and businesses can pay taxes and interest for these reporting periods without penalties and without fear of criminal prosecution. If you apply and meet the conditions, you will also avoid substantial new penalties on tax liabilities that are eligible for amnesty. Revenue generated through the tax amnesty program will provide funding for important programs like education, public safety, transportation, and health for our children and elderly.

For additional information on the Tax Amnesty program, please visit [www.taxes.ca.gov](http://www.taxes.ca.gov).

In addition to its amnesty provisions, SB 1100 provides that, for the period October 1, 2004 through July 1, 2006, it is presumed, unless proven otherwise, that a vehicle, vessel, or aircraft purchased outside this state and brought into California within 12 months from the date of purchase is purchased for use in California and is subject to California use tax, if any of the following occur:

- The vehicle, vessel, or aircraft was purchased by a California resident.
- The vehicle was subject to California registration or the vessel or aircraft was subject to property tax in this state at any time during the first 12 months of ownership.
- The vehicle, vessel, or aircraft was used or stored in this state more than one-half of the time during the first 12 months of ownership.

Assembly Bill 923 increases the California tire fee, on January 1, 2005, from one dollar (\$1.00) to one dollar and seventy-five cents (\$1.75) per tire. The California tire fee will decrease to one dollar and fifty cents (\$1.50) as of January 1, 2007, and will decrease again to seventy-five cents (\$0.75) per tire commencing January 1, 2015. Assembly Bill 923 also decreases a retail seller's reimbursement for any costs associated with the collection of the fee from 3 percent to 1.5 percent, until December 31, 2014.

A portion of the revenue generated from the California Tire Fee will fund programs and

projects to mitigate or remediate air pollution caused by tires.

Senate Bill 50 changes the operative date for the imposition of the covered electronic waste recycling fee from November 1, 2004 to January 1, 2005. The fee will be imposed on the consumer and collected and remitted by the retailer, at the time of the retail sale or lease of certain new or refurbished televisions, computer monitors, laptop computers, and other devices. The bill also requires the State Board of Equalization to collect the fee and deposit those fees in the Electronic Waste Recovery and Recycling Account. Revenue from the fee will be used to safely recycle video display devices, which contain hazardous materials.

For additional information on the e-waste recycling fee program, visit the following websites: [www.boe.ca.gov](http://www.boe.ca.gov) or [www.ecycle.org](http://www.ecycle.org).

The Board of Equalization collects nearly \$42 billion annually in taxes and fees supporting state and local government services. It acts as the appellate body for franchise and personal income tax appeals, and also plays a significant role in the assessment and administration of property tax.

The five-member Board of Equalization is the only publicly elected tax commission in the nation, and is comprised of Betty T. Yee of San Francisco, Acting Member, First District, Bill Leonard of Sacramento/Ontario, Second District, Claude Parrish of Long Beach, Third District, and John Chiang of Los Angeles, Fourth District. State Controller Steve Westly also serves as a member of the Board.

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