



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

October 31, 2012

The Honorable Tom Bordonaro, Jr.
President, CAA
Assessor, San Luis Obispo County
1055 Monterey Street, Suite D-360
San Luis Obispo, CA 93408-2070

Dear Tom:

This letter is to inform you that we received your letter requesting the Board of Equalization to formally convene a working group to develop guidelines to address taxpayer and assessor concerns regarding valuation of embedded software.

We agree with you that a working group is a good idea, and will proceed to appoint participants to the group from a broad spectrum. We would like to encourage uniformity among all the counties in their treatment of embedded software studies presented by taxpayers and help reduce administrative costs in proving up embedded software.

The working group will consider defining embedded software and include common examples, review methodologies used for state-assessed properties, and consider using them for county-assessed properties. Also, the working group will survey counties for various approaches used for documenting embedded software.

We will be in touch regarding the formation of our working group.

Thank you for your cooperation and we look forward to working with you.

Kindest Regards,

A handwritten signature in black ink, appearing to read "G. Runner".

Senator George Runner (Ret.)
Board of Equalization Member, Second District

cc: Ms. Teresa Casazza, President, CalTax
Mr. Larry Stone, Chair, CAA Ad-Hoc Committee on Embedded Software
Mr. Dean Kinnee, Chief, County-Assessed Properties Division, State Board of Equalization

