



For Immediate Release
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Runner Tells DMV to Stop Overcharging Tax

SACRAMENTO – George Runner has called upon California’s Department of Motor Vehicles to stop overcharging California consumers when they pay tax on their vehicle purchases.

Runner said, “It’s outrageous that the State of California expects private citizens to do things right that government is doing wrong.”

In a [letter to DMV Director Jean Shiomoto](#), Runner writes: “I find it difficult to understand why your agency would knowingly continue to mischarge taxpayers when the Board of Equalization has developed an extremely accurate tool for determining tax rates at specific locations.”

The Board’s [online tax rate lookup tool](#), launched in late 2013, enables taxpayers to find a sales tax rate for a specific address.

In his letter, Runner explains that DMV’s problem appears to stem from continued reliance on postal zip codes to determine tax rates. Since a single zip code can include areas with differing tax rates, zip codes are not a reliable way to determine tax.

Runner estimates that in his district alone more than 2.5 million Californians live in zip codes that have more than one tax rate.

Unlike most transactions, the tax rate for a vehicle sale is based on the location provided to DMV by the registered owner, not where the sale took place.

In response to Runner’s letter, DMV staff contacted Runner’s office indicating a desire to address Runner’s concerns but warning a solution could be years away.

Runner said, "I am happy to assist taxpayers overcharged by DMV in obtaining refunds, but they should not be overcharged in the first place. I don't want to hear excuses. I want to see change."

Runner says he will be pursuing additional outreach to taxpayers in his district to alert them to the possibility that they are paying too much tax.

Elected in November 2010, George Runner represents more than nine million Californians as a member of the State Board of Equalization. For more information, visit www.boe.ca.gov/Runner.

FULL TEXT OF RUNNER LETTER

August 20, 2014

Ms. Jean Shiomoto, Director
Department of Motor Vehicles
2415 First Avenue, MS F101
Sacramento, CA 95818-2606

Dear Director Shiomoto:

I believe it is important for my constituents to have complete confidence they are paying the correct amount of tax. During my service on the Board of Equalization I have received a number of calls from constituents informing me they have been charged an incorrect amount of tax on vehicle sales by the Department of Motor Vehicles.

Sales and use tax rates vary widely across California and are subject to change over time. In addition to the statewide sales and use tax rate of 7.5 percent, there are many cities and counties that have voter approved local and district taxes. In the past, some retailers and the DMV have utilized zip codes to determine which tax rate to use. However, only using zip codes is not reliable in determining tax rates. Very few zip codes encompass entire municipalities, and zip codes are often split between cities and counties that employ different tax rates. When this occurs, a taxpayer living in one area of a zip code could pay a higher tax rate than another living in the same zip code.

Because more than 2.5 million taxpayers in my district live in these split zip codes, I requested the creation an online tool (<https://maps.gis.ca.gov/boe/TaxRates/>) that would allow taxpayers to easily pinpoint a location and receive the sales and use tax rate used at a specific address. The site also shows the entire area where a particular tax rate applies. The webpage is accessible, easy-to-use and accurate. The public uses it, but unfortunately, the DMV refuses to do so.

Last December, BOE staff initiated discussions with DMV staff regarding your department switching to the BOE's Geographic Information Systems (GIS) tool to ensure accurate tax rates are being charged. However, after continued complaints from

taxpayers, it is clear that DMV offices have failed to institute use of the BOE's tax rate lookup website to determine the correct amount of tax to charge. At my direction, both my office staff and BOE staff inquired further and were informed that DMV is not, and will not, be using the BOE GIS tool.

I find it difficult to understand why your agency would knowingly continue to mischarge taxpayers when the Board of Equalization has developed an extremely accurate tool for determining tax rates at specific locations. Use of this tool would cut down on refund requests from taxpayers, thereby saving time and money, and would instill confidence in taxpayers that state government is not collecting more tax than is required.

It is my hope that you will immediately direct your staff to begin using the BOE's GIS tool. BOE management and IT staff are ready to assist the DMV with technical expertise, if necessary. If you would like to discuss the matter further, please feel free to contact me at 916-445-2181.

Sincerely,

GEORGE RUNNER
Second District

cc: Jerry Brown, Governor, State of California
Brian P. Kelly, Secretary, California State Transportation Agency
Cynthia Bridges, Executive Director, California State Board of Equalization
Andrew Conway, Chief, Registration Policy and Automation Branch, DMV

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