



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

April 6, 2012

Assembly Member Timothy Donnelly
California State Senate
State Capitol
Sacramento, CA 95814

RE: Support for AB 2048

Dear Assembly Member Donnelly:

I am writing to express my strong **support** of your Assembly Bill 2048.

AB 2048 amends the current law to specify the interest rate established for overpayment be equal to the rate assessed by the Board of Equalization on late payment. Under the current law, late payments are subject to a late penalty of 10 percent of the amount of the tax, plus interest on the unpaid tax.

Interest on overpayments, however, is calculated entirely differently. Refund interest is calculated on the bond equivalent rate of 13- week treasury bills auctioned, rounded to the nearest percent. As a result, no interest has been granted on overpayments of tax made in the last several years. It is unfair to taxpayers to have such a large discrepancy between the credit interest rate and the late payment interest. The bill would end unfairness by applying the same interest rate.

Thank you for introducing this bill. For all the reasons stated I am in strong support of AB 2048.

Sincerely,

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

GEORGE RUNNER