



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

April 12, 2012

Assemblyman Jeff Gorell
California State Assembly
State Capitol
Sacramento, CA 95814

Dear Assemblyman Gorell:

As the sponsor, thank you for introducing **Assembly Bill 2059** which would revise the “qualified purchaser” program created by ABx1 18 in 2009.

In response to ABx1 18 the Board of Equalization (BOE) registered over 500,000 entities, but despite focused collection effort, the revenues realized have fallen far short of what was projected.

The program has proven burdensome for taxpayers, most of who are forced to pay more to their tax professional for filing the paperwork than they remit in tax. Of the more than 500,000 individuals registered, to date, less than 15% have reported any tax due, and the average return filed by the group under \$500,000 was only \$78.

While the use tax will still be due and reportable via other means such as the line on the income tax form or a use tax account with the BOE, this measure will remove a burdensome requirement from many small business owners and individuals, while helping BOE staff focus their efforts on those more likely to have a larger use tax obligation.

Thank you again for introducing this important legislation.

Sincerely,

GEORGE RUNNER

cc: Assemblyman Henry Perea, Chair, Assembly Revenue and Taxation Committee
Members, Assembly Revenue & Taxation Committee