



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

April 17, 2012

Assembly Member Diane Harkey
California State Assembly
State Capitol
Sacramento, CA 95814

Dear Assembly Member Harkey:

I am pleased to sponsor your Assembly Bill 2175, which would authorize the Board of Equalization to withdraw a notice of a state tax lien.

As an elected member of the Board of Equalization (BOE), I hear frequently from taxpayers, including many small business owners, who are struggling to get back on their feet again as a result of California's severe economic downturn. When these taxpayers fall behind on their tax payments, the state issues a tax lien, which negatively impacts their ability to get credit.

Unfortunately, unlike the federal government, California's tax agencies lack the ability to help these taxpayers restore their damaged credit once they have paid their tax obligations in full.

Under current law, BOE may *release* a lien when a taxpayer pays the outstanding liability in full. However, unless the lien was filed in error, the release will not remove the lien from a taxpayer's credit record, and may remain there for up to 10 years.

AB 2175 remedies this problem by allowing BOE the needed discretion to *withdraw* the lien, which removes that lien from the taxpayer's credit record.

Thank you for introducing this important legislation to help speed California's economic recovery.

Sincerely,

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

GEORGE RUNNER