



SEN. GEORGE RUNNER (RET.)  
MEMBER  
STATE BOARD OF EQUALIZATION  
CALIFORNIA'S TAX BOARD

April 27, 2011

Assemblyman Martin Garrick  
State Capitol  
Sacramento, CA 95814

**RE: Support for AB 279 (Garrick)**

Dear Assemblyman Garrick:

I am writing to express my strong **support** for your Assembly Bill 279.

AB 279 would end an unreasonable practice currently required by the Board of Equalization. According to the BOE's interpretation of existing law, retailers must calculate sales and use tax on the full "list price" of a wireless telecommunication device, which is often several times greater than the price charged to the consumer at the point of sale.

California consumers reasonably believe, because it is their experience with nearly every other type of purchase, that they owe sales or use tax on the discounted price they pay at the point of sale. Consumers are, therefore, often confused and frustrated by the higher taxes they are charged when purchasing new cell phones or other wireless devices. Further, this confusing tax policy imposes a burden on retailers who are asked to explain the higher tax.

I know my colleague at the Board, Michelle Steel, has been working on this issue for some time. Thank you for introducing this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "George Runner", is written over the word "Sincerely,".

Senator George Runner, Member  
California State Board of Equalization

GR:lc

cc: Michelle Steel, Member, Board of Equalization  
Assembly Revenue & Taxation Committee

