



## Simple Changes Helping California Small Businesses and Entrepreneurs

By George Runner

It's not easy doing business in California.

In order to be successful, business owners must overcome many challenges, one of which is dealing with California's complicated tax system. Whenever a business owner gets caught in a tax trap, it undermines the economic growth and job creation we so desperately need to extend prosperity to more regions of our state.

That's why I've been working with my fellow board members to make changes at the Board of Equalization aimed at assisting small business owners and entrepreneurs. Our goal is to make life easier for taxpayers, freeing up time and money for better use. I'm pleased to report we're making progress.

For example, thanks to a newly amended regulation, the process of buying lunch or dinner from your favorite food truck just got a little easier.

Our recently revised regulation saves food truck operators the hassle of charging their customers a different sales tax rate as they drive from city to city. The regulation, which became effective on July 1, presumes sales tax is included in the price of taxable items if the retailer hasn't added it separately.

This change will make life a bit simpler for California's fast-growing mobile food industry and more convenient for their customers, too.

Andrew Blaskovich, owner of Drewski's Hot Rod Kitchen, a popular food truck in the Sacramento area, agrees saying the new regulation will "allow us to speed up the process and in turn make more money for our businesses and the state while freeing up more time for our consumers."

The new food truck regulation is not the only area where the Board has been working to make life easier for California taxpayers.

Prior to this year, most new businesses were forced to turn over anywhere from \$2000 to \$50,000 of their own money as “security” before they could make a single legal taxable sale. This “security” was held just in case a business might be unable to pay its taxes during its first three years of operation.

Of course, no one in government stopped to think about whether shaking down new businesses for thousands of dollars would help them be successful.

I took a close look at the program and found it didn’t make sense for taxpayers or the state. At my urging, the Board of Equalization voted in December 2013 to end its long-standing security policy.

Nearly 100 million dollars worth of security have been returned to businesses so far this year and new businesses no longer have to deal with this onerous practice.

The Board has also worked on making its online presence friendlier to taxpayers. The Board of Equalization has redesigned its website to make information easier to find and has recently added new industry guides—helpful webpages that provide relevant tax information for specific businesses.

In addition, business owners can now use our website to quickly and easily register for a new permit, file a return, make a payment, verify a permit, submit time extension requests and even request relief from penalties and interest.

By enacting common sense changes, harnessing technology, and eliminating burdensome programs, the Board of Equalization is striving to help small business owners and entrepreneurs achieve success.