



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
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BOARD OF SUPERVISORS

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BETTY T. YEE
First District, San Francisco

SEN. GEORGE RUNNER (RET.)
Second District, Lancaster

MICHELLE STEEL
Third District, Orange County

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

CYNTHIA BRIDGES
Executive Director

January 2, 2014

Board of Supervisors
County of Stanislaus
1010 Tenth Street, Suite 6700
Modesto, CA 95354

Dear Member:

I am pleased to present the BOE Annual Report for Fiscal Year 2012-13.

This report documents our journey as we embrace greater transparency and accountability in the fulfillment of our obligation to administer tax programs for the state of California. This report is a significant departure from previous reports and distinguishes itself in several important ways:

- The report provides BOE data and information in a clear, easy-to-read format and highlights the collection of more than \$56 billion in revenue during fiscal year 2012-13.
- The sources of revenues reported by BOE are featured to better inform Californians of the benefits and uses of their tax dollars.

We look forward to meeting the exciting challenges of the future and are proud to serve our great state by doing our part to contribute to a better quality of life for all Californians.

Sincerely,

Cynthia Bridges
Executive Director

CB:az

Enclosures

ANNUAL REPORT FY 2012-13

SUPPORTING OUR COMMUNITIES

Funding a Better Quality of Life



LETTER FROM THE EXECUTIVE DIRECTOR



On behalf of our Executive Team and dedicated employees, I am pleased to present this Annual Report of the services and accomplishments of the [Board of Equalization \(BOE\)](#) for the fiscal year which ended June 30, 2013.

The BOE has a full slate of programs to carry out its constitutional and statutory mandates of administering various taxes and fees and serving as an appellate body for property, business, and income tax assessments.

Making compliance with California's tax laws as easy as possible is instrumental to our effectively collecting tax dollars. During this reporting period the BOE generated \$56 billion, representing more than 30 percent of all state revenue for the fiscal year, and we did so efficiently. Our total cost for all operations was \$517 million (only 92 cents for every \$100 of revenue collected).

We are proud to serve the great State of California and to continue to do our part in funding a better quality of life.

Yours in public service,

A handwritten signature in black ink that reads "Cynthia Bridges". The signature is written in a cursive, flowing style.

Cynthia Bridges
Executive Director

BOARD MEMBERS



John Chiang
State Controller

Betty T. Yee
First District

Jerome E. Horton
Chairman
Fourth District

Michelle Steel
Vice Chair
Third District

Sen. George Runner (RET.)
Second District

The BOE is unique, holding the distinction of being the only elected tax commission in the United States.

Composed of five Board Members, the BOE administers more than 30 tax and fee programs that generate revenue essential to our state. Additionally, the Board hears appeals from various business tax assessments, Franchise Tax Board actions, and public utility assessments. The BOE serves a significant role in the assessment and administration of property taxes by issuing rules and regulations, establishing the values for tax purposes of railroads and specified privately-held public utilities, and overseeing the assessment practices of the state's 58 county assessors.

Public Board meetings offer taxpayers and other interested parties the opportunity to participate in the formulation of rules and regulations adopted by the Board and to interact with the Members as they carry out their official duties. Meetings are held throughout the year. The Board meets monthly in Sacramento and as necessary, in other California cities.

BUILDING OUR FUTURE

Our customers want access to information and services anytime and anywhere. In order to meet their needs, we understand we must continue to innovate and adapt to our rapidly changing world.

During the next twelve months, we will continue to implement new tax legislation and focus on improved customer service, as we enhance our suite of online services for tax and fee payers.

We will provide more taxpayer assistance through seminars and workshops to encourage voluntary compliance. BOE policies and procedures will also be reviewed and, when appropriate, revised in an effort to streamline compliance.

Additionally, the BOE will apply strong organizational development practices to improve productivity in all areas, enhance accountability and transparency, and prepare our workforce for tomorrow's challenges.

The BOE's business operations will also be challenged by the agency's participation in Wave 1 of the State's FI\$Cal project (the business transformation project for state government in the areas of budgeting, accounting, procurement, and cash management). The BOE will also continue the pre-implementation phase of its own top to bottom technology modernization effort, [Centralized Revenue Opportunity System](#).



Above all, we look forward to ensuring our tax and fee payers always receive the professional assistance they deserve and information they need to be successful.

STRENGTHENING CALIFORNIA TOGETHER

We are committed to strengthening California communities. We team up with businesses, large and small, to improve our roads and our schools, to invest in law enforcement and our environment, and to provide access to other critical services. The BOE generated \$56 billion in FY 2012-13, revenue that is vital to maintaining the economic health of our state.

We accomplish this through the following activities:

- Interpreting and applying tax and fee laws correctly, consistently, and fairly.
- Collecting and allocating revenues as required by law.
- Assessing and allocating property values as required by law.
- Educating and assisting tax and feepayers to comply voluntarily, while minimizing their compliance burden.
- Providing high-quality customer service, using well-qualified staff and state of the art technology.
- Achieving program objectives at the lowest possible cost.

So, remember, as you drive down our roads, enjoy our parks, or seek help from law enforcement, your experiences are possible because of the revenue the BOE generates from your contributions.

HIGHLIGHTING OUR ACCOMPLISHMENTS

The BOE is proud of achievements that occurred in FY 2012-13. What follows is a summary of these accomplishments.

Expanded Online Services

During FY 2012-13, we expanded our online services by implementing the [relief request program](#) which enables taxpayers to electronically submit requests for Extension of Time to file tax or fee returns, requests for relief from Penalty, Interest, and Collection Cost Recovery Fee, and assertions of *Declarations of Timely Mailing* of tax or fee returns. We enhanced the return filing system to include the cigarette manufacturer's returns and cigarette distributor's reports.

To accommodate the newly created [Lumber Products Assessment](#), we also added a new element to the current sales and use tax return allowing lumber retailers to report a one percent assessment on the retail sales of lumber. Retailers can claim a reimbursement for one-time start-up costs on their returns for this program. These new capabilities expand existing online services for registering for a permit, license, or an account with the BOE, filing a return, making a payment, and verifying permits.

Did you know the BOE contributed more than 30 percent of all state revenue for the fiscal year?

Industry Guides Debut on Website

New [Industry Tax Guides](#) and topics covering [restaurants](#), lumber products assessment, film/television credits, and [American Indian Tribal issues](#) debuted on the BOE website in October 2012. These web pages provide a one-stop-shop for business owners and operators looking for information on key tax issues relevant to their business.

Use Tax Outreach

Use tax promotes fairness between in-state retailers who are required to report and pay tax and some out-of-state retailers who are not. This tax, just like sales tax, goes to fund critical services such as public safety, transportation, housing, and natural resources.

The BOE continues its commitment to inform the public about use tax and its importance. In FY 2012-13, higher income Californians received correspondence from the BOE that provided information about the application of use tax to certain purchases. This letter campaign generated more than \$3 million in use tax payments.

Financial Institutions Record Match Implemented

The BOE implemented the Financial Institutions Record Match (FIRM) program in March 2013. FIRM provides a joint-agency master record file of delinquent account information to various banking institutions on behalf of the BOE, Franchise Tax Board (FTB), and Employment Development Department (EDD). The three agencies review the data to identify matches to their account holders. FIRM accelerates collection efforts, and reduces state government and private sector costs.

Geospatial Information Systems

The BOE, in collaboration with the California Technology Agency, developed an application that visually displays the **Top 500 Delinquencies in Sales and Use Tax** on a state map. The interactive application shows names, location, and amount of tax owed. Since the inception of the Top 500 program, BOE has collected more than \$9 million.



CONTRIBUTING TO OUR QUALITY OF LIFE



The BOE generated more than 30 percent of the money that benefits our communities by helping provide funding for hundreds of state and local government programs and services, including:

- Natural Resources Management
- Social Welfare Programs
- Hospital and Health Care Services
- Transportation and Housing
- Public Safety Programs





REINVESTING IN OUR COMMUNITIES

The BOE generated more than \$56 billion for California, an increase of 6.8 percent from \$52.5 billion in FY 2011-12.



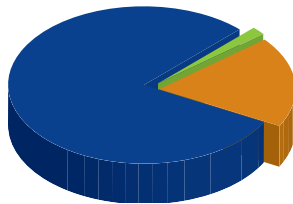
SUMMARY OF REVENUES (in thousands of dollars)	FY 2012-13	FY 2011-12	Yr-to-Yr Chg
Alcoholic Beverage Taxes a/	\$356,551	\$346,252	3.0%
Beer and Wine	169,053	162,198	4.2%
Distilled Spirits	187,498	184,054	1.9%
Cigarette and Tobacco Products Taxes a/	871,533	901,157	-3.3%
Breast Cancer	21,409	22,540	-5.0%
CA Children and Families First b/	480,490	498,497	-3.6%
Cigarette and Tobacco Products Compliance c/	1,696	1,657	2.4%
Cigarette and Tobacco Products Surtax	277,832	283,420	-2.0%
Cigarette Tax	90,106	95,042	-5.2%
Energy Resources Surcharge	71,673	74,163	-3.4%
Environmental Taxes and Fees d/	719,416	661,102	8.8%
California Tire Recycling Management	51,983	48,992	6.1%
Childhood Lead Poisoning Prevention	24,321	20,070	21.2%
Electronic Waste Recovery and Recycle	86,890	110,255	-21.2%
Hazardous Substances Taxes and Fees	72,534	75,045	-3.3%
Integrated Waste Management	40,911	40,790	0.3%
Marine Invasive Species Control	4,526	4,364	3.7%
Occupational Lead Poisoning Prevention	3,207	3,154	1.7%
Oil Spill Prevention and Administration	31,337	28,380	10.4%
State Responsibility Area Fire Prevention e/	75,202		NA
Underground Storage Tank Cleanup	314,880	316,898	-0.6%
Water Rights	13,625	13,153	3.6%
Fuel Taxes and Fees:	5,536,122	5,592,013	-1.0%
Gasoline Tax f/	5,206,304	5,221,980	-0.3%
Jet Fuel Tax	2,643	2,534	4.3%
Motor Vehicle Fees	6,468	4,347	48.8%
Motor Vehicle Fuel Account g/	320,707	363,152	-11.7%
Gas Consumption Surcharge Fund h/	647,505	646,308	0.2%
Insurance Taxes i/	2,063,818	1,988,859	3.8%
Property Taxes	981,681	963,102	1.9%
Local Taxes on State-Assessed Properties j/	965,940	947,000	2.0%
Private Car Tax	7,886	8,041	-1.9%
Timber Yield Tax	7,855	8,061	-2.6%
Retail Sales Tax and Fees a,k/	44,679,961	41,196,804	8.5%
City and County Taxes l/	4,373,939	4,009,624	9.1%
County Transportation Tax	1,458,207	1,329,474	9.7%
Fees m/	12,741	10,560	20.7%
Fiscal Recovery Fund Sales Tax n/	1,443,966	1,345,698	7.3%
Local Revenue Fund 2011 o/	5,516,137	5,247,531	5.1%
Local Revenue Fund State Sales Tax	2,916,188	2,722,030	7.1%
Public Safety Fund Sales Tax	2,916,186	2,721,846	7.1%
Special District Taxes	4,986,206	4,567,694	9.2%
State Taxes f,n,p/	21,056,390	19,242,348	9.4%
State Emergency Telephone Number Account	79,152	83,313	-5.0%
Timber Regulation and Forest Restoration Fund q/	14,637	NA	NA
Total Revenues	\$56,022,049	\$52,453,072	6.8%

For expanded annual data including footnotes, please see [Statistical Table 2](#) at www.boe.ca.gov. (Modified accrual basis of accounting)

FUNDING THE PRESENT AND THE FUTURE

The revenue we generate is crucial to maintaining state and local government programs that benefit our communities today and in the future. In FY 2012-13, we produced \$56 billion in revenue, an *increase* of \$3.6 billion from what was collected in FY 2011-12. For more details on revenue generated by the BOE, please see [Statistical Tables 1-37B](#) on our website, www.boe.ca.gov.

FY 2012-13 TOTAL BOE REVENUES*



	Billions of Dollars in FY 2012-13	Change from FY 2011-12
■ Sales and Use Tax	\$44.7	8.5%
■ Other Taxes and Fees	\$10.4	0.7%
■ Property Taxes	\$1.0	1.9%
Total	\$56.0	6.8%

**Detail may not add up to total due to rounding*

Taxes and Fees Administered by the California State Board of Equalization, FY 2012-13, (publication 41), accompanies this report and lists revenues and other comparative information in a convenient chart format.

The entire BOE Annual Report including publication 41, plus more than 40 detailed statistical tables are available online at www.boe.ca.gov.



Sales and Use Tax Revenues

Legislation was enacted in 2012 to increase the state sales tax rate to 0.25 percent. California sales and use tax revenue totaled \$44.7 billion in FY 2012-13, an *increase* of 8.5 percent from the \$41.2 billion total in FY 2011-12.

We believe in enforcing a level playing field for businesses throughout the state. Use tax creates fairness between businesses that pay taxes in California and those out-of-state businesses that do not. The BOE continues its outreach efforts to educate the public about use tax on purchases from out of state.

In FY 2012-13, we continued to try to reduce noncompliance with the Agricultural Inspection Stations, U.S. Customs, [Qualified Purchasers Program](#), and [In-State Service Business Program](#), as well as an enhancement to the Collection Program. The cumulative results of these programs generated \$184.8 million in revenue for California.

We also work closely with other state and federal agencies to administer the use tax due on nondealer sales of vehicles, vessels, aircraft, and mobile homes. In FY 2012-13, revenues totaled \$514.8 million, including:

- \$485.9 million collected by the Department of Motor Vehicles ([DMV](#))
- \$25.6 million collected by the BOE
- \$3.3 million collected by the Department of Housing and Community Development ([HCD](#))

As of June 30, 2013, BOE had 928,778 sales and use tax permits representing 1,164,146 business locations that were operating with a valid permit.

FY 2012-13 SALES AND USE TAX REVENUES*



	Billions of Dollars in FY 2012-13	FY 2011-12	Change from FY 2011-12
State General	\$21.1	\$19.2	9.4%
Bradley-Burns	\$5.8	\$5.3	9.2%
Special Districts	\$5.0	\$4.6	9.2%
Local Revenue	\$2.9	\$2.7	7.1%
Local Public Safety	\$2.9	\$2.7	7.1%
Local Revenue Fund 2011	\$5.5	\$5.2	5.1%
Fiscal Recovery	\$1.4	\$1.3	7.3%
Total	\$44.7	\$41.2	8.5%

*Detail may not add up to total due to rounding

Property Tax Revenues

The BOE oversees the assessment practices of the state's 58 county assessors, who are charged with establishing values for approximately 13 million assessments each year. Property taxes raised more than \$49.9 billion for local governments during FY 2012-13, an *increase* of 1.8 percent from the previous year's total of \$49 billion. County-assessed property values *rose* \$188 billion during FY 2012-13 to reach \$4.5 trillion for the 2013-14 tax year.

In 2013, the BOE set the values of state-assessed properties, primarily privately-owned public utilities and railroads, at \$90.8 billion for the 2013-14 roll. This was a \$3.7 billion *increase* from FY 2012-13 values.

General Property Taxes

The BOE assesses some public utility and other specified properties. Revenues allocated to California counties produced an estimated \$966 million in local property tax revenues for the state's 58 counties in FY 2012-13.

The BOE develops property tax assessment policies and informational materials to guide county assessors and local assessment appeals boards. In FY 2012-13, we issued 11 Assessment Practices Survey reports of local assessor's offices. We also provided a number of services to the county assessors and the public including issuing 94 letters to the assessors, reviewing 1,140 exemption certificate claims and issuing 680 property tax exemption certificates. Our Legal Entity Ownership Program discovered 1,132 changes in control and ownership, resulting in the reassessment of 3,982 parcels owned by the entities.

In FY 2012-13, the BOE reviewed 5.5 million homeowners' exemption claims, saving the state \$1.7 million.

County-assessed property values for the 2013-14 roll increased 4.3 percent from the previous year. This follows a 1.4 percent increase for FY 2012-13. This increase in growth is the result of an improving economy, rising home prices, and additional construction. *It is the fastest increase since 2008-09.*

Private Railroad Car Tax

Private railcar owners pay the private railroad car tax on railcars operated in California. For 2013-14, the Board-adopted assessed value for private railroad cars totaled \$754 million. The total assessed value reflects the application of an 80.46 percent assessment ratio as required by the Federal Railroad Revitalization and Regulatory Reform Act. The estimated private railroad car tax revenue for the state's FY 2013-14 General Fund is \$8.4 million.

Timber Yield Tax

Timber owners pay the 2.9 percent timber yield tax based on the immediate harvest value of trees harvested for wood products. Revenues are returned to the counties where the timber was harvested. Calendar year 2012 revenues totaled \$8.2 million.

Timber harvest volume increased from 1.30 billion board feet in 2011 to 1.31 billion board feet in 2012. The total value of the year's harvest decreased to \$267.4 million. The number of registered timber owners decreased from 1,451 active program registrants at the end of June 2012 to 1,433 active program registrants as of June 30, 2013. Thirty timber owners paid approximately 84 percent of the tax collected in 2012.

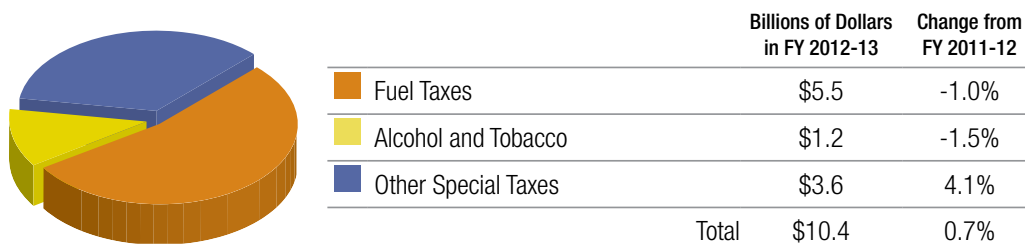
Special Taxes and Fees Revenues

In cooperation with other state agencies, we administer many of the special tax and fee programs. These programs fund efforts to protect our pristine beaches, majestic coastlines, and stately forests. Revenues from the insurance tax, the alcoholic beverage tax, and a portion of the cigarette tax receipts are allocated to the General Fund to support public safety and health and social services programs. Other special taxes and fees fund specific state services from highway construction to recycling programs.

In FY 2012-13, BOE special tax and fee program revenues totaled \$10.4 billion, an *increase* of 0.7 percent from FY 2011-12. Of the \$10.4 billion total revenue generated through the special tax and fee programs, fuel taxes totaled \$5.5 billion, while alcohol and tobacco taxes totaled approximately \$1.2 billion.

More than 274,062 special tax and fee program returns were filed with the BOE in FY 2012-13.

FY 2012-13 SPECIAL TAXES AND FEES REVENUES*



*Detail may not add up to total due to rounding

For more detailed information about any of our tax and fee programs, please see *Taxes and Fees Administered by the California State Board of Equalization FY 2012-13*, [publication 41](#). It can be found at www.boe.ca.gov.

SUPPORTING OUR COMMUNITIES

In cooperation with other state agencies, the BOE helps to protect our natural resources, maintain our roads and highways, promote public safety, support social welfare programs, and provide health care services. Together, we are supporting our communities and funding a better quality of life.



Protecting the Environment

Natural resources management programs protect and restore our state's diverse natural resources for current and future generations. These programs include our state parks, impressive coastlines and lakes, spectacular forests, vast fish and wildlife habitats, rich farmlands, and mineral resources.

Programs funding these environmental endeavors include:

• California Tire Fee	\$ 52.0
• Electronic Waste Recycling Fee	\$ 86.9
• Energy Resources Surcharge	\$ 71.7
• Fire Prevention Fee	\$ 75.2
• Hazardous Substances Taxes and Fees	\$ 72.6
• Integrated Waste Management Fee	\$ 40.9
• Lumber Products Assessment Fee	\$ 14.6
• Marine Invasive Species Fee	\$ 4.5
• Oil Spill Prevention and Administration Fee	\$ 31.3
• Timber Yield Tax	\$ 7.9
• Underground Storage Tank Maintenance Fee	\$314.9
• Water Rights Fee	\$ 13.6

Dollar figures expressed in millions unless otherwise stated.



Helping Social Welfare Programs

Social welfare and human services programs provide essential medical and dental services, and provide access to critical care programs promoting health, well-being, and the ability to function in society.

Programs funding these activities include:

- Alcoholic Beverage Tax*
\$ 356.6
- Childhood Lead Poisoning Prevention Fee
\$ 24.3
- Cigarette and Tobacco Products Licensing Program
\$ 1.7
- Cigarette and Tobacco Program
\$781.4
- Insurance Tax*
\$ 2.1 billion
- Natural Gas Surcharge
\$ 647.5
- Occupational Lead Poisoning Prevention Fee
\$ 3.2
- Private Railroad Car Tax*
\$ 7.9

*Funds are distributed to the General Fund and allocated for use by the Governor and Legislature. This is an example of how these funds may be used.



Meeting Transportation Needs

Transportation programs create, maintain, and strengthen our public roads and freeways, airports, seaports, and mass transit systems throughout California.

Programs funding these transit needs include:

- Aircraft Jet Fuel Tax
\$ 2.6
- Diesel Fuel Tax
\$327.2
(includes revenue from the International Fuel Tax Agreement [IFTA] and Interstate User Tax)
- Motor Vehicle Fuel Tax
\$ 5.2 billion



Supporting Public Safety Services

Public safety programs place law enforcement officers on our streets and highways, in our towns and in our cities, prevent crime, and provide emergency services such as 911.

Programs funding these public safety activities include:

- Bradley-Burns Uniform Local Sales and Use Tax
\$ 5.8 billion
- Emergency Telephone Users Surcharge
\$ 79.2

Dollar figures expressed in millions unless otherwise stated.

PROVIDING FOR OUR LOCAL GOVERNMENTS

In 2012-13, the BOE collected and allocated the one percent Bradley-Burns Uniform Local Sales and Use Tax for all California cities and counties. For each sale, 0.25 percent of the local tax collected was allocated to the county where the sale occurred for local transportation projects. The remaining 0.75 percent local tax was allocated to the county or an incorporated city, generally depending on the location of the sales negotiations.

The next page shows a sampling of counties throughout California and the money distributed to them by the BOE.

● Humboldt County Total	\$13,402,335	● Santa Clara County Total	\$274,180,364
City of Eureka	\$6,794,374	City of San Jose	\$117,563,868
● Shasta County Total	\$19,838,036	● Fresno County Total	\$91,399,804
City of Redding	\$15,196,080	City of Fresno	\$53,645,530
● Butte County Total	\$20,495,636	● Kern County Total	\$108,528,613
City of Chico	\$12,785,274	City of Bakersfield	\$51,699,062
● Nevada County Total	\$8,349,908	● Los Angeles County Total	\$1,022,661,344
City of Truckee	\$2,248,287	City of Los Angeles	\$339,192,206
● Placer County Total	\$53,765,463	● San Bernardino County Total	\$223,249,187
City of Roseville	\$31,533,684	City of San Bernardino	\$20,397,228
● Sacramento County Total	\$145,563,842	● Orange County Total	\$418,356,844
City of Sacramento	\$47,235,437	City of Anaheim	\$46,352,031
● Contra Costa County Total	\$105,816,399	● Riverside County Total	\$216,388,091
City of Concord	\$19,267,406	City of Riverside	\$35,928,517
● Alameda County Total	\$191,873,720	● San Diego County Total	\$359,965,188
City of Oakland	\$33,543,807	City of San Diego	\$173,662,567
■ City and County of San Francisco	\$121,829,795		

For more details on your city or county, please see [Statistical Tables 21A-21C](#) on our website.





REACHING OUT TO OUR BUSINESS PARTNERS

We work with businesses to ensure they pay no more and no less than they should.

We emphasize accurate and complete recordkeeping.

We help businesses stay current with the newest information about taxes and fees.

Our goal is to educate businesses so they can thrive and succeed.

We offer a variety of resources and assistance.

In-Person Services

- **Customer Service Center: 1-800-400-7115 or TTY:711**

You can receive customized assistance from our Customer Service Center. Our representatives are available to assist you with general tax assistance from 8:00 a.m. to 5:00 p.m., (Pacific time), except state holidays.

- **Classes, Seminars, and Presentations**

Keeping up with changing tax laws can be challenging for any business. The BOE offers in-person training to help you stay informed.

In FY 2012-13, we offered:

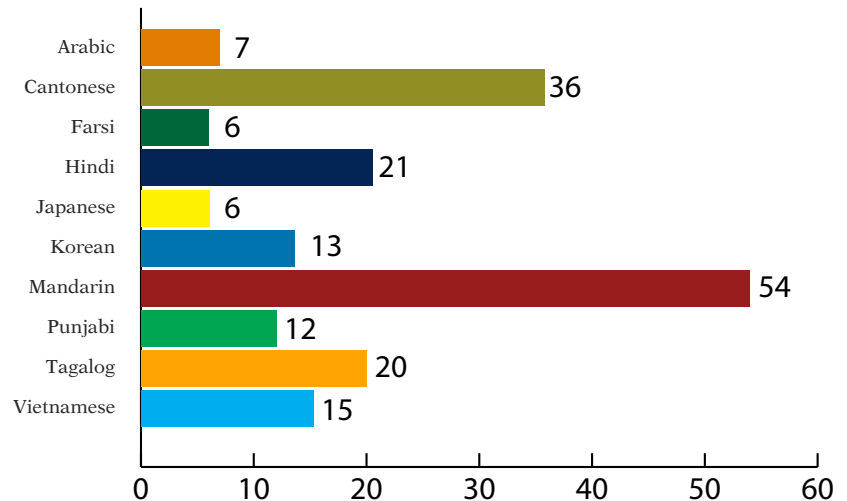
- o 90 [Basic Sales and Use Tax](#) Classes
- o 75 Translated Basic Sales and Use Tax Classes
- o 67 [Tax Return Preparation](#) Classes
- o 6 [Online Filing](#) Classes
- o 25 [Business Seminar](#) Days
- o 6 [Nonprofit and Exempt Organization](#) Seminars
- o 10 Volunteer Income Tax Assistance (VITA) Events
- o 14 [Cigarette and Tobacco Retail Sales](#) Classes

- **Interpreter Services**

The BOE provides interpreter services at our offices and Board hearings when requested. We have 550 interpreters fluent in 42 languages and dialects, and offer interpretation in American Sign Language.

We also have nearly 300 translators fluent in Spanish to help those who need assistance. See the accompanying bar chart for a sampling of translators of other languages available to assist our customers.

Available BOE translators able to assist



In FY 2012-13, the Customer Service Center received approximately 677,440 calls.

Online Services

- **Industry Tax Guides**

We are committed to helping all California businesses and individuals comply with our state’s complicated and ever-changing tax laws. As part of that effort, we launched our [Industry Guides Series](#) on our website. These tax guides provide a one-stop-shop for business owners and operators looking for information on key tax issues relevant to their business.

- **Social Media—“Connect with Us”**

The BOE launched a social media package in FY 2012-13 which enhanced our ability to communicate our activities with the public.

- **Popular Online Tutorials**

In FY 2012-13, we added the tutorial, [Underground Storage Tank Permit Verification](#), for owners of underground storage tanks to our website.

- **Webinars and Self-Paced Learning Sessions for Appraisers**

Continued development and implementation of online training for appraisers expanded by implementing the following:

- o **Webinars**—In partnership with the California Assessors’ Association (CAA), BOE developed and presented three workshops on open-space properties, assisted the CAA in broadcasting webinars on hotel valuation, golf course valuation, and change in ownership, furthering the BOE’s goal of providing mandatory training at a cost savings to the BOE and county assessors’ staff.
- o **Self-Paced Learning Sessions**—BOE developed a new type of appraiser training where learning is provided through structured reading and illustrated examples combined with student performed exercises to ensure comprehension of material presented. We posted the [Valuation of Personal Property and Fixtures](#) to the BOE website in FY 2012-13.

- **Centralized Revenue Opportunity System**

The Centralized Revenue Opportunity System (CROS) will update BOE’s computer systems, expanding online services to California businesses. It will also improve BOE’s internal processes, resulting in more efficient customer service. The new system will help close the tax gap, which BOE anticipates will result in an annual net increase of \$200 million. In FY 2012-13, BOE prepared a comprehensive Request for Proposal to solicit the expertise of a contractor to help build the system. The BOE expects development to begin during the first quarter of 2015.

*Our website
tutorials were
viewed 4,386,434
times in
FY 2012-13.*

- **Feedback Is Important**

We want to know how we can improve your experience. Through responses to our surveys, we can gauge customer satisfaction. We are proud to serve you! In FY 2012-13, the Sales and Use Tax Department received over 9,200 survey responses, in which over 99.3 percent of the respondents were pleased with the overall process and services provided by our staff.

Taxpayers' Rights Advocate Assistance

The Taxpayers' Rights Advocate (TRA) is committed to resolving taxpayer complaints or problems when normal channels do not work. In FY 2012-13, the TRA helped 972 business owners and individuals resolve their issues. More information can be found in the *Taxpayers' Rights Advocate's Property and Business Taxes Annual Report*, available on our website.

- **Legal Assistance through the Tax Appeals Assistance Program**

The Tax Appeals Assistance Program (TAAP), managed by the TRA, makes available free legal assistance from law students to low-income individuals with certain types of income tax and consumer use tax appeals of less than \$20,000. Legal assistance is also available for appeals of Cigarette and Tobacco Licensing Act violations.

In FY 2012-13, TAAP:

- o Informed 872 individuals that they may qualify for the program,
- o Accepted 284 cases into the program, and
- o Resolved 234 cases.



ENCOURAGING VOLUNTARY COMPLIANCE

Statewide Compliance and Outreach Program

As a way to educate the business community at large about their tax responsibilities, we established the Statewide Compliance and Outreach Program, known as **SCOP**. The SCOP representatives conduct door-to-door visits to nonresidential businesses to verify they hold the required state tax and fee permits and licenses and answer any questions the business owner might have. These representatives also contact business owners by phone. SCOP representatives from eight statewide teams visited or contacted 72,679 businesses during FY 2012-13. Of those businesses, 1,121, or approximately 1.5 percent, were found to be operating without a valid seller's permit. In addition, 2,121 sublocations were added to existing permits, which ensures proper tax allocation for local governments. SCOP's contacts also generated 18,411 account record updates, and approximately \$86 million in revenue, an increase of \$8.1 million from the prior fiscal year.



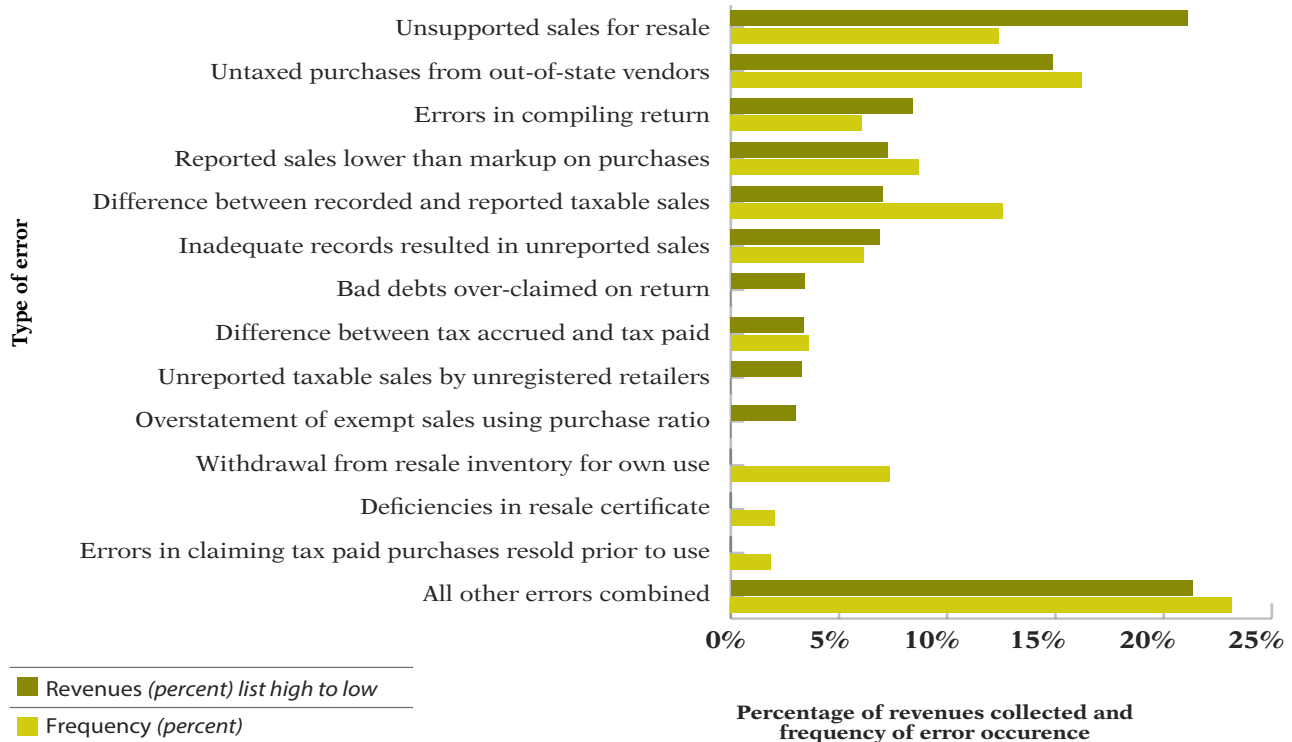
Compliance

Online information and free tax seminars offered by the BOE encourage voluntary compliance and inform business owners about their responsibilities. BOE staff members also assist business owners in interpreting tax laws and regulations and collect outstanding tax amounts. In FY 2012-13, the BOE collected more than \$984 million in delinquent sales and use taxes.

However, there are those who erroneously fail to comply with the state's tax laws in reporting and paying the correct amount of tax due.

To comply with requirements of the Taxpayers’ Bill of Rights, the BOE annually identifies the areas of the Sales and Use Tax Law where taxpayer noncompliance is highest and classifies the types of businesses making errors.

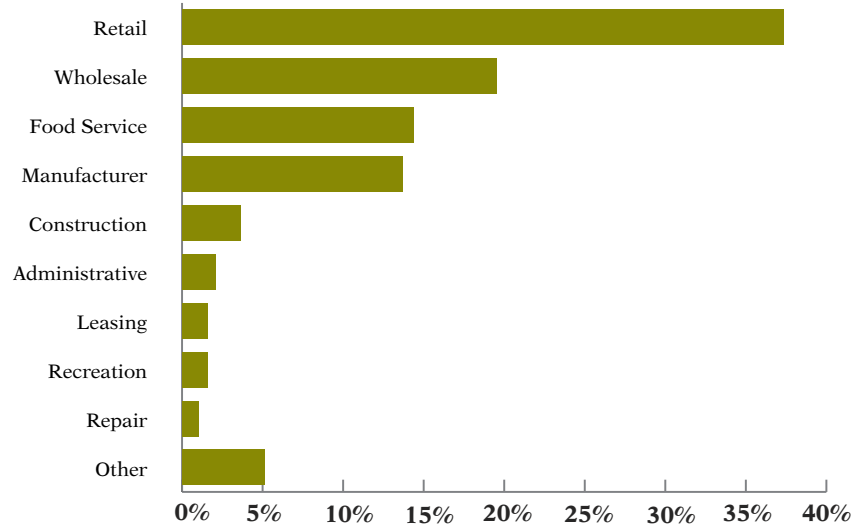
Top Ten Areas of Noncompliance by Revenues Collected and Frequency



The category of *Unsupported sales for resale* was the most costly and the third most frequent category of taxpayer noncompliance, representing one in eight taxpayer errors. This area of noncompliance comprised 21 percent of all net sales and use tax audit deficiencies (less refunds) totaling more than \$111 million in unpaid tax.

Untaxed purchases from out-of-state vendors was the second most costly and the most frequent type of error, representing almost one in six taxpayer errors. This noncompliance category accounted for more than 14 percent of all net sales and use tax audit deficiencies (less refunds), totaling more than \$78 million in unpaid tax.

**Noncompliance by NAICS* Industry Class
Percentage of Revenues Collected**



*NAICS—North American Industry Classification System

*In FY 2012-13, LPOs:
Conducted 10,673
Inspections
Issued 293
Civil and Criminal
Citations
Executed 313
Seizures of
Contraband
Cigarette and
Tobacco Products.*

The BOE maintains an effective audit program to ensure that businesses accurately report neither more nor less tax than required. The program audits one percent of active accounts each year, concentrating on those considered most likely to be inaccurate in their tax reporting. In FY 2012-13, the sales and use tax audit program disclosed net deficiencies of more than \$528 million. Taxpayers received more than \$155 million in sales and use tax audit refunds.

The BOE protects honest businesses against those that are not compliant with tax laws or engage in tax evasion. BOE investigators with Limited Peace Officer (LPO) status are authorized to inspect, seize illegal product, and issue civil and misdemeanor citations to those in violation of the state’s cigarette and tobacco products tax laws. LPOs also make field calls to businesses that continue to operate with revoked seller’s permits. Such site visits give business owners a final opportunity to comply voluntarily.

Appeals Process

The BOE plays a significant role as the appellate body for the review of property, business, and income tax determinations. Our Members hear appeals from taxpayers regarding:

- Sales and Use Taxes
- Certain Special Taxes and Fees
- State-Assessed Property Values
- Corporation Tax and Personal Income Taxes
- Timber Tax
- Welfare Exemption Claim Denials

In FY 2012-13, taxpayers filed 44 property tax appeals with the BOE:

- 43 Petitions from State-Assessed Public Utilities
- 1 Private Railroad Car Company

Although a majority of cases are resolved at the department level, the Board Members hear appeals from taxpayers who disagree with decisions regarding how much sales and use tax and special taxes and fees they owe.

In FY 2012-13, taxpayers filed the following appeals with the BOE:

- 1,296 Sales and Use Tax Appeals
- 90,874 Special Tax and Fee Appeals*
- 565 Consumer Use Tax Appeals

In FY 2012-13, the BOE received 981 appeals filed under the Corporation Tax Law and the Personal Income Tax Law. The Board issued 242 decisions, considering 35 of the cases at oral hearings and deciding the remaining appeals based upon a review of the written record. Of the 242 decisions, 21 were petitions for rehearing.

Settlement and Offer in Compromise Programs

The BOE offers a settlement program when appropriate for certain tax and fee disputes. In FY 2012-13, staff settled 372 cases for a total settlement amount of \$77.08 million. This included 356 sales and use tax cases for a settlement amount of \$73.40 million, and 16 special taxes or fees cases for a settlement amount of \$3.68 million.

BOE also provides an “[offer in compromise](#)” program for certain tax and fee final liabilities. In FY 2012-13, the Board approved 216 offers in compromise.

*During FY 2012-13, the BOE received 474 Water Rights appeals and 2 Childhood Lead Poisoning and Prevention Fee appeals. The [State Water Resources Control Board](#) is responsible for decisions related to the Water Rights appeals; the [California Department of Public Health](#) is responsible for decisions related to Childhood Lead Poisoning and Prevention Fee appeals. The [California Department of Forestry and Fire Protection \(CAL FIRE\)](#) is responsible for decisions relating to the Fire Prevention Fee appeals which numbered 90,081 in FY 2012-13. The remaining 317 appeals are related to other special tax and fee programs.



CHANGING LAWS AND REGULATIONS

Regulations

The following list summarizes the Board's adoption, amendment, and repeal of property tax rules, sales and use tax regulations, and special taxes and fees regulations that became effective during FY 2012-13. Please visit www.boe.ca.gov for more information about these rules and regulations.

Property Tax

- Rule [101](#), *Board-Prescribed Exemption Forms*
- Rule [171](#), *Board-Prescribed Report Forms and Property Statements*
- Rule [252](#), *Content of Assessment Roll*
- Rule [263](#), *Roll Corrections*
- Rule [313](#), *Hearing Procedure*
- Rule [321](#), *Burden of Proof*
- Rule [1045](#), *Administration of the Annual Racehorse Tax*

Sales and Use Tax

- Regulation [1618](#), *United States Government Supply Contracts*
- Regulation [1620](#), *Interstate and Foreign Commerce*
- Regulation [1684](#), *Collection of Use Tax by Retailers*
- Regulation [2000](#), *Retailer Reimbursement Retention*

Special Taxes and Fees

- Motor Vehicle Fuel Tax Regulation [1105](#), *Tax-Paid Fuel and Ex-Tax Fuel*
- Motor Vehicle Fuel Tax Regulation [1120](#), *Returned Sales*
- Motor Vehicle Fuel Tax Regulation [1132](#), *Shipments Out of the State*
- Motor Vehicle Fuel Tax Regulation [1161](#), *Tax Paid Twice on Motor Vehicle Fuel*
- Underground Storage Tank Maintenance Fee Regulation [1205](#), *Feepayer; Rebuttable Presumption*
- Underground Storage Tank Maintenance Fee Regulation [1212](#), *Liability for Fee*
- Underground Storage Tank Maintenance Fee Regulation [1271](#), *Records*
- Diesel Fuel Tax Regulation [1435](#), *Tax Paid Twice on Diesel Fuel*
- Diesel Fuel Tax Regulation [1436](#), *Returned Sales*
- Integrated Waste Management Fee Regulation [3301](#), *Records*

The following regulations were repealed in FY 2012-13:

- Alcoholic Beverage Tax Regulation [2558](#), *Distilled Spirits*
- Alcoholic Beverage Tax Regulation [2558.1](#), *Wine*
- Alcoholic Beverage Tax Regulation [2559](#), *Presumption-Distilled Spirits*
- Alcoholic Beverage Tax Regulation [2559.1](#), *Rebuttable Presumption-Distilled Spirits*
- Alcoholic Beverage Tax Regulation [2559.3](#), *Internet List*
- Alcoholic Beverage Tax Regulation [2559.5](#), *Correct Classification*

The Board did not adopt, amend, or repeal any administrative regulations during FY 2012-13.

Legislation

The following list summarizes the legislation that impacts programs administered by the BOE during FY 2012-13:

Property Taxes

- *Possessory Interests in State Parks*
Assembly Bill 1589, Chapter 533, Statutes of 2012, effective January 1, 2013
- *Co-tenancy Change in Ownership Exclusion*
Assembly Bill 1700, Chapter 781, Statutes of 2012, effective September 29, 2012, but operative January 1, 2013

- *Floating Home Marina Change in Ownership Exclusion*
Assembly Bill 2046, Chapter 817, Statutes of 2012, effective September 30, 2012
- *Welfare Exemption—Natural Lands Conservation Management*
Assembly Bill 2207, Chapter 863, Statutes of 2012, effective September 30, 2012

Sales and Use Tax

- *Local Government Finance—“Triple Flip” Clarification*
Assembly Bill 92, Chapter 26, Statutes of 2013, effective June 27, 2013
- *Bulk Sales Threshold—Coins and Bullion*
Assembly Bill 843, Chapter 184, Statutes of 2012, effective January 1, 2013
- *Lumber Products Assessment*
Assembly Bill 1492, Chapter 289, Statutes of 2012, effective September 11, 2012, but operative January 1, 2013
- *Publication of BOE Decisions*
Assembly Bill 2323, Chapter 788, Statutes of 2012, effective January 1, 2013
- *Auto Auction Resales*
Assembly Bill 2618, Chapter 756, Statutes of 2012, effective September 29, 2012
- *Medi-Cal Managed Care Plans*
Senate Bill 78, Chapter 33, Statutes of 2013, effective June 27, 2013, but the imposition of the sales tax is contingent upon specified federal participation and approval.
- *California Alternative Energy and Advanced Transportation Financing Authority Exclusion—Advanced Manufacturing*
Senate Bill 1128, Chapter 677, Statutes of 2012, effective January 1, 2013
- *BOE-sponsored—Offers in Compromise Repeal Date Extension*
Senate Bill 1548, Chapter 285, Statutes of 2012, effective January 1, 2013

Special Taxes and Fees

- *Bunker Fuel Exemption*
Senate Bill 1243, Chapter 293, Statutes of 2012, effective September 11, 2012
- *Cigarette and Tobacco Products Licensing Act—Tobacco Sales to Minors*
Assembly Bill 1301, Chapter 335, Statutes of 2012, effective January 1, 2013
- *Lumber Products Assessment*
Assembly Bill 1492, Chapter 289, Statutes of 2012, effective September 11, 2012, but operative January 1, 2013
- *Publication of BOE Decisions*
Assembly Bill 2323, Chapter 788, Statutes of 2012, effective January 1, 2013
- *Insurance Tax—Medi-Cal Managed Care Plans*
Senate Bill 78, Chapter 33, Statutes of 2013, effective June 27, 2013
- *BOE-sponsored—Offers in Compromise Repeal Date Extension*
Senate Bill 1548, Chapter 285, Statutes of 2012, effective January 1, 2013

Court Decisions

The following list summarizes the court decisions impacting the BOE during FY 2012-13

California Court of Appeal Decisions

- *California State Teachers' Retirement System v. County of Los Angeles (2013)* 216 Cal.App.4th 41
Government Code section 7510, subdivision (b)(1) is facially unconstitutional because it violates the constitutional prohibition on assessing property taxes on publicly-owned real property and on assessing property in excess of its fair market value.
- *Sky River LLC v. County of Kern (2013)* 214 Cal.App.4th 720
The tax assessor converted taxpayer's discount rate from an after-tax rate to a before-tax rate incorrectly by using an estimated average income tax rate that included income taxes paid to other states rather than the typical potential purchaser's expected combined California and federal marginal income tax rate.
- *NetJets Aviation, Inc. v. Guillory (2012)* 207 Cal.App.4th 26
Property tax assessment imposed on managers of fractionally-owned aircraft is constitutional and lawful, but may not be applied retroactively.

HISTORY OF THE BOARD OF EQUALIZATION

Created in 1879 by a constitutional amendment, the BOE was initially responsible for ensuring that county property tax assessment practices were equal and uniform throughout California.

The BOE began to levy four new taxes, including insurance and corporate franchise taxes in 1911, to produce revenue for services throughout our state.

The BOE assumed the responsibility for administering the new sales tax in 1933, created as a result of the tremendous drop in property tax revenues caused by the Great Depression, and began collecting the new use tax in 1935.

Currently, the BOE administers the state's sales and use, fuel, alcohol, tobacco, and other taxes and collects fees that fund specific state programs in addition to property taxes and fees.

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California State Board of Equalization

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TAXES AND FEES ADMINISTERED* BY THE CALIFORNIA STATE BOARD OF EQUALIZATION, FY 2012-13

TAX PROGRAM	YEAR ¹ STARTED	WHAT IS TAXED	WHO PAYS: NUMBER OF REGISTRANTS AS OF JUNE 30, 2013	TAX RATE	FY 12-13 REVENUES/ CHANGE FROM FY 11-12	FUND ALLOCATION (HOW FUNDS ARE USED)	
PROPERTY TAXES							
Private Railroad Car Tax	1938	Assessed value of private railcars operated within California	Railcar owners: 225	1.108% of assessed value	\$7.9 million -1.9%	General Fund	
Timber Yield Tax	1977	Timber harvested for forest products	Timber owners: 1,433	2.9% of immediate harvest value	\$7.9 million -2.5%	Distributed to counties where timber was harvested	
SALES AND USE TAXES							
Sales and Use Tax (SUT)	Sales tax- 1933 Use tax- 1935	Sales of merchandise or goods; use, storage, or other consumption of property when sales tax not applicable	Retailers of merchandise or goods; purchasers, under certain circumstances: 928,778, representing 1,164,146 business locations	Of the 7.5% uniform statewide rate, 6.5% represents sales and use tax	\$21.1 billion +9.4%	3.9375% General Fund (effective 7-2011)	
					\$5.5 billion +5.1%	0.25% Education Protection Account	
					\$2.9 billion +7.1%	1.0625% Local Revenue Fund 2011 (effective 7-2011)	
					\$2.9 billion +7.1%	0.50% Local Revenue Fund	
					\$1.4 billion +7.3%	0.50% Local Public Safety Fund	
Bradley-Burns Uniform Local Sales and Use Tax	1956	Same as Sales and Use Tax above	Same as Sales and Use Tax above	Of the 7.5% uniform statewide rate, 1% represents the local portion	\$5.8 billion +9.2%	0.75% County and incorporated city general funds 0.25% County transportation funds	
District Transactions and Use Tax	1970	See above; applies to transactions within special tax districts and certain shipments into them	Same as Sales and Use Tax above	Ranges from 0.1% to 1% per tax	\$5.0 billion +9.2%	Special tax districts (for example, transportation, hospitals, schools, libraries, open space, other)	
SPECIAL TAXES AND FEES							
Alcoholic Beverage Tax	1933	Sale of alcoholic beverages	Persons manufacturing, selling, or importing alcoholic beverages: 7,197	(All rates per gallon) Distilled spirits 100 proof or lower – \$3.30 over 100 proof – \$6.60 Beer and wine – \$0.20 Champagne and sparkling wine – \$0.30	\$356.6 million +3.0%	General Fund (for example, education, public safety, health and social services programs, resource management, other)	
California Tire Fee	1991	New tires purchased from a retailer	Retailers selling new tires; purchasers under certain circumstances: 13,793	\$1.75 per tire	\$52.0 million +6.1%	California Tire Recycling Management Fund for recycling, disposal, and reuse of used tires; Air Pollution Control Fund for mitigation of air pollution from used tires	
Childhood Lead Poisoning Prevention Fee	1993	Motor vehicle fuel; architectural coatings; lead releases into California air	The petroleum industry, the architectural coatings industry, and facilities reporting releases of lead into the air: 986	Re-established each reporting year by the Department of Public Health	\$24.3 million +21.2%	Childhood Lead Poisoning Prevention Fund to support lead poisoning prevention program for children	
Cigarette and Tobacco Programs	Cigarette and Tobacco Products Licensing	2004	The activity of selling cigarettes and tobacco products in California requires licensing of manufacturers, distributors, wholesalers, importers, and retailers of cigarette and tobacco products	Cigarette and tobacco products manufacturers and importers: 119; cigarette and tobacco products distributors: 540; cigarette wholesalers: 384; and cigarette retailers: 36,980	Sellers of cigarettes and tobacco products must be licensed. License fees depend on type(s) of product or activity. For more information, see www.boe.ca.gov/sptaxprog/tax_rates_stfd.htm#4	\$1.7 million +2.4%	Cigarette and Tobacco Products Compliance Fund for tobacco sales licensing, inspection, and related activities
	Cigarettes	1959	Cigarette distributions	Cigarette manufacturers: 28; Cigarette distributors: 86; Cigarette consumers who buy directly from out-of-state vendors: 90	87¢ per pack	\$787.3 million -3.7%	2¢ Breast Cancer Fund 10¢ General Fund 25¢ Special Fund 1—see below 50¢ Special Fund 2—see below
	Tobacco Products	1989	Distribution of tobacco products, including cigars, chewing tobacco, pipe tobacco, and snuff	Tobacco products distributors: 533; Tobacco products manufacturers and importers: 83; Tobacco products wholesalers: 256	30.68% of wholesale cost (effective 7-1-2012)	\$82.5 million 2.6%	Special Fund 1: 35% hospital services, 20% health education, 10% physician services, 5% research, 5% public resources, 25% not allocated Special Fund 2: Early childhood development, 20% state, 80% counties
Diesel Fuel Tax	1995	Diesel fuel upon distribution, importation into the state, or sale	Suppliers of diesel fuel: 246; Other accounts: 33,205	10¢ per gallon	\$327.2 million -11.0%	Highway Users Tax Account to construct and maintain public roads and mass transit systems	
Motor Carrier Office	International Fuel Tax Agreement (IFTA) Interstate User Tax	1995	Diesel fuel used to operate qualified motor vehicles on California highways	Motor carriers who use diesel fuel in interstate operations: 21,495 ²	44.5¢ per gallon (effective 1-2013)	\$78.2 million -1.3% Included with revenue for diesel fuel	Highway Users Tax Account to construct and maintain public roads and mass transit systems
	Use Fuel Tax	1937	Vehicular use of liquid natural gas, compressed natural gas (CNG), and certain other fuels	Owners and operators of vehicles powered by covered fuels, use fuel vendors: 1,117	6¢ – 18¢ per gallon of fuel (varies by type), 7¢ per 100 cubic feet of CNG, or annual fee based on vehicle weight	Included with revenue for diesel fuel	Highway Users Tax Account to construct and maintain public roads and mass transit systems
Aircraft Jet Fuel Tax	1969	Sales of jet fuel	Jet fuel dealers: 218	2¢ per gallon	\$2.6 million +4.3%	State Transportation Fund, Aeronautics Account for airport programs	
Motor Vehicle Fuel Tax	2002 ³	Gasoline upon distribution, importation into the state, or sale	Gasoline suppliers: 140; Other accounts: 154	36.0¢ per gallon (effective 7-1-2012)	\$5.2 billion -0.3%	State Transportation Fund to construct and maintain public roads and mass transit systems	
Electronic Waste Recycling Fee	2005	Certain new or refurbished televisions, computer monitors, laptop computers, and other devices (referred to as Covered Electronic Devices [CEDs])	Retailers of new or refurbished CEDs, purchasers under certain circumstances: 11,655	Fee ranges from \$3.00 to \$5.00 imposed on the retail sale to consumers depending on the viewable size of the video display, measured diagonally (effective 1-1-2013)	\$86.9 million -21.2%	Electronic Waste and Recovery Recycling Account funds electronic waste recycling programs that, over time, will reduce the amount of hazardous waste in landfills	
Emergency Telephone Users Surcharge	1977	Charges for intrastate telephone communication and Voice over Internet Protocol (VoIP) services that provide access to the 911 emergency system	Telephone users, paid through telephone service suppliers: 549	0.50% of charges for services	\$79.2 million -5.0%	State Emergency Telephone Number Account for local entities operations of the 911 emergency system	
Energy Resources Surcharge	1975	Use of electricity	Electrical energy consumers and utilities: 140	\$.00029 per kilowatt hour (twenty-nine hundredths of a mill)	\$71.7 million -3.4%	Energy Resources Programs Account funds ongoing energy programs and projects	
Fire Prevention Fee	2011	Habitable structures located on property in areas where the state is financially responsible for the prevention and suppression of wildfires (State Responsibility Area—SRA)	Owners of habitable structures located within the SRA: 806,394	\$150 per habitable structure (Owners of habitable structures within boundaries of a local agency providing fire protection receive a \$35 reduction per habitable structure)	\$75.2 million N/A	State Responsibility Area Fire Prevention Fund supports fire prevention activities	
Hazardous Substances Tax Law	Activity Fee	1989	Applications and modification requests for hazardous waste permits	Registration varies annually and is supplied by DTSC	Varies according to activity requested	\$0.4 million -10.4%	Hazardous Waste Control Account for regulation of hazardous waste management
	Disposal Fee	1985	Hazardous waste disposed of by depositing on, or into, land	Hazardous waste disposal facilities: 9	Rates per ton vary, depending on waste category, volume, and disposal method	\$3.7 million -18.3%	Hazardous Waste Control Account for regulation of hazardous waste management
	Environmental Fee	1989	Activity by certain types of organizations	Businesses and organizations with at least 50 employees, in industry groups that use, generate, store, or conduct activities relating to hazardous materials: 49,872	\$297 – \$14,117 per year, based on the number of workers employed in California more than 500 hours annually (effective 1-1-2013)	\$42.3 million +1.4%	Toxic Substances Control Account for cleanup of contaminated sites
	Facility Fee	1986	Storage, treatment, or disposal of hazardous waste	Hazardous waste facilities: 184	Varies according to size and type of facility	\$4.7 million -7.9%	Hazardous Waste Control Account for regulation of hazardous waste management
	Generator Fee	1986	Generation of hazardous waste at a specific site	Generators of hazardous waste who have not paid a facility fee: 6,003	\$209 – \$83,460 per year, based on the amount of waste generated (effective 1-1-2013)	\$21.5 million -7.8%	Hazardous Waste Control Account for regulation of hazardous waste management
Insurance Tax	1911	Gross premiums, ocean marine insurance underwriting profits, title insurance company income	Insurance companies: 2,079 Surplus line brokers: 587	5.00% ocean marine 2.35% all others	\$2.1 billion +3.8%	General Fund	
Integrated Waste Management Fee	1989	Disposed waste, by volume	Solid waste landfill operators and wood waste facility operators: 165	\$1.40 per ton—solid waste \$0.75 per ton—wood waste	\$40.9 million +0.3%	Integrated Waste Management Account for landfill-related environmental programs	
Lumber Products Assessment	2013	Purchases of lumber products and engineered wood products for use in California	Person purchasing lumber or engineered wood products; collected from purchaser by retailers: 20,841	1% assessment on purchases of lumber products and engineered wood products for use in California, based on the selling price of the products	\$14.6 million N/A	Timber Regulation and Forest Restoration Fund for the regulation and care of the state's forests	
Marine Invasive Species Fee	2000	Ships with ballast water entering California from outside a defined coastal zone	Owners and operators of vessels entering California ports: 4,939	\$850 per qualifying vessel voyage	\$4.5 million +3.7%	Marine Invasive Species Control Fund to support a program that addresses the introduction of non-native aquatic species into the state's waters	
Natural Gas Surcharge	2001	Natural gas used by customers of a public utility gas corporation or interstate pipeline	Gas utility companies: 31 Gas consumers: 17	Varies, depending on utility's service area and program costs	\$647.5 million +2%	Gas Consumption Surcharge Fund for Programs for low-income assistance, energy conservation, and related purposes	
Occupational Lead Poisoning Prevention Fee	1991	Industrial activity by employers in certain industrial classifications	Employers with 10 or more employees in industries with documented evidence of potential occupational lead poisoning: 11,571	\$305 – \$3,494 per year, based on the number of workers employed and industrial classification (effective 1-1-2013)	\$3.2 million +1.7%	Occupational Lead Poisoning Prevention Account to support lead poisoning prevention program	
Oil Spill	Oil Spill Prevention and Administration Fee	1991	Crude oil and petroleum products received at marine terminals in California or moved through pipelines in marine waters in California	Marine pipeline operators; owners of crude oil and petroleum products received at marine terminals: 46	6.5¢ per barrel (effective 1-2012)	\$31.3 million +10.4%	Oil Spill Prevention and Administration Fund to support oil spill prevention programs and studies of spill effects, prevention, and response
	Oil Spill Response Fee	1991	Petroleum products received at marine terminals, moved through pipelines in marine waters, or received at refineries in California	Owners of petroleum products received at marine terminals, marine pipeline operators, oil refineries: 27	25¢ per barrel	No fees collected in 2012-13; \$50 million Oil Spill Response Trust Fund is at maximum	Oil Spill Response Trust Fund pays for response to and clean-up of marine oil spills; related wildlife care; spill-related damages
Underground Storage Tank Maintenance Fee	1989	Storage of petroleum products in underground tanks	Owners of underground fuel storage tanks: 7,882	2.0¢ per gallon	\$314.9 million -0.6%	Underground Storage Tank Clean-Up Fund to ensure clean-up of leaking underground petroleum storage tanks	
Water Rights Fee	2004	Applications for, and annual renewals of, water rights permits and licenses	Holders of, and applicants for, water rights permits and licenses: 13,083	Set each reporting period See www.boe.ca.gov/sptaxprog/tax_rates_stfd.htm#17	\$13.6 million +3.6%	Water Rights Fund for operation of the State Water Resources Control Board's Division of Water Rights	

* The Board has oversight of local property tax assessments through its County Assessment Standards Program, values public utilities and specific properties within its State-Assessed Property Program, and is responsible for reviewing Publicly-Owned Property Assessment disputes.

¹ Start may have been calendar year or fiscal year.² Figure includes IFTA and Interstate Use Fuel User entities.³ Originally the Motor Vehicle Fuel License Tax, implemented in 1941.