

ANNUAL REPORT

FY 2013-14

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 the Annual Report of the Board of Equalization (BOE) for the fiscal year ended June 30, 2014.

The team here at the BOE is clearly focused on its mission, which is to *serve the public through fair, effective and efficient tax administration*, as we collect and distribute revenues to support state and local government public services.

We are pleased to report that during this period the BOE generated \$60.4 billion, representing more than 30 percent of all state revenue for the fiscal year. Our total cost for all operations was \$578 million, which amounts to only 93 cents for every \$100 of revenue collected.

We at the Board of Equalization are proud to serve the great State of California and to make voluntary compliance with California's tax laws as easy as possible.

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 board 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 tax values 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. The Board meets monthly.

STRENGTHENING CALIFORNIA TOGETHER

We are committed to strengthening California communities. We partner 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 collected and distributed \$60.4 billion in FY 2013-14, revenue 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 state-assessed property values as required by law
- Educating and assisting taxpayers and fee payers 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

As you drive down our roads, enjoy our parks, or seek help from law enforcement, remember that your experiences are possible because of the revenue the BOE collects and distributes from your contributions.

HIGHLIGHTING OUR ACCOMPLISHMENTS

Business operations are becoming more complex and taxpayers need tax compliance to become simpler and more convenient. The BOE is responding by continually expanding its online services and tax education opportunities. We continue to enhance the accuracy and consistency of our tax oversight functions, thereby helping to maintain a level playing field for California businesses.

During FY 2013-14, the Board Members voted to end security deposit requirements for many businesses. Existing accounts in good standing had their security deposits released and most taxpayers are no longer required to post a deposit at the time of registration. The BOE released more than 9,500 deposits totaling over \$95 million. This is one example of minimizing the tax compliance burden while also facilitating growth opportunities for California businesses.

A few of our accomplishments for the year are highlighted below.

Online License Renewals. Cigarette and tobacco retailers, distributors, wholesalers, manufacturers, importers, and International Fuel Tax Agreement motor carriers can renew their license online.

Online Payment Agreement. Any taxpayer with an outstanding liability may request a payment plan online. Requests that meet established guidelines are automatically approved.

New Tax Rate Lookup Tool. The BOE, in conjunction with the California Technology Agency, integrated Geospatial Information System (GIS) data to create a new tax rate lookup tool on the BOE website. This service allows taxpayers to determine the correct sales and use tax rate for a given address.

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

BOE Website Redesign. The BOE website was redesigned (based on user surveys and taxpayer input) with a new look and feel, and a more user-centric layout. The new website launched in August 2013, and received the first place Award of Excellence from the California Association of Public Information Officials (CAPIO).

Online Training. The BOE made Certified Public Accountant (CPA) online training available to CPAs that helps satisfy their continuing professional education requirement.

New Industry Specific Tax Guides Created. The BOE created 17 new guides to help businesses voluntarily comply with their industry specific tax responsibilities.

Automated Calls Using Proactive Outreach Manager (POM). A new automatic dialing system makes outbound calls to taxpayers with a delinquency history, reminding them of the approaching due dates to file returns.

Improvements in Delinquency/Revocation Process. The process, which complements timely online filing, provides more alerts to taxpayers before returns are due and notifies delinquent taxpayers.

Use Tax Outreach. In FY 2013-14, BOE contacted high income Californians to help them understand how use tax applies to certain purchases. This effort generated more than \$4.3 million in use tax payments.

Managed Audit Program. Expanded the program, which generated \$21.1 million in revenue, and saved taxpayers \$1.8 million in interest.

CONTRIBUTING TO OUR QUALITY OF LIFE

The BOE collected more than 30 percent of state revenues, benefiting our communities and funding hundreds of state and local government programs and services, including:

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



A photograph of a man with glasses and a red shirt leaning over a desk, smiling as he helps two young girls with their schoolwork. The girl on the left is wearing a blue shirt and holding a yellow pencil, while the girl on the right is wearing a pink shirt. They are looking at a notebook on the desk.

REINVESTING IN OUR COMMUNITIES

The BOE generated more than \$60.4 billion for California, an increase of 7.9 percent from \$56 billion in FY 2012-13.

SUMMARY OF REVENUES

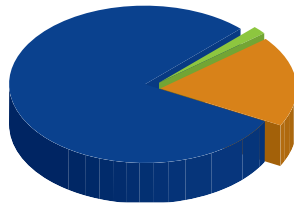
Tax/Fee	2013-14	Yr-to-Yr Chg	2012-13
Alcoholic Beverage Taxes	\$354,315,000	-0.6%	\$356,551,000
Cigarette and Tobacco Products Taxes	839,712,000	-3.7%	871,533,000
Energy Resources Surcharge Fund	72,033,000	0.5%	71,673,000
Environmental Taxes and Fees:	738,835,000	2.7%	719,416,000
California Tire Recycling Management	52,994,000	1.9%	51,983,000
Childhood Lead Poisoning Prevention	21,794,000	-10.4%	24,321,000
Electronic Waste Recovery and Recycle	57,615,000	-33.7%	86,890,000
Hazardous Substances Taxes and Fees	78,553,000	8.3%	72,534,000
Integrated Waste Management	43,276,000	5.8%	40,911,000
Marine Invasive Species Control	4,205,000	-7.1%	4,526,000
Occupational Lead Poisoning Prevention	3,057,000	-4.7%	3,207,000
Oil Spill Prevention and Administration	31,057,000	-0.9%	31,337,000
State Responsibility Area Fire Prevention	143,500,000	90.8%	75,202,000
Underground Storage Tank Fee	289,197,000	-8.2%	314,880,000
Water Rights Fund	13,589,000	-0.3%	13,625,000
Fuel Taxes and Fees	6,122,710,000	10.6%	5,536,122,000
Gas Consumption Surcharge Fund	539,741,000	-16.6%	647,505,000
Insurance Taxes and Fees	2,156,114,000	4.5%	2,063,818,000
Property Taxes:	1,016,442,000	3.5%	981,682,000
Local Taxes on State-Assessed Properties	998,800,000	3.4%	965,940,000
Private Car Tax	8,529,000	8.1%	7,886,000
Timber Yield Tax	9,113,000	16.0%	7,855,000
Sales and Use Taxes and Fees:	48,487,497,000	8.5%	44,679,961,000
Retail Sales Tax	48,006,801,000	7.4%	44,679,961,000
City and County Taxes	4,639,502,000	6.1%	4,373,939,000
County Transportation Tax	1,524,349,000	4.5%	1,458,207,000
Fees	13,684,000	7.4%	12,741,000
Fiscal Recovery Fund Sales Tax	1,531,735,000	6.1%	1,443,966,000
Local Revenue Fund 2011	5,884,731,000	6.7%	5,516,137,000
Local Revenue Fund State Sales Tax	3,102,388,000	6.4%	2,916,188,000
Public Safety Fund Sales Tax	3,102,391,000	6.4%	2,916,186,000
Special District Taxes	5,676,806,000	13.9%	4,986,206,000
State Taxes	22,531,214,000	7.0%	21,056,390,000
Children's Health and Human Services Special Fund	480,697,000	NA	-
State Emergency Telephone Number Account	85,224,000	7.7%	79,152,000
Timber Regulation and Forest Restoration Fund	35,440,000	142.1%	14,637,000
Total Revenues	\$60,448,064,000	7.9%	\$56,022,049,000

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

FUNDING THE PRESENT AND THE FUTURE

The revenue we collect and distribute is crucial to maintaining state and local government programs that benefit our communities today and in the future. In FY 2013-14, we collected \$60.4 billion in revenue, an *increase* of \$4.4 billion from what was collected in FY 2012-13. For more details on revenue generated by the BOE, please see [Statistical Tables 1-37B](#) on our website, www.boe.ca.gov.

FY 2013-14 TOTAL BOE REVENUES*



	Billions of Dollars in FY 2013-14	Change from FY 2012-13
Sales and Use Tax	\$48.5	8.5%
Other Taxes and Fees	\$10.9	5.6%
Property Taxes	\$1.0	3.5%
Total	\$60.4	7.9%

*Detail may not add up to total due to rounding

Taxes and Fees Administered by the California State Board of Equalization, FY 2013-14, (publication 41), accompanies this report and lists all BOE tax and fee programs along with revenues in a convenient chart.

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

California retail sales and use tax revenue totaled \$48.5 billion in FY 2013-14, an increase of 8.5 percent from the \$44 billion total in FY 2012-13.

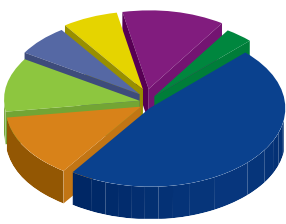
We believe in enforcing a level playing field for businesses throughout the state. Use tax creates fairness between businesses that pay tax on sales made in California and those out-of-state businesses which, without the use tax, would owe little or no tax on their sales to California customers. The BOE continues its outreach efforts to educate the public about use tax on purchases from out of state.

We 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 2013-14, revenues totaled \$572.7 million, including:

- \$539 million collected by the Department of Motor Vehicles (**DMV**)
- \$30.2 million collected by the BOE
- \$3.5 million collected by the Department of Housing and Community Development (**HCD**)

As of June 30, 2014, BOE had 942,098 sales and use tax permits representing 1,194,871 business locations.

FY 2013-14 SALES AND USE TAX REVENUES*



	Billions of Dollars in FY 2013-14	FY 2012-13	Change from FY 2012-13
State General	\$22.5	\$21.1	7.0%
Bradley-Burns	\$6.2	\$5.8	5.7%
Special Districts	\$5.7	\$5.0	13.9%
Local Revenue	\$3.1	\$2.9	6.4%
Local Public Safety	\$3.1	\$2.9	6.4%
Local Revenue Fund 2011	\$5.9	\$5.5	6.7%
Fiscal Recovery	\$1.5	\$1.4	6.1%
Medi-Cal Managed Care Plans	\$0.5	-	-
Total	\$48.5	\$44.7	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 nearly \$52.3 billion for local governments during FY 2013-14, an *increase* of 4.8 percent from the previous year's total of \$49.9 billion. County-assessed property values *rose* \$280 billion during 2013 to reach \$4.8 trillion for the 2014-2015 roll year.

In 2014, the BOE set the values of state-assessed properties, primarily privately-owned public utilities and railroads, at \$93.3 billion for the 2014 roll. This was a \$2.5 billion *increase* from 2013-2014 values.

General Property Taxes

The BOE assesses some public utility and other specified properties. Revenues allocated to California counties produced an estimated \$999 million in local property tax revenues for the state's 58 counties in FY 2013-14.

The BOE develops property tax assessment policies and informational materials to guide county assessors and local assessment appeals boards. In FY 2013-14, we issued 13 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 90 letters to the assessors, reviewing 1,803 exemption certificate claims and issuing 1,071 property tax exemption certificates. Our Legal Entity Ownership Program discovered 1,482 changes in control and ownership, resulting in the reassessment of 5,556 parcels owned by the entities.

County-assessed property values for the 2014 roll increased 6.2 percent from the previous year. This follows a 4.3 percent increase for 2013-2014. This increase in growth is the result of an improving economy, rising home prices, and additional construction. *It is the fastest increase since 2008-2009.*

Private Railroad Car Tax

Private railcar owners pay the private railroad car tax on railcars operated in California. For 2014-2015, the Board-adopted assessed value for private railroad cars totaled \$807 million. The total assessed value reflects the application of a 76.38 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 2014-15 General Fund is \$8.9 million.

County-assessed property values for the 2014 roll increased 6.2 percent from the previous year.

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 2013 revenues totaled \$8.2 million.

Timber harvest volume increased from 1.3 billion board feet in 2012 to 1.6 billion board feet in 2013. The total value of the year's harvest increased to \$315 million. The number of registered timber owners decreased from 1,433 active program registrants at the end of June 2013 to 1,387 active program registrants as of June 30, 2014. Thirty timber owners paid approximately 81 percent of the tax collected in 2013.

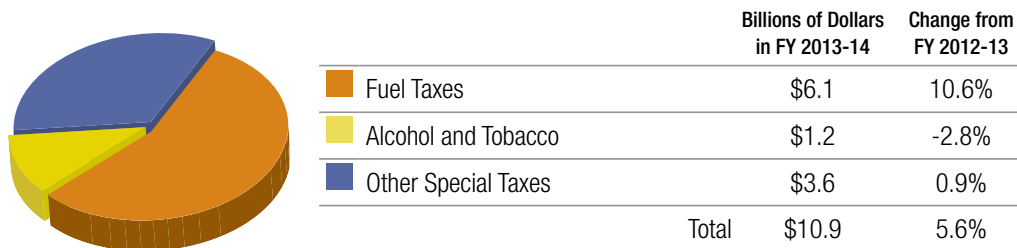
Special Taxes and Fees Revenues

In cooperation with other state agencies, we administer many of California's 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 2013-14, BOE special tax and fee program revenues totaled \$10.9 billion, an *increase* of 5.6 percent from FY 2012-13. Of the \$10.9 billion total revenue generated through the special tax and fee programs, fuel taxes totaled \$6.1 billion, while alcohol and tobacco taxes totaled approximately \$1.2 billion.

273,283 special tax and fee program returns were filed with the BOE in FY 2013-14.

FY 2013-14 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 2013-14*, [publication 41](#). It can be found at www.boe.ca.gov.

SUPPORTING OUR COMMUNITIES

In partnership with other state and local agencies, the BOE helps to protect our natural resources, maintain our roads and highways, promote public safety, support social services 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	\$ 53.0
• Electronic Waste Recycling Fee	\$ 57.6
• Energy Resources Surcharge	\$ 72.0
• Fire Prevention Fee	\$ 143.5
• Hazardous Substances Taxes and Fees	\$ 78.6
• Integrated Waste Management Fee	\$ 43.3
• Lumber Products Assessment Fee	\$ 35.4
• Marine Invasive Species Fee	\$ 4.2
• Oil Spill Prevention and Administration Fee	\$ 31.1
• Timber Yield Tax	\$ 9.1
• Underground Storage Tank Maintenance Fee	\$ 289.2
• Water Rights Fee	\$ 13.6

Dollar figures expressed in millions.



HELPING SOCIAL SERVICES PROGRAMS

Social 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*
\$ 354.3
- Childhood Lead Poisoning Prevention Fee
\$ 21.8
- Medi-Cal Managed Care Plans Sales Tax
\$ 480.7
- Cigarette and Tobacco Products Licensing Program
\$ 1.8
- Cigarette and Tobacco Program
\$ 837.9
- Insurance Tax*
\$ 2,156.1
- Natural Gas Surcharge
\$ 539.7
- Occupational Lead Poisoning Prevention Fee
\$ 3.1
- Private Railroad Car Tax*
\$ 8.5

**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
- Bradley-Burns County Transportation Tax
\$ 1,524.3
- Diesel Fuel Tax
\$ 356.7
(includes revenue from the International Fuel Tax Agreement [IFTA] and Interstate User Tax)
- Motor Vehicle Fuel Tax (Gasoline)
\$ 5,763.4



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 City and County Local Sales and Use Tax**
\$ 4,639.5
- Emergency Telephone Users Surcharge
\$ 85.2

Dollar figures expressed in millions.

***Funds are distributed to the city or county general fund. This is an example of how these funds may be used.*

FUNDING FOR LOCAL GOVERNMENTS

The BOE collects and allocates 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 funded local transportation projects in the county and the remaining 0.75 percent of the local tax was allocated to the county or an unincorporated city, depending on the place of sale.

Below is a sampling of counties and cities throughout California and the money distributed to them by the BOE.

● Humboldt County Total	\$18,741,288	● Santa Clara County Total	\$378,280,448
City of Eureka	\$7,138,255	City of San Jose	\$123,937,310
● Shasta County Total	\$27,924,352	● Fresno County Total	\$128,500,754
City of Redding	\$16,035,192	City of Fresno	\$55,937,708
● Butte County Total	\$29,070,466	● Kern County Total	\$154,065,707
City of Chico	\$13,553,222	City of Bakersfield	\$52,032,164
● Nevada County Total	\$11,788,562	● Los Angeles County Total	\$1,419,086,184
City of Truckee	\$2,454,179	City of Los Angeles	\$355,087,706
● Placer County Total	\$77,757,349	● San Bernardino County Total	\$313,622,712
City of Roseville	\$34,706,004	City of San Bernardino	\$22,131,222
● Sacramento County Total	\$202,994,192	● Orange County Total	\$584,522,456
City of Sacramento	\$48,903,499	City of Anaheim	\$50,738,966
● Contra Costa County Total	\$146,092,849	● Riverside County Total	\$305,507,901
City of Concord	\$20,714,285	City of Riverside	\$39,396,485
● Alameda County Total	\$273,673,968	● San Diego County Total	\$505,266,989
City of Oakland	\$34,985,955	City of San Diego	\$182,850,219
■ City and County of San Francisco	\$174,214,210		

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 latest information about our tax and fee programs.

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

We offer a variety of resources and assistance.



Telephone and In-Person Services

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

We provide customized assistance through our Customer Service Center. Our representatives are available to assist 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 2013-14, we offered:

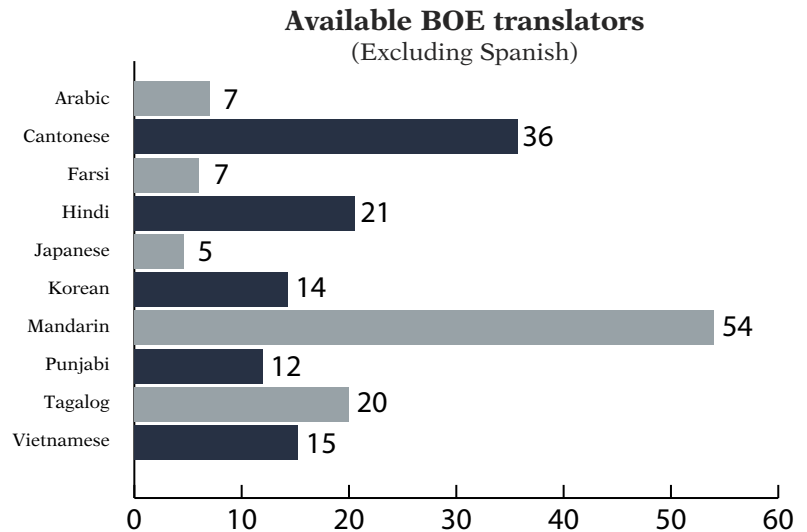
- o 112 **Basic Sales and Use Tax** Classes - English
- o 31 Translated Basic Sales and Use Tax Classes
- o 10 **Tax Return Preparation** Classes
- o 64 **Efiling Classes** (Online)
- o 37 **Small Business Tax Seminar** Days
- o 10 **Nonprofit and Exempt Organization** Seminars
- o 12 Volunteer Income Tax Assistance (VITA) Events
- o 8 **Cigarette and Tobacco Retailer Sales** Classes
- o 5 Telephone Townhalls and Webinars

- **Interpreter Services**

The BOE provides interpreter services at our offices and Board hearings when requested. We have 547 interpreters fluent in 40 languages and dialects, including American Sign Language.

We also have approximately 300 translators fluent in Spanish. This chart shows a sample of the available BOE translators.

In FY 2013-14, the Customer Service Center answered approximately 625,235 calls.



Online Services

- **Visit OPEN BOE Data Portal for financial information**

The BOE opened the door to a new way of accessing information with the launch of the OPEN BOE data portal in May 2014. OPEN BOE, [www.boe.ca.gov/ DataPortal/](http://www.boe.ca.gov/DataPortal/), consolidates a range of historical data, such as taxable sales in California as well as information on other tax and fee programs, some currently available on the BOE website.

OPEN BOE allows users to easily download or export the data into various formats, including charts and graphs. Users may view, export, redistribute, and republish this information. The data portal eases access to comprehensive tax, revenue, and expenditure data to the public. For example, media outlets, academic institutions, and local governments may use the portal for background, research, and planning, as well as for examining the BOE's activities and operations.

- **Geographic Information System (GIS) Tax Rate Lookup Tool**

The BOE, in conjunction with the California Technology Agency, used GIS data to create a tax rate lookup tool available to the public on the BOE website. This tool allows taxpayers to enter an address and receive the correct sales and use tax rate. Rate information is displayed on a map of California.

- **Automatic License Renewal for Cigarettes and International Fuel Tax Agreement (IFTA)**

Accounts registered under the Cigarette and Tobacco Licensing program are required to renew their license annually. The implementation of the Automatic License Renewal project allows cigarette and tobacco products wholesalers, distributors, manufacturers and importers as well as IFTA licensees to renew their licenses online.

- **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 expanded our [Industry Tax 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.

- **Feedback Is Important**

Through responses to our online surveys, we can gauge customer satisfaction. We are proud to serve you! In FY 2013-14, the Sales and Use Tax Department received over 9,765 survey responses, in which over 99.6 percent of the respondents were pleased with the overall process and services provided by our staff.

Our website tutorials were viewed 2,051,788 times in FY 2013-14.

Taxpayers' Rights Advocate Assistance

The Taxpayers' Rights Advocate (TRA) is responsible for resolving taxpayer complaints or problems when normal channels do not work. In FY 2013-14, the TRA helped 897 business owners and individuals resolve their issues. More information about the TRA's 2013-14 accomplishments, issues the TRA Office is working to resolve, and examples of cases illustrating services can be found in the *Taxpayers' Rights Advocate's Property and Business Taxes Annual Report*, available on our website. Also available on the TRA page of the website is helpful information on taxpayer rights, how to contact the Advocate, and the Taxpayers' Bill of Rights hearings.

- **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 sales and use tax responsible person billings and appeals of Cigarette and Tobacco Licensing Act violations.

In FY 2013-14, TAAP:

- o Informed 1,123 individuals that they may qualify for the program,
- o Accepted 327 cases into the program, and
- o Resolved 245 cases.



ENCOURAGING VOLUNTARY COMPLIANCE

Statewide Compliance and Outreach Program

To educate the business community 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 nine statewide teams visited or contacted 70,569 businesses during FY 2013-14. Of those businesses, 1,362, or approximately 1.93 percent, were found to be operating without a valid seller's permit. In addition, 2,794 sublocations were added to existing permits, which ensures proper tax allocation for local governments. SCOP's contacts also generated 20,305 account record updates, and approximately \$65.6 million in revenue, a decrease of \$20.2 million from the prior fiscal year.

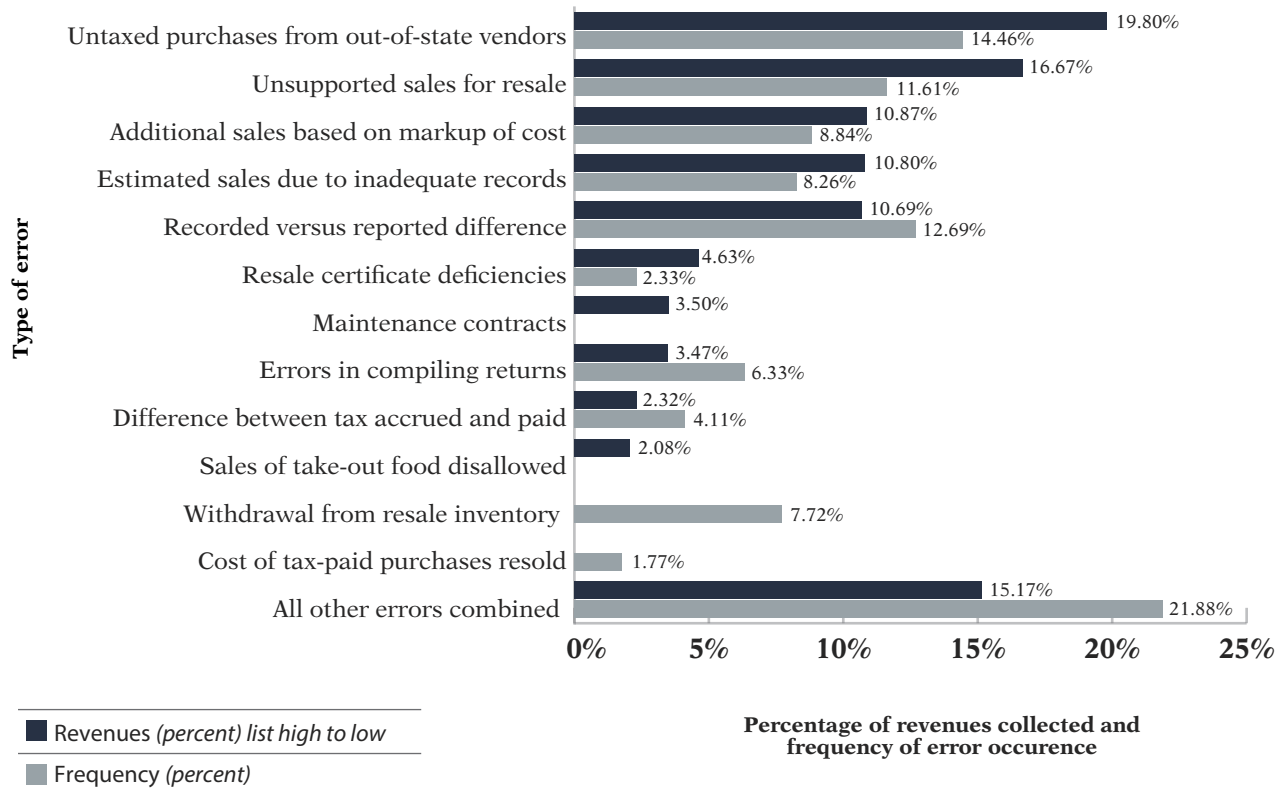


Compliance

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 2013-14, the BOE collected more than one billion dollars 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

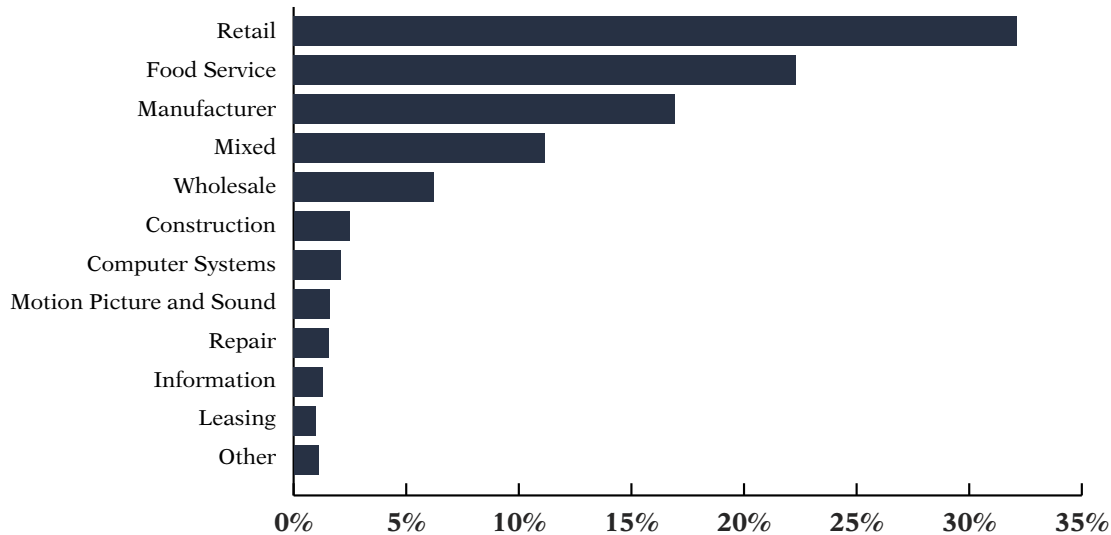


The category of *Untaxed purchases from out-of-state vendors* was the most costly and the most frequent category of noncompliance, representing one in seven taxpayer errors.

This area of noncompliance comprised nearly 20 percent of all net sales and use tax audit deficiencies (less refunds) totaling more than \$95 million in unpaid tax.

Unsupported sales for resale was the second most costly and the third most frequent type of error, representing almost one in eight taxpayer errors. This noncompliance category accounted for nearly 17 percent of all net sales and use tax audit deficiencies (less refunds), totaling more than \$80 million in unpaid tax.

Noncompliance by NAICS* Industry Class Percentage of Revenues Collected



*NAICS—North American Industry Classification System

In FY 2013-14, BOE Investigators:

- Conducted 10,539 Inspections
- Issued 246 Civil and Criminal Citations for Cigarette and Tobacco Product Violations
- Executed 221 Seizures of Contraband Cigarette and Tobacco Products.

The BOE maintains an effective audit program to ensure that businesses accurately report the correct amount of tax. We audit one percent of active accounts each year, concentrating on those most likely to be inaccurate in their tax reporting. In FY 2013-14, the sales and use tax audit program disclosed net deficiencies of more than \$520 million. Taxpayers received more than \$149 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 are authorized to conduct inspections, seize illegal product, and issue civil and misdemeanor citations to those in violation of the state’s cigarette and tobacco products tax laws. They also make field calls to businesses that continue to operate with revoked seller’s permits. Those 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 Board 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

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

In FY 2013-14, taxpayers filed the following appeals with the BOE:

- 1,379 Sales and Use Tax Appeals
- 43,482 Special Tax and Fee Appeals*
- 728 Consumer Use Tax Appeals
- 38 Petitions from State-Assessed Public Utilities

In FY 2013-14, the BOE received 1,350 appeals filed under the Corporation Tax Law and the Personal Income Tax Law. The Board issued 389 decisions, considering 37 of the cases at oral hearings and deciding the remaining appeals based upon a review of the written record. Of the 389 decisions, 38 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 2013-14, staff settled 483 cases for a total settlement amount of \$84.39 million. This included 447 sales and use tax cases for a settlement amount of \$82.49 million, and 36 special taxes or fees cases for a settlement amount of \$1.90 million.

BOE also provides an “[Offer in Compromise](#)” program for certain tax and fee final liabilities. In FY 2013-14, the Board approved 286 offers in compromise.

*During FY 2013-14, the BOE received 479 Water Rights appeals and one Childhood Lead Poisoning and Prevention Fee appeal. 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 42,865 in FY 2013-14. The remaining 137 appeals are related to other special tax and fee programs.

CHANGING LAWS AND REGULATIONS

Regulations

The following lists 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 2013-14. Please visit www.boe.ca.gov for more information about these [rules](#) and [regulations](#).

Property Tax

- Rule 263, *Roll Corrections*
- Rule 462.020, *Change in Ownership - Tenancies in Common*
- Rule 462.040, *Change in Ownership - Joint Tenancies*
- Rule 462.060, *Change in Ownership - Life Estates and Estates for Years*
- Rule 462.160, *Change in Ownership - Trusts*
- Rule 462.180, *Change in Ownership - Legal Entities*
- Rule 462.220, *Change in Ownership - Interspousal Transfers*
- Rule 462.240, *The Following Transfers Do Not Constitute a Change in Ownership*

Sales and Use Tax

- Regulation 1532, *Teleproduction or Other Postproduction Service Equipment*
- Regulation 1533.1, *Farm Equipment and Machinery*
- Regulation 1533.2, *Diesel Fuel Used in Farming Activities or Food Processing*
- Regulation 1534, *Timber Harvesting Equipment and Machinery*
- Regulation 1535, *Racehorse Breeding Stock*
- Regulation 1566.1, *Auto Auctions and Auto Dismantlers*
- Regulation 1598, *Motor Vehicle and Aircraft Fuels*
- Regulation 1642, *Bad Debts*
- Regulation 1685.5, *Calculation of Estimated Use Tax – Use Tax Table*
- Regulation 1703, *Interest and Penalties*

Repealed

The following regulations were repealed in FY 2013-14:

- Property Tax Rule 474, *Petroleum Refining Properties*
- Sales and Use Tax Regulation 1525.2, *Manufacturing Equipment*
- Sales and Use Tax Regulation 1525.3, *Manufacturing Equipment – Leases of Tangible Personal Property*

Special Taxes and Fees

- Lumber Products Assessment Regulation 2000, *Retailer Reimbursement Retention*
- Lumber Products Assessment Regulation 2001, *Additional Allowed Retailer Reimbursement Retention*
- Cigarette and Tobacco Products Licensing Act Regulation 4601, *Service of Notice*
- Cigarette and Tobacco Products Licensing Act Regulation 4603, *Penalties for Licensed or Unlicensed Retailers*
- Cigarette and Tobacco Products Licensing Act Regulation 4604, *Penalties for Licensed or Unlicensed Wholesalers and Distributors*
- Cigarette and Tobacco Products Licensing Act Regulation 4605, *Penalties for Licensed or Unlicensed Manufacturers and Importers*

Administrative

- Regulation 5000 et seq, *Rules for Tax Appeals*

Legislation

The following list summarizes the legislation that impacts programs administered by the BOE during FY 2013-14:

Property Taxes

- *Urban Agriculture Incentive Zones*
[Assembly Bill 551](#), Chapter 406, Statutes of 2013; effective January 1, 2014
- *Space Flight Exemption*
[Assembly Bill 777](#), Chapter 13, Statutes of 2014; effective April 29, 2014
- *Solar Energy Construction Exclusion*
[Senate Bill 871](#), Chapter 41, Statutes of 2014; effective June 20, 2014

Sales and Use Tax

- *Use Tax Exemption for Relocating Armed Forces Members*
Assembly Bill 143, Chapter 687, Statutes of 2013, effective October 10, 2013, operative April 1, 2014
- *Military Thrift Stores Exemption Extended*
Assembly Bill 163, Chapter 72, Statutes of 2013, effective August 12, 2013
- *Transactions and Use Tax – Alameda and Contra Costa Counties*
Assembly Bill 210, Chapter 194, Statutes of 2013, effective January 1, 2014
- *BOE-sponsored Revenue Recovery and Collaborative Enforcement Team Act*
Assembly Bill 576, Chapter 614, Statutes of 2013, effective January 1, 2014
- *BOE-sponsored Automated Sales Suppression Devices, Zappers, and Phantom-ware Prohibition*
Assembly Bill 781, Chapter 532, Statutes of 2013, effective January 1, 2014
- *Manufacturing and Research and Development Partial Exemption*
Senate Bill 90, Chapter 70, Statutes of 2013, effective July 11, 2013, operative July 1, 2014
- *BOE-sponsored - Taxpayers' Rights: BOE Collection Errors*
Senate Bill 442, Chapter 253, Statutes of 2013, effective January 1, 2014
- *Prepaid Sales Tax on Jet Fuel: Calculation*
Senate Bill 788, Chapter 523, Statutes of 2013, effective January 1, 2014

Special Taxes and Fees

- *California Tire Fee – Rate Extension*
Assembly Bill 8, Chapter 401, Statutes of 2013, effective September 28, 2013.
- *BOE-Sponsored Automated Sales Suppression Devices, Zappers, and Phantom-ware Prohibition*
Assembly Bill 781, Chapter 532, Statutes of 2013, effective January 1, 2014
- *BOE-Sponsored – Taxpayers' Rights: BOE Collection Errors*
Senate Bill 442, Chapter 253, Statutes of 2013, effective January 1, 2014.
- *Oil Spill Prevention and Administration Fee and Oil Spill Response Fee – Refinery and inland waters.*
- *Senate Bill 861*, Chapter 35, Statutes of 2014, effective June 20, 2014, but oil spill fees operative September 18, 2014.

Court Decisions

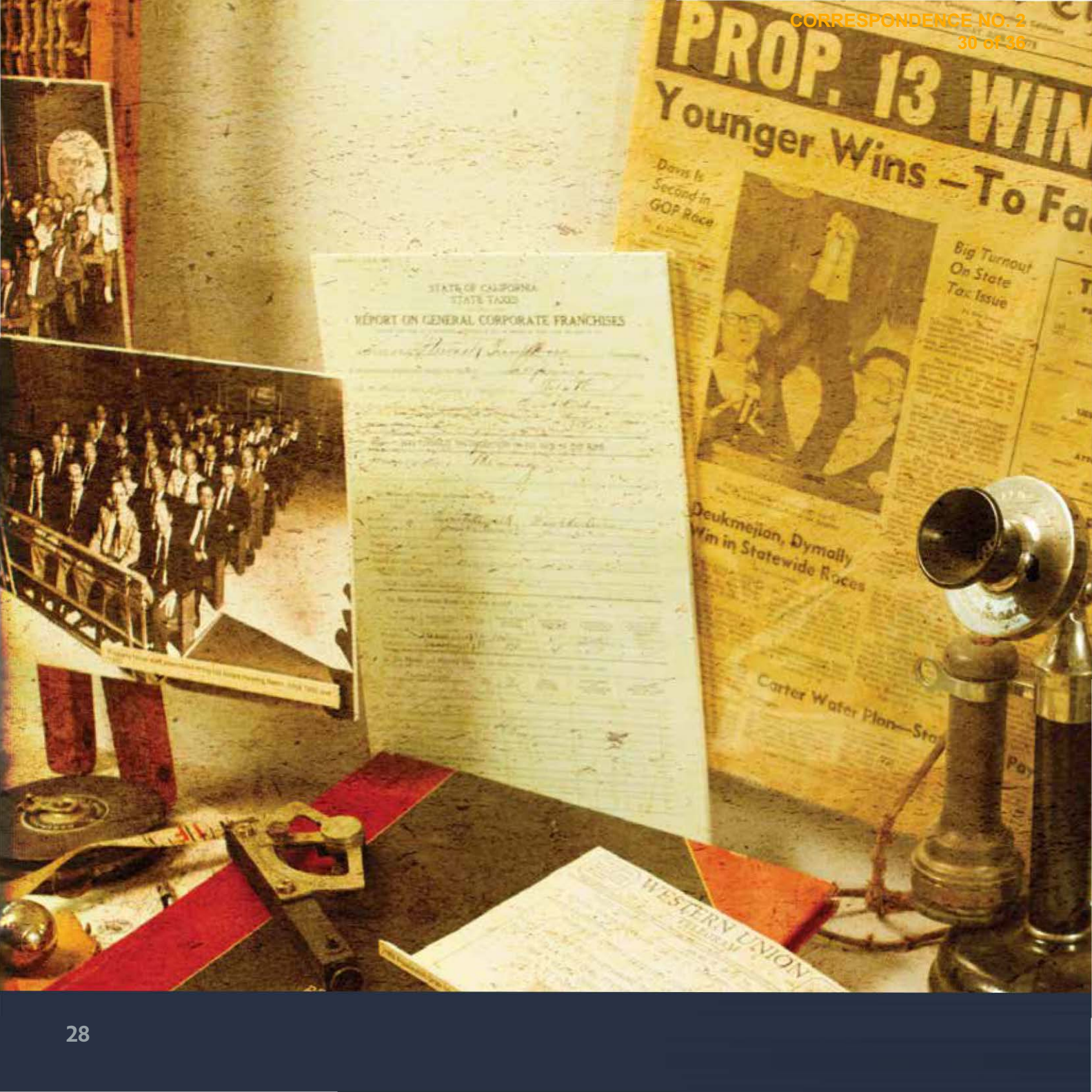
The following list summarizes the court decisions impacting the BOE during FY 2013-14:

California Court of Appeal Decisions

- *Benson v. Marin County Assessment Appeals Board* (2013) 219 Cal.App.4th 1445
A change in ownership occurred when the joint tenancy was terminated by the original transferor and a tenancy in common created.
- *Dreyer's Grand Ice Cream, Inc. v. County of Kern* (2013) 218 Cal.App.4th 828
Taxpayer was not entitled to a reduction in the value of the property, based on excess capacity or underutilization of the property, which the taxpayer claimed was the result of lack of market demand of the products produced by the equipment.

California Supreme Court Decisions

- *Loeffler, et al. v. Target Corporation* (2014) 58 Cal.4th 1081
The Revenue and Taxation Code provides the exclusive means by which plaintiffs' dispute over the taxability of a retail sale may be resolved, and the consumer protection statutes under which plaintiffs brought their action – California Unfair Competition Law (Bus. & Prof. Code, § 17200 et seq.) and California Consumer Legal Remedies Act (Civ. Code, § 1750 et seq.) – cannot be employed to avoid the limitations and procedures set forth in the Revenue and Taxation Code.
- *Elk Hills Power, LLC v. Board of Equalization* (2013) 57 Cal.4th 593
The site-specific adjustment for emission reduction credits (ERCs) must be removed from the base value of the power plant prior to assessment under the replacement cost approach, but under an income approach, no deduction was required absent evidence of a separate stream of income, attributable to the ERCs.
- *Western States Petroleum Association v. Board of Equalization* (2013) 57 Cal.4th 401
Property Tax Rule 474, *Petroleum Refining Properties*, which provides for the assessment of petroleum refinery property as a single appraisal unit for Proposition 8 decline-in-value purposes, was substantively valid but procedurally defective.



STATE OF CALIFORNIA
STATE TAXES
REPORT ON GENERAL CORPORATE FRANCHISES

Handwritten text and signatures on the report document.

PROP. 13 WIN
Younger Wins - To Face

Davis Is Second in GOP Race

Big Turnout On State Tax Issue



Deukmejian, Dymally Win in Statewide Races

Carter Water Plan - State

WESTERN UNION
TELEPHONE

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 tax laws, as well as fuel, alcohol, tobacco, and other special taxes and fees that fund specific state programs. In addition to administering key revenue programs, the BOE also plays a significant role in California property tax assessment and administration, and also acts as the appellate body reviewing actions of the Franchise Tax Board on personal income tax and corporation tax disputes.

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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 2013-14

TAX PROGRAM	YEAR ¹ STARTED	WHAT IS TAXED	WHO PAYS: NUMBER OF REGISTRANTS AS OF JUNE 30, 2014	TAX RATE	FY 13-14 REVENUES/ CHANGE FROM FY 12-13	FUND ALLOCATION (HOW FUNDS ARE USED)	
PROPERTY TAXES							
Private Railroad Car Tax	1938	Assessed value of private railcars operated within California	Railcar owners: 236	1.106% of assessed value	\$8.5 million +8.1%	General Fund	
Timber Yield Tax	1977	Timber harvested for forest products	Timber owners: 1,387	2.9% of immediate harvest value	\$9.1 million +16.0%	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: 942,098, representing 1,194,871 business locations	Of the 7.5% uniform statewide rate, 6.5% represents state sales and use tax	\$22.5 billion +7.0%	3.9375% General Fund	
					\$5.9 billion +6.7%	0.25% Education Protection Account (effective 1-2013)	
					\$3.1 billion +6.4%	1.0625% Local Revenue Fund 2011	
					\$3.1 billion +6.4%	0.50% Local Revenue Fund	
					\$1.5 billion +6.1%	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	\$6.2 billion +5.7%	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	\$5.7 billion +13.9%	Special tax districts (for example, transportation, hospitals, schools, libraries, open space, other)	
Medi-Cal Managed Care Plans Sales Tax	2013	Total amount received (gross receipts) in premium or capitation payments for the coverage or provisions of all health care services, including but not limited to Medi-Cal services.	Sellers of Medi-Cal managed care plans for the privilege of selling Medi-Cal related health care services at retail in California 24 Managed Health Care Providers 22 Active Managed Care Plans	3.9375% of Gross Receipts	\$480.7 million N/A	Children's Health and Human Services Special Fund for purposes of funding managed care rates for health care services	
SPECIAL TAXES AND FEES							
Alcoholic Beverage Tax	1933	Sale of alcoholic beverages	Persons manufacturing, selling, or importing alcoholic beverages: 7,768	(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	\$354.3 million -0.6%	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: 14,454	\$1.75 per tire	\$53.0 million +1.9%	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: 993	Re-established each reporting year by the Department of Public Health	\$21.8 million -10.4%	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: 123; cigarette and tobacco products distributors: 546; cigarette wholesalers: 375; and cigarette retailers: 37,001	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	\$1.8 million +7.4%	Cigarette and Tobacco Products Compliance Fund for tobacco sales licensing, inspection, and related activities
	Cigarettes	1959	Cigarette distributions	Cigarette manufacturers: 29; Cigarette distributors: 88; Cigarette consumers who buy directly from out-of-state vendors: 67	87¢ per pack	\$751.5 million -4.6%	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: 538; Tobacco products manufacturers and importers: 87; Tobacco products wholesalers: 258	29.82% of wholesale cost (effective 7-1-2013)	\$86.4 million 4.7%	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: 214; Other accounts: 32,117	\$0.10 per gallon	\$356.7 million +9.0%	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: 20,471 ²	\$0.453 per gallon (effective 7-1-2013)	\$83.6 million +6.9%	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: 1,112	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: 221	2¢ per gallon	\$2.6 million -3.2%	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: 142; Other accounts: 145	\$0.395 per gallon (effective 7-1-2013)	\$5.8 billion +10.7%	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: 12,685	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)	\$57.6 million -33.7%	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: 628	0.75% of charges for services (effective 1-1-2014)	\$85.2 million +7.7%	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: 158	\$0.00029 per kilowatt hour (twenty-nine hundredths of a mill)	\$72.0 million +0.5%	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: 796,356	\$152.33 (effective 7-1-2013) per habitable structure (Owners of habitable structures within boundaries of a local agency providing fire protection receive a \$35 reduction per habitable structure)	\$143.5 million 90.8%	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	\$0.2 million -49.5%	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: 8	Rates per ton vary, depending on waste category, volume, and disposal method	\$4.1 million +9.6%	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: 50,217	\$302 – \$14,363 per year, based on the number of workers employed in California more than 500 hours annually (effective 1-1-2014)	\$44.6 million +5.5%	Toxic Substances Control Account for cleanup of contaminated sites
	Facility Fee	1986	Storage, treatment, or disposal of hazardous waste	Hazardous waste facilities: 187	Varies according to size and type of facility	\$4.5 million -3.2%	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: 5,840	\$212 – \$84,920 per year, based on the amount of waste generated (effective 1-1-2014)	\$25.1 million +17.0%	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: 2,096 Surplus line brokers: 608	5.00% ocean marine 2.35% all others	\$2.2 billion +4.5%	General Fund	
Integrated Waste Management Fee	1989	Disposed waste, by volume	Solid waste landfill operators and wood waste facility operators: 161	\$1.40 per ton—solid waste \$0.75 per ton—wood waste	\$43.3 million +5.8%	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: 30,254	1% assessment on purchases of lumber products and engineered wood products for use in California, based on the selling price of the products	\$35.4 million 142.1%	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: 5,445	\$850 per qualifying vessel voyage	\$4.2 million -7.1%	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: 29 Gas consumers: 24	Varies, depending on utility's service area and program costs	\$539.7 million -16.6%	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: 11,588	\$310 – \$3,555 per year, based on the number of employees and industrial classification (effective 1-1-2014)	\$3.1 million -4.7%	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: 43	6.5¢ per barrel (effective 1-2012)	\$31.1 million -0.9%	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 2013-14; \$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: 8,012	\$0.014 per gallon (effective 1-1-2014)	\$289.2 million -8.2%	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: 13,074	Set each reporting period See www.boe.ca.gov/sptaxprog/tax_rates_stfd.htm#17	\$13.6 million -0.3%	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.