

**For Immediate Release**  
**December 30, 2013**

## **New Law to “Zap” Tax Evasion among State Tax Laws to Take Effect January 1, 2014**

**Sacramento** – New laws that take effect Jan. 1, 2014 give the California State Board of Equalization (BOE) new resources to fight the underground economy and protect taxpayers.

BOE-sponsored Assembly Bill 781 makes it a crime to buy, sell, install, or use “zappers.” This technology is used to hide or remove sales transactions and evade paying tax. Additionally, it defrauds the state and provides users an unfair advantage over taxpayers who comply with the law.

Another weapon against tax evasion is BOE-supported Assembly Bill 576, which creates the Revenue Recovery and Collaborative Enforcement (RRACE) Team, composed of the BOE, Franchise Tax Board (FTB), Employment Development Department (EDD), and the Department of Justice (DOJ). The bill authorizes the team and other agencies to exchange information and investigate underground operations.

The BOE also sponsored Senate Bill 442 which helps protect taxpayers’ rights by assuring taxpayers are notified timely of bank charges they may incur due to a BOE processing error. Taxpayers may file a reimbursement claim 90 days from the date a bank or third-party incurred the charge, and the BOE must respond within 30 days of the claim.

### **Other notable bills that affect taxpayers include:**

Assembly Bill 210, which extends the authority of Alameda County, and authorizes Contra Costa County to impose a countywide sales and use tax to fund transportation programs through December 21, 2020. The taxes may exceed the two percent state rate limitation that applies to other counties.

Senate Bill 90 grants a sales and use tax exemption for manufacturing and research and development equipment from July 1, 2014 – July, 1 2022. Manufacturers, researchers and developers of biotechnology, engineering, and life science will receive a 4.1875% sales and use tax exemption for qualifying purchases.

Assembly Bill 551 allows cities and counties to create Urban Agriculture Incentive Zones and offers landowners preferential property tax assessments if they use this land within a zone for “small-scale” agriculture.

For a complete list of BOE-sponsored legislation enacted in 2013, visit  
<http://www.boe.ca.gov/legdiv/leg2013cont.htm>

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The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects \$52.5 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit [www.taxes.ca.gov](http://www.taxes.ca.gov).

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**NOTE:** As a result of the Taxpayer Transparency and Fairness Act of 2017, the California Department of Tax and Fee Administration (CDTFA) replaced the Board of Equalization (BOE) as a participating member agency of TRaCE. Any reference to BOE herein or on the TRaCE website is deemed CDTFA.