
June 19, 2017

Honorable Edmund Brown, Jr.
Governor, State of California
State Capitol Building
Sacramento, CA 95814

Subject: AB 102 – The Taxpayer Transparency and Fairness Act of 2017
Comments

Dear Governor Brown:

MuniServices recognizes the need for State Board of Equalization (BOE) reform, particularly in response to the 2015 State Controller report findings that the BOE lacked internal controls and a misallocation of several different taxes, including sales tax, use taxes, and diesel fuel. Allocations of purely local revenues (Bradley-Burns, Transactions and Use Taxes and District Taxes) are not affected by the issues identified in the Controller's report.

MuniServices for nearly 40 years has worked *exclusively* as partner to California's local governments in developing thoughtful revenue enhancement programs that work in conjunction with existing public services. Our policy team, tax experts and counsel for decades have been active BOE regulatory stakeholders; we know this is where the 'rubber meets the road.'

Our focus with AB 102 is to assure that all local agencies continue to have the needed regulations and rules in place to ensure a process for ensuring local sales and use taxes are properly allocated and there is a process in place in cases when appeals become necessary. We actively participate in interested party meetings convened by the BOE staff for the drafting and adoption of any regulation involving or impacting our clients. We were a vocal advocate for our clients during the development of Regulation 1807 (Bradley Burns; Transactions and Use Tax) related to enhancing and expediting the appeals process for petitions for reallocation of local sales and use taxes. Our team provided extensive input for the adoption to the revisions to the Compliance Policy and Procedure Manual Chapter 9, related to local and district tax reallocations, including enhancements to the local tax reallocation process. We also assisted in the development and supported Regulation 1684 related to the collection of use taxes (Amazon). MuniServices in 2016 also led the regulatory efforts to implement AB 1717 (prepaid wireless collection mechanism) at the BOE.

We had expressed concern with respect to whether this issue should be considered as part of Budget package but note that in conversations with Leadership staff MuniServices had been given the assurance that should the measure be adopted that local governments will be granted the continuation of the tools and processes to protect local revenues. We look forward to our continued collaboration with the BOE, and the newly established Office of Tax Appeals and California Department of Tax Fee Administration should AB 102 become law. If you have any questions regarding MuniServices' comments please do not hesitate to contact me.

Sincerely,



Brenda Narayan, Director of Government Relations
916.261.5147 or brenda.narayan@muniservices.com

cc: Katie Kolitos, Assembly Speaker's Office
Genevieve Morelos, Consultant, Assembly Budget
Mark Ibele, Consultant, Senate Budget and Finance
Camille Wagner, Governor's Office