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# california state board of equalization guttled

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*MSK Client Alert*

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The Taxpayer Transparency and Fairness Act of 2017

Established by the California Constitution in 1879, the California State Board of Equalization (the "BOE") has been the agency charged with administering most of the taxes imposed by California. In addition, the BOE was the tribunal whose function was to decide taxpayer appeals of decisions by the California Franchise Tax Board (the "FTB") concerning income tax matters. All of this is about to change with the passage of AB 102. AB 102, which is named the "Taxpayer Transparency and Fairness Act of 2017" (the "Act"), was signed into law by Governor Brown on June 27th. The Act effectively cuts the legs out from underneath the BOE.

Background

In March of this year, the California Department of Finance issued a derisive report asserting that the BOE misallocated tax revenues, used BOE employees to assist elected BOE members with political activities, and attempted to improperly affect BOE audits. In response, and at the urging of the Governor, the Act was passed by the California Legislature.

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