

Federation of Tax Administrators

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News Release

for immediate release

WASHINGTON STATE DEPARTMENT OF REVENUE AND CALIFORNIA BOARD OF EQUALIZATION WIN FTA TAXPAYER SERVICE AND EDUCATION AWARD

(Washington , D. C., April 9, 2009) The Federation of Tax Administrators announced today that the Washington State Department of Revenue and the California Board of Equalization are co-winners of the 2009 Leon Rothenberg Award for Taxpayer Service and Education. Washington won for its Streamlined Sales Tax Initiative, a program to help businesses deal with a major change to the sales tax law. The Board of Equalization (BOE) was recognized for its Tax Appeals Assistance program that provides free legal assistance to qualifying taxpayers.

Judges said both deserved to win because “they took different approaches but both were very useful.”

The Leon Rothenberg Award is named for a long-time FTA Executive Director, and is made to state revenue departments for outstanding programs in taxpayer service and education.

Presentation of the awards will take place at the FTA Annual Meeting on June 1 in Denver, Colo. The winners also have been invited to make a presentation on their programs during the annual meeting.

Washington’s program was developed to help businesses deal with implementation of one of the most major tax law changes in the state’s history, a switch from a source-based sales tax to a destination-based sales tax system. The change meant retailers had to learn to apply a new state and local sales tax rate to each purchase, one that is determined by the buyer’s location when the goods are shipped or delivered.

To prepare for the shift, the Department of Revenue designed a “user-centered” process that began with a thorough survey to identify which businesses would be affected and to determine their special needs. The agency then formed stakeholder groups, who supplied additional insight. The agency then applied that knowledge to develop materials for more than 100 workshops.

It also built a comprehensive information website that included videos, tools and materials in foreign language. Other activities included new tools and one-on-one assistance.

The result: agency officials reported that the transition was a smooth one with no drop in their 97.5 percent compliance rate.

Judges were particularly pleased with the variety of tools the agency had created for businesses, such as offering city and county tax rates in downloadable formats (Excel, QuickBooks and PDF versions); an Excel workbook that displays tax rates, calculates totals and summarizes sales by city and county without needing an online connection; a customer database conversion service; an improved online tax rate lookup tool; and downloadable databases.

The BOE's Tax Appeals Assistance Program was created in 2006 within the Taxpayers' Rights Advocate Office to offer free legal assistance to qualifying taxpayers who are appealing decisions of the Franchise Tax Board, including denials of applications for Homeowner and Renter Property Tax Assistance and income tax disputes of less than \$20,000, if the dispute relates to penalties, federal actions, "California method," interest abatement, statutes of limitations and head of household issues.

Under the direction of senior BOE tax counsel, more than 30 qualified law students from five law schools in California provide support to taxpayers through the Tax Appeals Assistance Program. The program has assisted taxpayers with more than 380 appeals and successfully resolved more than 160 appeals without a formal Board of Equalization hearing because the taxpayer prevailed or agreed with the Franchise Tax Board's decision.

The Tax Appeals Assistance Program's participating law schools are the University of San Diego School of Law in San Diego, the Loyola University Law School in Los Angeles, the Chapman University School of Law in Orange, the University of the Pacific McGeorge School of Law in Sacramento and the Golden Gate University School of Law in San Francisco.

The entries were judged by an independent panel consisting of Rod Sterling of the Internal Revenue Service, George Guttman of the Government Accountability Office and Mark Gallagher of USAID's office of Fiscal Reform and Economic Governance.

The Federation of Tax Administrators is a nonprofit organization comprised of the tax and revenue departments of the 50 states, the District of Columbia, and New York City. Its mission is to improve the standards and methods of tax administration.

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