

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

01/12/2016

2. Department

Board of Equalization

3. Organizational Placement (Division/Branch/Office Name)

Business Tax and Fee Department

4. CEA Position Title

Deputy Director (CEA B), Business Tax and Fee Department

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

Deputy Director, Business Tax and Fee Department (BTFD), is responsible for planning, directing and organizing the activities involved in the collection of approximately \$59 billion dollars in tax and fee revenue generated by 37 tax and fee programs administered by the Board of Equalization (BOE) through this new department. The position sets statewide policy relative to the tax and fee programs, and represents the BOE with internal and external stakeholders. Responsibilities will include managing a budget of \$123,800,000 allocated to the department, and overseeing the activities of 1,038 authorized positions of which 73% represent professional level staff. The position is an existing CEA (B) at the BOE that is the Deputy Director of the Sales and Use Tax Department (SUTD); responsible for 5 sales and use tax programs. The BOE mission is to serve the public through fair, effective and efficient tax administration. The creation of this new department is consistent with the BOE's vision to restructure the organization to align functions more effectively to optimize its operations, enhance customer service, and encourage best practice sharing.

6. Reports to: (Class Title/Level)

Chief Deputy Director, CEA C

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain):

8. Organizational Level (Select one)

- 1st
- 2nd
- 3rd
- 4th
- 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Consistent with the positions previous responsibilities as the Deputy Director, SUTD, this position serves under the general direction of the Executive Director. The Deputy Director for the BTFD is responsible for the leadership, management and administration of 1038 authorized positions administering 37 Business Tax and Fee programs. The Deputy Director is responsible for the direction of the most complex statutory tax and fee activities. Responsibilities include all planning, organizing, directing, evaluating, budgeting, policy development and implementation, of the tax and fee programs, and the development and implementation of any new tax and fee programs that may be added in the future. These programs generated \$59+ billion in tax revenue to fund vital state and local services and infrastructure.

The department is comprised of four Divisions: Headquarters Operations Division; Tax Policy Division; Special Taxes Policy and Compliance Division and Special Taxes Audit and Carrier Division and manages an operating budget of \$123,800,000. Consistent with the Deputy Director Sales and Use Tax, the incumbent is responsible for audit, collection, enforcement and compliance activities associated with the numerous tax and fee programs it administers.

The incumbent acts in an advisory capacity to the department's Executive Director, Chief Deputy Director, elected Board of Equalization Board Members, Division Chiefs, other state and federal government agencies, industry organizations, taxpayers and other external stakeholders, making recommendations on the program administration, policies, legislation and strategies related to 37 business tax and fee programs. The incumbent advises the Board on public issues or problem areas in the tax and fee laws and recommends legislative remedies or alternate solutions. The incumbent represents the Executive Director on Business Tax and Fee matters at hearings, meetings, conferences, and before legislative bodies. The incumbent directs the development, interpretation, and application of policies, programs, and procedures, and directs the administration of the Business Tax and Fee programs throughout the state. The incumbent recommends changes in the application and interpretation of statutes pertaining to Business Tax and Fee Programs.

The Deputy Director must set the goals and objectives of the department and ensure those goals and objectives are met. The Deputy Director must ensure all facets of receiving revenue and allocating the revenue to the appropriate fund is completed. In addition, most new tax and fee programs require reports to the legislature to evaluate the program's effectiveness, as such, the Deputy Director is responsible for evaluating the program and the use of resources, the effectiveness, tax and fee payer compliance, etc. to ensure success of new program and address any identified issues, i.e... increased education and outreach to enhance voluntary compliance, for long-term program success. The new tax and fee department will administer 37 tax and fee programs. These programs require a significant amount of organization to ensure appropriate customer service for tax and fee payers and stakeholders including partnership agencies that depend on revenue from these programs to fund their related activities.

The position is responsible for establishing statewide policy; examples of policies are included in the attached listing of Operations Memos issued by the SUTD. The numerous policies developed by this position are designed to ensure consistency in procedures and processes used in administering tax and fee programs so the BOE is fairly, effectively and efficiently administering the programs. Having one position responsible for establishing statewide policy for tax and fee programs ensures fair, equitable and efficient processes and procedures are used for all the tax and fee programs.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The Deputy Director of the BTFD is responsible for overseeing \$59+ billion in tax and fee revenue for the State of California. Implementation of audit and compliance policies, procedures, practices, and standards could potentially have adverse impact on the tax and fee paying public, multinational corporations, industries, special interest groups, and the economy of the State of California.

The incumbent also contributes to joint efforts with other states and multi-governmental agencies to influence federal legislation, that impacts the effective administration of California Tax and Fee programs.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

In July 2015, the Field Operations Division was split from the SUTD. The purpose of the split was to move forward with BOE realignment plans that enables the BOE to create the BTFD by consolidating the remaining component of the SUTD with Special Taxes and Fees Department. By realigning the remaining support functions of the SUTD with the Special Taxes and Fees Department, the BOE positions itself for its upcoming technology project, Centralized Revenue Opportunity System (CROS), enabling the BOE to adopt an enterprise approach to its implementation. In addition, it positions the BOE to develop consistent across board policies and procedures that are currently developed separately by two departments, Sales and Use Tax and Special Taxes and Fees. Currently registration, collections, audits, education and outreach, budget change proposals, budget management, employee training etc. are primarily orchestrated by two separate departments, including the development and use of technology and data. These duplicate functions are inefficient and do not provide the best customer service. For example, a tax and fee payer may have a tax liability with Sales and Use Taxes and with Special Taxes and Fees. The taxpayer will have to work with two different tax collectors in settling their liability or may be contacted by more than one auditor to audit their records to ensure compliance.

Placing the policy, audit, compliance, education, training, outreach, budget management, etc. together in one tax and fee program area makes good business sense as it provides the mechanism needed to properly service BOE customers and ensure consistent, efficient operations. Consistent with the BOE mission to "serve the public through fair, effective and efficient tax administration", realigning the two departments functionally will start a business transformation that will improve customer service and efficiency. Functionally based program areas will facilitate: improved communication, reduce duplication, ongoing business transformation and improvements; accountability for audit, compliance and support activities; improved accountability and customer service; reduce competition for limited programming and staff resources; sharing of information. Most importantly, it positions the BOE to use an enterprise approach to its operations resulting in improved customer service both internally and externally. It also provides an environment that results in best practice sharing, workforce planning and development, setting consistent goals and objectives.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The position is responsible for establishing statewide policy, examples of policies are included in the attached listing of Operations Memos issued by the SUTD. The numerous policies developed by this position are designed to ensure consistency in procedures and processes used in administering tax and fee programs so the BOE is fairly, effectively and efficiently administering the programs. Having one position responsible for establishing statewide policy for tax and fee programs ensures fair, equitable and efficient processes and procedures are used for all the tax and fee programs.

This position advises internal and external stakeholders and the public on complex tax and fee issues. One example of the important role the deputy plays in providing those services relates to proposed legislation such as the current situation with medical marijuana. The BOE is currently looking at a means of allowing the marijuana industry to report and pay taxes on sales of marijuana in California. This is very controversial and politically sensitive topic given that marijuana cultivation and distribution is illegal at the federal level, but is legal in California when used for medicinal purposes. The Acting, Deputy Director of Special Taxes and Fees has had to take tours of marijuana facilities, sat on the Lieutenant Governor's Blue Ribbon Panel, to discuss not only medical marijuana but also the expansion to recreational use in anticipation of ballot measures and initiatives. The deputy has reviewed and provided feedback in conjunction with the BOE legislative unit on proposed legislation relative to marijuana and has also discussed the topic with interested parties and is a primary contact for questions, issues and matters related to marijuana in California.

In addition, the deputy advises Board of Equalization members on various topics related to marijuana including, proposed legislation, as well as the current issue related to the acceptance of cash for taxes on the sale of marijuana in California. The Deputy Director of the tax and fee department will be responsible for providing this same type of service on activities relative to the tax and fees administered and any proposed, which are numerous.

The responsibilities associated with the establishment of this position is immense given the numerous tax and fee programs the BOE administers and the continuous onslaught of proposed tax and fee programs that will impact this department.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The Deputy Director of the BTFD is responsible for overseeing \$59+ billion in tax and fee revenue for the State of California. Audit and compliance policies, procedures, practices, and standards that are implemented could potentially have adverse impact on the tax and fee paying public, multinational corporations, industries, special interest groups, and the economy of the State of California.

The incumbent also contributes to joint efforts with other states and multi-governmental agencies to influence federal legislation that impacts the effective administration of California Tax and Fee programs.

The Deputy Director (CEA B), BTFD, reports directly to the Executive Director and acts independently in fulfilling the responsibilities described on the attached duty statement. Under the general direction of the Executive Director, the incumbent exercises independence and authority in developing, implementing, directing and evaluating the BOE's BTFD programs.

Under the general direction of the Chief Deputy Director, Executive Office, the Deputy Director manages and directs the tax and fee program activities of the BTFD, ensuring tax and fee revenues are collected in an equitable, effective, and efficient manner to provide revenue that funds vital public services and infrastructure at the state and local level and provides consultation and advice. The incumbent develops and makes recommendations on tax and fee statewide policies and procedures, tax and fee programs, and administrative issues relative to the overall operations of the Department, which includes providing consultation, advice, reports and responses to the five elected Board Member's offices, the Executive Director, and Chief Deputy Director. The incumbent develops and implements a statewide strategic plan to improve efficiencies which includes establishing the BTFD goals and objectives to ensure consistency with the agency's strategic direction set forth in the department's program and operational plans. The incumbent provides valuable leadership that requires accountability for all areas of responsibility and establishes the appropriate measures to meet strategic goals and objectives. Leadership includes the regular review, evaluation and implementation of tax and fee program effectiveness and operational efficiency.

The BTFD consists of four divisions and is responsible for all of the tax and fee programs administered by the BOE excluding the property tax programs. The four divisions and the related tax and fee programs are listed below:

- Special Taxes Policy and Compliance Division.
- Special Taxes Audit and Carrier Division
- Sales and Use Tax Policy Division
- Headquarters Operations Division

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

Both, as indicated previously tax and fee programs are a particularly fluent area being particularly prone to changes in current tax and fee programs and a is a regular source of legislative proposals and ballot initiatives as the State of California examines means of financing various State and Local services and infrastructure.

In addition, partnerships with other state and federal agencies lend itself to developing policies on those partnerships, i.e... exchange of data or joint efforts. One area of the Deputy's role is the participation with the Federal Government on the Joint Operations Center (JOC). JOC is a joint effort with States and the Federal government to combat fuel tax evasion issues.