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Chiang Issues Statement on BOE Security Deposits

SACRAMENTO – State Controller John Chiang today issued the following statement regarding the return of taxpayers’ security deposits by the State Board of Equalization:

“I believe that any State program handling personal property, including security deposits, should have procedures to safeguard and return that property to the owner as quickly as possible.

“The whole purpose of a tax agency requiring a security deposit is to show that the business is a legitimate enterprise that follows California law. A business owner who spends three years paying taxes by the book, and who remains in good standing, should be given that deposit at the end of the three-year time period. This is not the State’s money and should not be treated as such.

“The issue can be put to rest by immediately returning any remaining overdue amounts, and taking appropriate steps to expeditiously review security deposit returns in the future.”

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