

April 14, 2008

**Taxpayer Group Praises New Focus on the Underground Economy of
Dog and Cat Sellers**

A press release from the California State Board of Equalization (BOE) last week reminding dog and cat breeders to pay sales tax on their pet sales was praised today by a taxpayer advocacy group concerned with animal welfare.

Judie Mancuso, Campaign Director for California Taxpayers for Safe & Healthy Pets, a group working to pass a tax-saving spay and neuter bill that would help government enforce the BOE regulation, said the BOE action "will give the pet breeding industry no excuse to skip out on their taxes, and will help bring puppy mills - like the ones on the recent Oprah show - out of the darkness and into the light."

Mancuso is a co-sponsor of Assembly Bill 1634 California Healthy Pets Act (www.cahealthypets.com) carried by Assemblyman Lloyd Levine (D-Van Nuys), which has passed the full Assembly and is awaiting a hearing in the Senate.

"The fact that up to one million dogs and cats enter our shelters, the needless killing of over 500,000 healthy pets in California and the waste of millions of taxpayer dollars each year must end," Mancuso said.

The reiteration by the BOE of the tax responsibilities of breeders, all too often ignored, helps illustrate just how widespread and costly the underground economy caused by unregistered pet sellers is for California.

The BOE press release stated that, "BOE estimates approximately \$14 million in sales tax is due but goes uncollected every year



because some pet sellers are not properly reporting and paying sales tax on their pet sales."

"It's an easy equation" Mancuso stated. "Right now, California taxpayers are paying over a quarter of a billion dollars each year to house and euthanize healthy pets while our state faces a huge fiscal deficit; this is simply taxpayer waste and an ethical nightmare".

Additionally, tax consultants assume that most of these commercial breeders (a.k.a. "puppy mills") and backyard breeders (a.k.a "hobby" or "amateur" breeders) are skipping on the income tax they owe both the state and the federal government. Based on the unrecovered sales tax reported by the BOE, that untaxed income likely exceeds \$180 million annually.

"It's unconscionable that our tax dollars are being used to kill healthy, adoptable pets, due to overbreeding, unwanted litters and not enough homes, while the folks contributing to this problem are not even paying their share of the burden" Mancuso said. "People are paying exorbitant prices for unhealthy, over-bred animals at pet stores, while loving animals die in our shelters."

As Oprah watchers witnessed in her groundbreaking exposé earlier this month, virtually all of the dogs and cats available at pet stores come from cat and puppy mills. On that program, Oprah stated "The reason why there are so many dogs that have to go through that euthanasia process every day is because we - the people who are supposed to be with the thinking brain - are not using our brains to do what is necessary to protect the animals."

According to Mancuso, "besides tax evasion", puppy mills also practice inhumane treatment of their animals. "These dogs and cats live in tiny wire cages without enough room to turn around, exposed to the elements and numerous diseases."



Haze Lynn, from Boxer Rescue Los Angeles, said "Despite our education efforts over the past 30 years, we pull more purebred boxers from death row than ever. Sadly, due to overbreeding we now have to leave many behind to be euthanized.

"It's not right that taxpayers and rescue groups who operate within the BOE guidelines are left to clean up a mess created by unscrupulous people who won't even pay their taxes."

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On the web:

California Taxpayers for Safe and Healthy Pets:

<http://www.cahealthypets.com>

BOE Press Release:

<http://www.boe.ca.gov/news/2008/18-08-G.pdf>

BOE Letter to Pet Breeders:

http://www.boe.ca.gov/news/pdf/dot_pet_assoc.pdf