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# STATEWIDE COMPLIANCE AND OUTREACH PROGRAM

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## Why have you contacted me?

We intend to visit most of the businesses in our state for routine permit and license verifications under our Statewide Compliance and Outreach Program (SCOP). The program is intended to:

- Make sure you have the state tax and fee permits and licenses you need,
- Make sure that our records on your business are updated and correct,
- Allow you to meet a representative who can provide information and answer your questions, and
- Make sure you understand your reporting requirements so that you are able to report properly.

This program is part of a statewide effort to educate business owners, increase tax compliance, and help make our tax system fair. The permit and license verification is not intended to replace audits or other tax compliance or enforcement activity.

## What permits and licenses do I need?

If you sell or lease merchandise, you must have a California seller's permit. State law requires the seller's permit to be prominently displayed at your place of business (Revenue and Taxation Code section 6067).

You may also need a permit or license for other tax and fee programs we administer. For

example, California law requires businesses that sell cigarettes or tobacco to have a separate license for the sale of those products. When we visit your business, we will give you information about how to register for any permits and licenses you may need.

## Am I required to register for use tax reporting?

California law requires a "qualified purchaser" to register with the Board of Equalization (BOE) and annually report and pay use tax directly to the BOE through our eFiling system. Qualified purchasers include businesses not otherwise required to register with the BOE for sales and use tax with at least \$100,000 in annual gross receipts from business operations. Gross receipts are the total of all receipts from both in-state and out-of-state business operations. For additional information, see publication 126, *Mandatory Use Tax Registration for Service Enterprises*, available from our website.

## What will happen during the permit and license verification visit?

BOE compliance and outreach representatives (SCOP specialists) will enter your business, identify themselves, and show BOE-issued identification. The specialists will then quickly look to see whether you are selling or leasing merchandise and need a seller's permit.

If you are required to have a seller's permit, and it is not on display, the SCOP specialists

will ask to see it. They will also ask to see your local business license and any other BOE-issued permits and licenses you may have.

The SCOP specialists will verify that BOE records on your business are correct. They may also ask you for more information about your business operations to make sure you understand your reporting requirements and are reporting properly.

If you need to register for a seller's permit, the SCOP specialists will give you an application. You will be asked to register within one week. The SCOP specialists will also check to see if your business needs other permits or licenses.

Unregistered business owners showing an obvious intent to evade taxes may be issued a misdemeanor citation.

## What are my rights?

You have specific legal rights as a California taxpayer. Our employees must honor and protect your rights every time we interact with you. Your rights as a California taxpayer include the right to:

- Courteous and prompt service,
- Fair treatment,
- Confidentiality,
- Information and assistance, and
- Address your elected Board Members.

## **Can I file a complaint if I have concerns about the verification visit or the specialist's behavior?**

Yes. If you believe a SCOP specialist was unprofessional or violated your rights, you may file a complaint by calling or writing your local SCOP Team office.

You can find a list of BOE SCOP Team offices on our website at [www.boe.ca.gov/sutax/SCOP\\_ContactInfo.htm](http://www.boe.ca.gov/sutax/SCOP_ContactInfo.htm), by calling your local BOE office (see Government listings in your local telephone directory), or by calling our Taxpayer Information Section.

Be sure to explain how the SCOP specialist was unprofessional or inconsiderate in conducting the permit and license verification. Your complaint will be handled by a supervisor or manager, who will contact you to address your concerns.

If you cannot resolve your problem with a supervisor or manager or prefer to have your complaint handled outside the Sales and Use Tax Department, you may contact the Taxpayers' Rights Advocate Office.

### **Taxpayers' Rights Advocate Office**

If you would like to know more about your rights as a taxpayer or if you have not been able to resolve a problem through normal channels (for example, by speaking to a supervisor or manager), please see

publication 70, *Understanding Your Rights as a California Taxpayer*, or contact the Taxpayers' Rights Advocate Office for help at 916-324-2798 (toll-free: 888-324-2798) or fax 916-323-3319. If you prefer, you can write to:

Taxpayers' Rights Advocate, MIC:70  
State Board of Equalization  
PO Box 942879  
Sacramento, CA 94279-0070

### **For More Information**

If you have any questions about the license verification visit, you may contact your local BOE SCOP office.

For more information about specific tax and fee programs or to order tax publications, visit our website at [www.boe.ca.gov](http://www.boe.ca.gov), or call our Taxpayer Information Section at 800-400-7115 (TTY:711).

### **Tax evasion hurts all of us . . .**

To report suspected tax evasion, contact our Tax Evasion Hotline at 888-334-3300.

### **To contact your Board Member, visit:**

[www.boe.ca.gov/members/board.htm](http://www.boe.ca.gov/members/board.htm)