STATEWIDE COMPLIANCE AND OUTREACH PROGRAM

Board of Equalization (BOE) permit and license verification visits help educate business owners and keep our tax system fair

Most business owners know they need a state seller’s permit to sell or lease merchandise in California. However, some business owners are not aware of this requirement. When businesses operate without the proper permits or licenses, they have an unfair advantage over those who follow the law.

As part of the Statewide Compliance and Outreach Program (SCOP), BOE representatives (SCOP specialists) conduct door-to-door visits to nonresidential businesses. They visit individual businesses to educate business owners regarding their tax responsibilities, to make sure the business has the required state tax and fee permits they need, and to make sure the business has a city or county business license, if one is required. In addition, they verify/update BOE account information and review business operations compared to returns filed to provide guidance on proper reporting. The visits are intended to educate business owners and help keep our tax system fair by making sure all business owners are properly permitted and licensed, and follow the law by paying the correct amount of taxes due.

A California seller’s permit may not be enough

Businesses that sell or lease merchandise, vehicles, or other goods in California must have a California seller’s permit and pay sales and use tax. This is true whether the business is operated by an individual or another business entity, for example a corporation, partnership, or limited liability company. Both wholesalers and retailers must obtain a permit. The permits are free.

For some businesses, a seller’s permit is not enough. They may also need to register for other state tax and fee programs. For example, cigarette retailers need a special license to sell cigarettes. For a full list of BOE administered programs, see our website at www.boe.ca.gov/info/reg.htm.
BoE permit and license verification visits

When our SCOP specialists visit your business, they will:

• Verify required permits and licenses,
• Provide registration information for unregistered businesses,
• Update BoE account information for any changes,
• Educate business owners and answer questions about relevant laws, regulations, and reporting requirements,
• Perform a cursory review of business operations compared to reported amounts to provide guidance on proper reporting, and
• Provide information about owners’ legal rights.

Required registration to report use tax

California law requires a “qualified purchaser” to register with the 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.

For more information

If you have any questions about these SCOP visits, see our website at www.boe.ca.gov/sutax/SCOP_Overview.htm. For more information about specific tax and fee programs, Board Member contact information, and a list of BoE field offices, visit www.boe.ca.gov, or call our Taxpayer Information Section at 800-400-7115 (TTY:711).

Taxpayers’ Rights Advocate: 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), please see publication 70, Understanding Your Rights as a California Taxpayer, or contact the Taxpayers’ Rights Advocate Office for help at 916-324-2798 (or toll-free at 888-324-2798).

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