

INITIAL DISCUSSION PAPER

Proposed Revisions to Compliance Policy and Procedures Manual Chapter 3 (Account Maintenance)

Issue

Should proposed revisions to Chapter 3, *Account Maintenance*, be incorporated into the Compliance Policy and Procedures Manual?

Background

The Compliance Policy and Procedures Manual (CPPM) is the State Board of Equalization's (Board) guide for compliance functions including registration, account maintenance, and collections. The chapters contained within the CPPM incorporate procedures and techniques that have evolved over the years and have proven to be sound and practical. Board employees are required to follow these procedures to ensure fair and uniform treatment of taxpayers.

CPPM Chapter 3, *Account Maintenance*, which was last revised in January of 1996, provides guidelines on the procedures by which changes to established sales and use tax accounts are made. These guidelines enable employees to effectively maintain the established sales and use tax accounts. Either district offices or Headquarters employees may perform account maintenance procedures, many of which can now be completed on-line.

The proposed revisions to CPPM Chapter 3 are shown in Exhibit 1, and summarized below. Discussion of the proposed revisions to Chapter 3 is scheduled for the Business Taxes Committee meeting on September 12, 2001.

Discussion of Proposed Revisions

Revisions proposed for the chapter include:

- Incorporation of procedural changes resulting from the adoption of IRIS (Integrated Revenue Information System).
- Incorporation of policy and procedural changes that have been implemented since the last revision.
- Incorporation of changes in grammar, format and terminology.

IRIS Procedural Changes

The implementation of IRIS replaced most manual administrative functions with computer based procedures. In regard to account maintenance, the computer procedures affected the processes by which several changes are made to an account record, by enabling staff to input the change

INITIAL DISCUSSION PAPER

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directly into the Board's database. Prior to IRIS, the processes for account maintenance used a number of different manually prepared forms and a stand-alone computerized process. The new IRIS procedures are incorporated throughout Chapter 3.

Policy and Procedural Changes

CPPM 301.000, Partnership Changes. This section was added to the CPPM to incorporate relevant sections of Operations Memo No. 1089 – Revised Uniform Partnership Act (RUPA) and AB 197 / AB 198 – Partnership Changes and Conversion to Another Business Entity (Type of Business Organization). These provisions significantly affect the Board's administration and handling of partnership accounts, especially in the areas of registration, billings and collections. The laws governing partnerships in this state were changed with the codification of RUPA in 1996. It became effective for all new partnerships formed on or after January 1, 1997 and became effective for all other partnerships on January 1, 1999, regardless of when they were formed. RUPA allows for the survival (continuation) of a partnership entity after partners are added or dropped. As a result of RUPA, the Board no longer requires a partnership to obtain a new permit or account when there is a change in partners. Therefore, if the business (partnership) is being continued, but with the addition or deletion of a partner or partners, it is no longer necessary to closeout the partnership's permit.

CPPM 340.150, Revoked Procedure Information. Relevant sections of Operations Memo No. 1084 – Reinstatement Fees, were added to this section of the CPPM. Prior to June 9, 2000, it was the policy of the Board to collect a reinstatement fee for locations that were active and operated after the date of revocation but were closed out and inactive prior to the account being reinstated. However, this policy has changed and reinstatement fees should be collected only for those accounts or sub-locations of a consolidated account, which are active at the time of reinstatement. If those accounts or sub-locations of a consolidated account should reactivate at any time in the future, the reinstatement fee would be due and collectable at the time of activation.

Revisions to Grammar, Format, and Terminology

Proposed grammatical revisions are minor and intended to conform the language of Chapter 3 to current usage.

Proposed revisions to format include the renumbering of most sections and the deletion of sections dealing with obsolete processes used for account maintenance prior to the implementation of IRIS. The deletions include the removal of the exhibits illustrating the use and completion of the obsolete Form BT-1047, Notice to Change Account Record. Moreover, several decision tables are no longer covered in this chapter, since they are covered in Chapter 2 of the CPPM.

Proposed revisions to terminology include the use of standardized references to the Board's

INITIAL DISCUSSION PAPER

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district offices and Headquarters units where appropriate.

Summary

Proper sales and use tax account maintenance is a vital component of the Board's mission to provide fair, effective and efficient tax administration. Maintaining accurate taxpayer records information is fundamental to the proper administration of all functions performed by the Board including billings, returns, collections, and taxpayer notifications. When there are changes to taxpayers' information such as an address change, close out of an account, start of a new business or subsidiary, addition or deletion of partners, change of business name, etc, efficient account maintenance procedures enable staff to ensure that a taxpayer's records are accurate and properly maintained. CPPM Chapter 3 details the policies, processes, and procedures used to ensure efficient administration of the account maintenance process.

Prepared by the Program Planning Division, Sales and Use Tax Department

Current as of 05/01/2001

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Compliance Policy and Procedures Manual

Chapter 3

Account Maintenance



Sales and Use Tax Department
California State
Board of Equalization

This is an advisory publication providing direction to staff administering the Sales and Use Tax Law and Regulations. Although this material is revised periodically, the most current material may be contained in other resources including Operations Memoranda and Policy Memoranda.

Please contact any board office if there are concerns regarding any section of this publication.

ACCOUNT MAINTENANCE

CHAPTER 3

Table of Contents

ACCOUNT MAINTENANCE	300.000
ACCOUNT MAINTENANCE RESPONSIBILITIES	301.000
ACCOUNT MAINTENANCE DEFINED	<u>300.010</u>301.005
General Statement of Account Maintenance.....	301.010
Originating Changes	<u>300.020</u> 300.020
Change of Account Record	300.030
<i>Form BOE-777, Notice of Change in Reporting Basis Status</i>	
<i>Form BOE-523, Tax Return and/or Account Adjustment Notice</i>	
FILE CARDS	302.000
Distribution Of File Cards	305.030
Obsolescence of File Cards	302.020
Change Of Account Record – Manual Forms.....	<u>3005.0350</u>
Changes Which Can Not Be Made To Existing Accounts	<u>3005.040</u>
PARTNERSHIP CHANGES	301.000
RUPA Provisions	301.010
Documenting Partnership Changes	301.020
Adding or Dropping Partners.....	301.030
CHANGE OF TO EXISTING ACCOUNT RECORDS – ON LINE FUNCTIONS	305.000
Taxpayer Identification Number AccountsChange of account record	305.010
On-Line Changes Made in Direct Input FieldsBT-1047, Notice to Change Account Record.....	305.020
On-Line Changes Made Using Moreable + FieldsBT-777, Notice of Change in Reporting Basis.....	305.030
On-Line Changes Made Using Modification FieldsBT-523, Tax Return and/or Account Adjustment Notice	<u>305.040</u>
BT-400, Application for a Seller’s Permit and Registration as an Employer	
INTERDISTRICT MOVES <u>OF BUSINESS LOCATION</u>	<u>310.000</u>311.000
What is An Interdistrict Move?.....	311.005
Interdistrict Move	310.010
Processing An Interdistrict Move of Account.....	<u>310.020</u> 311.010
<i>Review For Close-Out</i>	
<i>Account with Security</i>	
<i>Processing An Interdistrict Move Of Business Location</i>	
Decision Table, Single Outlet Account Codes.....	311.011
Decision Table, Out of State and Fringe Area Accounts.....	311.012
Interdistrict Move – Processing of Form BT-1047.....	311.025
BT-1047, REINSTATEMENT OF ACCOUNTS CLOSED OUT IN ERROR	312.000
Reinstatement After Closeout in Error, Preparation of Form BT-1047	312.010
BT-1047 AND BT-777, CHANGE <u>INTO</u> REPORTING BASIS	<u>315.010</u>313.000
Overview of Changes in to Reporting Basis	<u>315.010</u> 313.005
Factors to Consider When Changing Reporting Basis	<u>315.020</u> 313.006
Reporting Basis Changes Possible	313.007
Effective Dates of Change in Reporting Basis	<u>315.030</u> 313.008
Process Date When Changing Reporting Basis.....	313.009

COMPLIANCE POLICY AND PROCEDURES MANUAL

Preparation of Form BOE-BT-777, Notice of Change in Reporting Basis	315.040 313.010
Preparation of BT-777 for Form BOE-1241, Notice of Prepayment Status	315.050 313.011
Mass Change of Reporting Basis	313.012
System Generated Reporting Basis Change	315.060
Preparation of BT-1047 for Prepayment Status	313.013
Deletion of Prepayment Status Effective January 1	315.070 313.015
Changes to or from Yearly Reporting Basis	315.080
Changes to Special Reporting Basis—Form BT-1047	315.090 313.020
Changes to Weekly Reporting, Vendor Use Fuel Tax—BT-1047	313.030
Changes to Special Reporting Basis, Use Fuel Tax	313.035

REPLACEMENT OR REISSUANCE OF PERMITS 320.000

General Guides For Replacement Or Reissuance Of Permits	320.010
Seller's Permits.....	320.020
<i>Permit Replaced Or Reissued</i>	
<i>Permits Will Not Be Replaced Or Reissued Under The Following Circumstances</i>	
Certificate of Registration--Use Tax	320.030
Use Fuel Tax Permits	320.050
Certificate of Registration—Use Tax	320.060

~~BT-1047~~ON-LINE CODING GRIDFIELD ENTRIES ~~325.000~~328.000

Overview.....	328.005
Basis Codes.....	325.010
Business Code	325.020
Verification or Correction of Business Code—Code 29 Accounts Characteristic Codes	325.030
Tax Area Code	325.040
<i>Sales And Use Tax</i>	
<i>City And County Codes</i>	
<i>Add-On Codes</i>	
<i>In-Lieu Codes</i>	
<i>Consolidated Accounts</i>	
Original Starting Date Code.....	325.050
Owner Code	325.060
Accountant Code Analysis	325.070
HQ-Use-Only.....	328.070
Exception Code: Accountants' Mailing Code.....	328.080
Exception Code: Returns Mailed to Foreign Country	328.081
Exception Code: Multiple Exceptions.....	328.082
Special Return Processing Code	328.085
Reporting Basis—Related Coding Grid Entries and Actions, Sales Tax	328.086
Reporting Basis—Related Coding Grid Entries and Actions, Use Fuel Tax	328.087
Extension Code: Permanent Extension of Time Granted to Certain POLITICAL Subdivisions	328.090
Extension Code: Coding Tax Returns for Return Review	328.091
EXHIBIT A CHANGES IN REGISTRATION PROCESS FOR BAY AREA RAPID TRANSIT (BART)	
EXHIBIT B NUMBER SERIES PREFIX	
EXHIBIT C ADD-ON CODES FOR SPECIAL TAXING JURISDICTIONS	
EXHIBIT D ADD-ON CODES IN NUMERICAL ORDER	

CONVERSION OF CONSOLIDATED ACCOUNTS USING FORM ~~BT-1047~~ ~~330.000~~332.000

What is a Conversion?Process	330.010
Terms Used When Dealing With Consolidated Accounts	330.020
Consolidated Accounts in a Single Taxing Jurisdiction.....	332.015
Decision Table—Consolidated Accounts	332.016
Decision Table—Consolidated Accounts Fringe Area and Out of State.....	332.017
Regular Consolidated Accounts Requiring Further Local Tax Allocation.....	332.020

ACCOUNT MAINTENANCE

Consolidated Accounts—Special Sellers	332.025
Conversion of Single Location Account to Multiple Location Account	330.030 332.030
<u>Consolidated Account</u>	
<u>Master Location</u>	
<u>Sublocation</u>	
<u>Sub-Permit</u>	
<u>Sub-Permit Start Date</u>	
Conversion of Taxable Activity Types “SX Account to “SY” or “SZ”	330.040332.032
BT 400 CB, Schedule of Subpermits	332.035
Adding New Sublocations to an Existing Consolidated Account	330.050332.040
Preparation of Permit Cards for Consolidated Accounts	330.060332.050
Move of a Sublocation	330.070332.060
Closeouts of Sublocations	330.080332.065
Conversion of Consolidated Account to Single Location Account	330.090332.070
Other Changes to Consolidated Accounts	330.100332.080
<u>Reinstatement Of Account After Revocation</u>	
Conversions of Accounts to Different Tax Programs	332.100
Conversion To Seller From Consumer Use Tax or Certificate of Registration — Use Tax	330.110332.110
<u>Documents Required</u>	
Conversion From Seller To Consumer Use Tax or Certificate of Registration — Use Tax	332.120
BT-523, TAX RETURN/OR ACCOUNT ADJUSTMENT NOTICE BOE-523	335.000350.000
Form BT-523, Overview	335.010350.005
From BT-523, Tax Return and/or Account Adjustment Notice Uses	335.020350.010
Returns for Periods Prior To Starting Date or for Partial Periods	335.030350.020
Information for Preparation of Form BTBOE-523	335.040350.030
Change of Closeout Date—No Other Account Involved	350.040
Change of Starting Date—No Other Account Involved	350.050
Change of Closout or Starting Date (Predecessor)—Change of Starting Date or Closeout Date (Successor)	350.060
Transfer of a Return From One Account To Another	335.050350.070
Accounts Receivable Balance Difference Under One Account Transferred to Another Account	335.060350.080
One Account — Return for One Period Transferred to Another Period	335.070350.090
Two accounts — Transfer of a Fractional Period Erroneously Included in a Return for One Active Account to the Correct Account	350.095
Two accounts — Transfer of a Fractional Period Erroneously Included in a Return for Closed out Account to the Correct Active Account	350.100
Split a Return Between Accounts	335.080
One Account — Tax for One Period Erroneously Included in a Return for Another Period	335.090350.110
Prepayment Account—Adjustment of Prepayments Unsupported by Quarterly Return(s)	335.100350.120
DELINQUENCY CONTROL, REVOCATIONS AND REINSTATEMENTS	340.000360.000
Overview	340.010360.005
Taxpayer Bill of Rights	360.006
Terms Used in Administration of the Delinquency Program	340.020360.008
<u>Periodic Delinquency Periodic Delinquency</u>	
<u>Cause Delinquency</u>	
<u>Period Code</u>	
<u>Periodic Withhold</u>	
<u>Cause Delinquency Withhold</u>	
<u>Account Level Withhold</u>	
<u>Account-Level Bankruptcy Withhold</u>	
Establishing or Clearing Delinquencies	340.030360.011
<u>Cause Delinquency</u>	
<u>Periodic Delinquency</u>	
Reasons for Revocations	340.040360.010

COMPLIANCE POLICY AND PROCEDURES MANUAL

Withholding Delinquency Action	360.012
Hearings	360.020
Initiation of Revocation Action	340.050 360.030
Notice to Appear – Revocation Proceedings	340.060
Stop Citation and Revocation Action	340.070
<i>Periodic Delinquency</i>	
<i>Cause Delinquency</i>	
Hearing Notices	360.040
Form BT 1048 – Request to Clear Delinquency Records or Withhold Revocation Action	360.050
Effective Date of Revocations	340.080 360.060
Effect of Revocation	360.070
Interdistrict Transfer of Revoked Account	340.100 360.071
Prosecutions, Operating After Revocation	360.080
Conditions of Reinstatement	360.090
Reinstatements After Revocation – Fees	360.100
Reinstatement – Forms Required	360.110
Use of Form BT 404, Reinstatement Fee Action	360.115
Payments After Revocation	340.120 360.120
Inoperative Revocations	340.130 360.130
Revoked Accounts Closed Out in Error	340.140 360.140
Revocation, Vendor Use Fuel Permits	360.150
Revocation Procedure Information	340.150
Revoked Automobile Dealers	340.160
Reinstatement After Revocation – Forms BT 400	360.160
Reinstatement After Revocation – Miscellaneous Change	360.170
REINSTATEMENT After Revocation and Move Within District	360.180
Reinstatement After Revocation and Interdistrict Move	360.190

ANNEXATION PROCEDURE	345.000 390.000
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CHAPTER III

ACCOUNT MAINTENANCE 300.000

4.ACCOUNT MAINTENANCE RESPONSIBILITIES 301.000

4.ACCOUNT MAINTENANCE DEFINED 300.010301.005

Account maintenance is the procedure, or combination of procedures, by which changes to established sales and use tax accounts are made. These changes reflect corrections, and updates, and moves, or invoke special procedures. Account maintenance may be performed by either field offices, district or Headquarters units and staff may perform account maintenance procedures. Most procedures are be done on-line, or by paper input. However, a few procedures are processed through assignment control.

~~On line processes and procedures to perform account maintenance are found in either the Video Terminal User's Guide or Remote Input Manual. Chapter III of the Compliance Policy and Procedures Manual will detail only those procedures which are not currently performed on line.~~

GENERAL STATEMENT ON ACCOUNT MAINTENANCE 301.010

~~This chapter explains the policies, procedures and forms to change registration data on sales tax, including consolidated accounts and sub permit(s), use fuel and vendor use fuel tax accounts.~~

~~Entries and information which appear on video registration records are current through the day they are viewed. Original registration of accounts as of this writing is handled by transcription of data contained on Forms BT 400 into permanent mainframe storage. The Board is moving toward elimination of data transcription in favor of on line registration by Fall, 1992. Until on line registration is a reality, delays of one to three weeks will occur from the time a new permit is issued until the time it appears on registration records.~~

4.ORIGINATING CHANGES 300.020301.020

Most changes are initiated by the district ~~originate in field offices~~ from information received from the taxpayer information and/or other sources. ~~In some cases~~ Occasionally, headquarters units may receive information before the district indicating a possible need for change. Generally, the information is ~~transmitted forwarded~~ to the district in its original form, such as a letter or a copy of the document from a taxpayer, or by use of Form BT 1047, Notice to Change Account Record. (See Section 310.000 et seq.) Miscellaneous changes to the registration records may be processed by the Customer & Taxpayer Services Section (CATS), Account Analysis and Control Section, or the ~~district Registration Unit or the field office.~~ Those items ~~forwarded to the field~~ forwarded to the district office should be promptly processed.

4.FILE CARDS **302.000**

DISTRIBUTION OF FILE CARDS **302.010**

Information Management Division produces a 3" by 5" card containing the same information as a video registration screen each time a new account is created, a move occurs, account information changes, or an account is closed out.

File cards¹ are produced for distribution to Local Tax and Headquarters Central Files Units. Until all field offices received video terminals, additional cards were furnished to those offices with no video and/or who maintained an active geographic ("Geo") file.

No field offices continue to receive 3x5 cards on a regular basis though cards may be produced for special projects upon identified need.

Cities and counties receive 3x5 cards, diskettes, microfloppy diskettes, or magnetic tapes of accounts within their areas of control. Production of data by the Board is part of our contractual obligation under the Bradley Burns Uniform Local Tax Law, and is tailored to the needs of each jurisdiction.

Obsolescence of File Cards **302.020**

File cards are obsolete; when encountered in a field office file folder, file cards should be removed and destroyed.

File cards have also been called by other names, including "3x5" cards, "D.O." cards, and "Geo file" cards

CHANGES TO EXISTING ACCOUNT RECORDS 305.000

4.CHANGE OF ACCOUNT RECORD 300.030305.010

Forms used to change an account record are designed for specific purposes. Each form and its intended purpose(s) is detailed below:

Form BT 1047, Notice to Change Account Record

See Subsection 310.000 for full details regarding proper use and preparation of Form BT 1047.

Form BT 1047 is a multipurpose form which may be used to perform the following functions:

1. ~~Change an active account record 1~~
2. ~~Process an interdistrict move~~
3. ~~Reinstate an unrevoked account after close out in error~~
4. ~~Convert accounts within the same tax law from one kind to another, for example:

 - ~~Consumer Use Tax to a Sales Tax account~~
 - ~~Certificate of Registration Use Tax to a Consumer Use Tax account~~
 - ~~Seller to Certificate of Registration Use Tax~~~~
5. ~~Assign exempt basis to use fuel account~~
6. ~~Changes to and from special reporting for fuel vendors~~
7. ~~Changes to and from weekly reporting for fuel vendors.~~

Form BTBOE-777, Notice of Change in Reporting Basis Status

Form BT-777 is used by the districts field offices to notify taxpayers of a change in reporting basis for sales and use tax accounts. This form can be printed by the on-line registration system. The actual change in reporting basis is accomplished on-line and Form BOE-777 is only used to notify the taxpayers of the change and the effective date of the change. ~~change and to perform the change through registration unit 2.~~

~~When reporting basis changes are being prepared for numerous accounts a “Mass Change” is preferable to individual Forms BT 777. See subsection 313.005.~~

Form BTBOE-523, Tax ~~r~~Return and/or Account Adjustment Notice

Form BTBOE-523 may be used for the following functions:

1. ~~Change the starting date of an active account~~
2. ~~Change the closing date of a closed out account~~
3. ~~Indicate a closed out account never operated~~
- 4-Move returns and/or payments between accounts or among within the same accounts.
- Transfer returns with a change to either start date or close-out.
- Split returns between accounts or within the same account.
5. ~~Change the period for which a return already processed in Headquarters was received.~~
6. ~~Clear delinquencies for which audits, field billing orders or jeopardy determinations were prepared~~
- 7-In conjunction with moving returns between or among accounts, reallocation Reallocate of tax for state, county, local or special taxing jurisdictions, taxes may be made
- Clear delinquencies for audits

All other changes are made on-line.

1 ~~Most account changes are performed on-line using the video terminal. Mailing address changes for closed-out accounts should be performed on-line using the video terminal. Only certain specific changes, such as addition of an extension code, correction to ownership of an account, and additional or deletion of a prepayment code, require preparation of Form BT 1047.~~

2 ~~Form BT 777 may not be used with Vendor Use Fuel accounts, as no other reporting basis than Monthly exists.~~

Change of Account Record _____ **(Cont.) 305.010**

~~Form BT 400, Application for a Seller's Permit and Registration as an Employer~~

~~This form is used for reinstatement after revocation.~~

~~For changes which can be accomplished by remote input, see the Remote Input Manual.~~

4. FORM BT-1047, NOTICE TO CHANGE ACCOUNT RECORD 310.000**Form BT-1047 or Video Terminal Remote Input? 310.005**

Field offices may perform most account maintenance functions using remote input programs (RGV video programs). For specific guidance on how to use remote input account maintenance, please refer to the Remote Input Manual and the Video Terminal Users' Guide.

Form BT-1047 performs account maintenance functions which are not possible via remote input. These functions include:

- move accounts between districts
- convert accounts from one type of tax program to another within the same tax category
- reinstate unrevoked accounts from closeout in error
- make certain changes to the account registration record which cannot be made via remote input
- assign an exempt basis for use fuel tax accounts
- add or delete special return processing code
- add or delete extension codes

Changes to the registration record using remote input is an overnight process. Processing of paper forms is a much slower process both in field offices and in headquarters units, often taking two to three weeks to appear on registration records. Where possible, use remote input for routine account maintenance, particularly when nearing cutoff dates after which tax returns furnished to taxpayers must be manually prepared.

Remote input may also be used to change the mailing address of an account which is closed out.

Form BT-1047, Overview 310.010

The primary use of Form BT-1047 is for field offices to instruct Headquarters Registration to add, change or delete specific portions of account record registration data. The form may not be used to change an account number, sub-permit number or reporting basis but may be used to correct certain fields if an error was made when the account record was established.

The form *cannot* be used to change or correct the starting date of an account or subpermit¹.

The form may be used in some cases to convert a single outlet sales tax account to a master consolidated account. However, Form BT-1047 may not be used to make a single outlet seller's permit a sub-location of another account.

¹ Use Form BT-1523 for this purpose.

CHANGES WHICH MAY CANNOT BE MADE TO EXISTING ACCOUNTS WITH FORM ~~BT-1047~~300.040310.01

Certain ~~account~~ changes may not be made to an existing account either manually or on-line; under any circumstances with form BT-1047:

[†]~~Addition or deletion of a general partner~~

~~1. Incorporation of an account or formation of limited liability company~~

~~change of tax program Taxable Activity Type from fuel to sales/use tax and vice versa~~

~~2. Change of tax program Taxable Activity Type from temporary (tax code "ST") to regular and vice versa~~

~~Change of start date~~

~~3. [†]Change of ownership type after taxpayer has filed the first return, such as from individual to partnership~~

Each of the situations above, ~~except the changes of start date,~~ requires closeout of the permit and issuance of a new permit. ~~Use form BT-523 to change the start date. Except in the case of correction of the permit to the actual ownership that existed at the inception of the permit.~~

ACCOUNT MAINTENANCE

BT-1047 Exhibit 310.012

Preparation of Form BT-1047 310.020

Prepare a BT-1047 only for those account maintenance functions, which cannot be accomplished via remote input.

Prepare Form BT-1047 in duplicate; check the box entitled "District Notice to Change Account Record" at the top of the form. Send the original to Headquarters and keep the copy for the district file. For branches which still maintain a separate branch file, additional copies may be made.

Check Box for Reason Form is Prepared 310.021

Check one of the six boxes to indicate why Form BT-1047 is being prepared. Do not check two or more boxes.

District Notice to Change Account Record

Check this box when changes to an account are to be made which do not affect the area code, and which cannot be accomplished by remote input. Items which might be changed in this manner:

- add extension code
- correct name of owner(s) due to marriage or divorce
- place quarterly account onto prepayment basis

HQ Proposal to Change Account Record

Occasionally, a Headquarters unit finds reasons to recommend a change to an account. Items which may be proposed are:

- add special extension code in Return Review Unit
- change of area code from or to countywide allocation (Local Tax or Return Review)
- change of tax code from or to Special Seller, tax code "SS" (Local Tax or Return Review)

Conversion

See CPPM 332.000 for conversions of accounts

Sales and Use Tax accounts, only, may be changed from single to multiple outlet accounts, from multiple to single outlet accounts, or from sales tax to use tax accounts. No conversions of fuel tax accounts are possible.

Move Within District

All moves within districts, including between offices and branches within a district, are now performed by remote input. This box will be removed at the next update of Form BT-1047.

Reinstatement of account closed out in error

This box is checked when you wish to reinstate an account which was previously closed out. You may NOT reinstate an account in this manner which was REVOKED and subsequently closed out. See CPPM 360.000 for reinstatement of revoked, closed out accounts.

Reinstatement of an account which was closed out in error and which has moved to another district requires the preparation of two separate Forms BT-1047:

- the first to accomplish the reinstatement
- the second to accomplish the interdistrict move

If the account is an "SX" consolidated account, additional forms are required².

²See Subsection 332.000

Check Box for Reason Form is Prepared (Cont.) 310.021

Notice of Interdistrict Transfer

Interdistrict moves are described in detail in CPPM 311.000.

COMPLIANCE POLICY AND PROCEDURES MANUAL

~~———— This box is checked when moving an account to another district. Do not check this box (or use BT-1047) when moving an account between offices within the same district³.~~

Section A, Identification of Account Record **310.025**

~~Section A of Form BT-1047 is completed by entering the existing name and account number exactly as it appears on the registration record regardless of the fact that either the name or account number might be changed by the entries in Section B of the form.~~

Section B, Items To Be Corrected **310.030**

~~The only entries made in Section B of Form BT-1047 are those to be changed or deleted on the account record. To change the tax code or office code portion of the account number, only the complete new tax code or office code must be shown in the appropriate box. To add or correct an item on the account record, only the addition or correction is entered in the proper box. The complete information for that box must be entered. To delete an item from the account record, the word “DELETE” is entered in the proper box. More than one addition, correction, or deletion may be made on one form.~~

Firm Name⁴

~~The firm Name (DBA, for “Doing Business As”) is entered whenever the owner operates the business with a fictitious name. If there is no fictitious name or if the firm name is the same as the ownership, no entry is made in this space.~~

~~A firm name or DBA is optional, and is not required by Board of Equalization laws or regulations. Firm names and DBA’s are added for informational purposes. Registration of fictitious names is performed with the County Recorder.~~

Location of Business (If Different than Mailing Address)

~~See CPPM 250.080 ET. Seq. for accounts where books and records are located out of state or in fringe areas.~~

~~———— “Location of business for single outlet instate sales and use tax accounts is the physical address from which sales are made. The instate business address determines the district of office of control.”~~

~~3 ——— For example, do not use a BT-1047 to move an account from ARE — Santa Barbara, as this is an intradistrict transfer, and is made using remote input. An interdistrict transfer would occur if an account was moved from the ARE — Santa Cruz office to GH — San Jose. In short, if the account is being moved to an office with the same first two letters of the office code, the move is occurring within the same district and remote input is used. If the account is being moved to an office where the first two letters of the office code are different, an interdistrict transfer is occurring, and Form BT-1047 is used.~~

~~4 ——— May be individually changed by remote input.~~

Section B, Items To Be Corrected **(Cont.) 310.030**

~~When the location of the business is different from the mailing address, the location of business is entered so that the site the business occupies is clearly identified. For use fuel tax applications, the address where the taxpayer or his representative may be reached for compliance or audit purposes is entered. Each item of this space must be completed in full. If there is no street address the location must be identified by describing it in relation to permanent landmarks. A post office box, route box number, or accountant’s address is not entered as a business address for an instate account. However, Out of State District and Fringe Area accounts without an instate business address, and which use an area code beginning with 59-999 may in some instances have only a post office box for the business and mailing addresses.~~

~~Consolidated sales and use tax accounts are issued to a “master location”, which is the location of books and records, and is used to establish the office of control. A master location does not necessarily need to be a selling location, hence a master location may be in one district, with all selling sub locations located elsewhere.~~

~~Additional information on consolidated accounts may be found in Section 232.000 and **332.000**.~~

ACCOUNT MAINTENANCE

When a former business address was also the mailing address and a different mailing address is to be added, enter the present business address on Line 4. If the city and/or state are different from the new mailing address, also enter the city and state (if applicable). The new mailing address is entered on Line 5. Line 6 is completed if the city and/or state have been changed.

When the former mailing address was different from the business address and a change is to be made so that the business address and mailing address are one and the same, enter "delete" on Line 4 and enter the business address on the Line 5 and, if applicable, Line 6

Mailing Address (Number and Street), City, State⁵

When the business address is changed as a result of renumbering the address or renaming the street by action of the city or county, the complete new address is shown, including the city and state if they are different from those in the business address.

A change or correction of a business address may result in a change of area code. If there is no change to the area code, draw two lines through the area code grid on the BT 1047. (See Section 228.000 for additional help for coding grid entries.)

ZIP Code

Enter the state and ZIP or ZIP+4 codes. If a 9 digit ZIP code ("ZIP+4") is entered into the registration record for an account, all forms and correspondence will be prepared with the ZIP+4 number. Five (5) digit ZIP codes will continue to be acceptable.

Foreign County Mail

When changing an account with a mailing address in a foreign country, enter the country name in the "State" area. If the country is Canada, the appropriate 7 position Canadian POSTCODE code is entered in the "Zip Code" area. For other countries, no ZIP code or equivalent is entered.

Note: Foreign country province or state names, or abbreviations are NOT entered in the "State" area. If a foreign province or state name is required as part of a mailing address, enter the name in the "City or Town" area.

5 May be individually changed by remote input.

Section B, Items To Be Corrected (Cont.) 310.030

Coding Grid Entries

Coding grid entries are separately addressed in CPPM 328.000, due to the number of interrelated decisions which must be made. Only make entries in the coding grid for items to be changed.

To delete an Exception Code, Special Processing Code or Extension Code, enter the word "DELETE" in the box(es) affected.

Section C, Reason(s) For Change 310.040

1. []As of _____ Move within District

Accounts which moved from location to location within the same district (including moves between branches within the same district) are moved using remote input instead of Form BT 1047. Remote input saves time and paperwork, as no BT 1047 is required, and changes to the registration record appear the following morning. This section will not appear on future updates of Form BT 1047.

A change or correction of a business address may result in a change of area code. If there is no change to the area code, draw two lines through the area code boxes on the BT 1047. Otherwise, enter the full 12 digit new area code (See Section 228.030 for area code assistance with coding grid entries.)

IMPORTANT!

COMPLIANCE POLICY AND PROCEDURES MANUAL

The effective date is always the date on which the move actually occurred, not the date when the form making the change is prepared. Local taxes must be allocated or reallocated to the jurisdiction from the time the move actually occurred.

Distribution of Forms BT-1047

Original—Headquarters Registration

Duplicate—District file

2. As of _____ Area code, Incorporation or annexation Number

Changes to an area code which are caused by annexation, incorporation, or new redevelopment area within a city must be initiated and approved by the Local Tax Unit. Local Tax Unit will forward Form BT-888, "Notice of Annexation or Incorporation", to the district in which the newly annexed or incorporated area is located. District personnel must identify all sales and use tax accounts and sub-permits with the affected area and prepare a list of those accounts. Attach the list to a single Form BT-1047 and return the list, BT-1047 and Form BT-888 to Local Tax Unit for processing.

Check the box next to 2, enter the new 12 digit area code in the coding grid, and enter the appropriate effective date as shown on Form BT-888 in the space provided. After "Number," enter the annexation or incorporation number from Form BT-888.

Attach all Forms BT-1047 to the original BT-888, and forward the entire package to Local Tax Unit for processing.

3. As of _____ Area code, other

Erroneous area codes are occasionally encountered. Correction of most erroneous area codes may be made via remote input. In situations where remote input of an area code correction cannot be made, check the box next to 3, enter the corrected 12 digit area code in the coding grid, and the effective date of the correction in the space provided.

Distribution of Forms BT-1047

Original—Headquarters Registration

Duplicate—District file

4. Change should not be made because

When a proposed change is sent to the district by Headquarters and further investigation shows the change should not be made, check the box next to 4, and enter the reason in the space provided.

When Form BT-1047 is initiated by Headquarters and sent to the district of action to propose a potential change to an account record, district verification of the proposed change will be made. This prevents a change being initiated by Headquarters without full knowledge and approval of the district in control of the account.

When Headquarters proposes to change an account record, a Form BT-1047 is prepared and sent to the district in duplicate. Section A of the form is completed and the only entry made in Section B is the specific item which Headquarters proposes to change. The reason for the proposed change is checked in Section C. C-7 must also be completed.

District verification of the proposed change might be an examination of the district records or a field investigation. If it is determined the proposed change is to be made, Section C is completed and the appropriate box(s) checked. C-6 must show whether or not returns were furnished to the taxpayer. The original form is returned to Headquarters.

If the district determines that the proposed change should not be made, Section C is completed and the appropriate box is checked. An explanation is entered stating the reason for not processing the change. The original of the form is returned to Headquarters.

5. Conversion to consolidated, attach BT-400-CS. To regular, attach BT-406-CS

When a sales tax account is changed from a single outlet to multiple outlet account, or changed from multiple outlet to single outlet, check the box next to 5 and enter the effective date in the space provided

ACCOUNT MAINTENANCE

at the right hand side.

See CPPM 232.000 for information on new consolidated accounts, and CPPM 332.000 for full information on conversions of existing accounts

IMPORTANT!

Local tax will be reallocated based upon the effective date of conversion. Enter the actual date of conversion, NOT the date forms BT 1047 or BT 400 CS are prepared. Be sure to furnish appropriate schedules of sub locations (Form BT 530 A) for local tax allocation with any returns prepared for the taxpayer.

6. Furnished to the Taxpayer:

Permit card

When account maintenance is performed requiring issuance of a new permit card (a permit in the BT 442 series), check this box.

Notice of Prepayment Status Form BT 1241

Taxpayers whose account is placed onto a Quarterly Prepayment status are furnished Form BT 1241, "Notice of Prepayment Status." Check this box and prepare Form BT 1241 in duplicate. Send the original to the taxpayer at the time prepayment status becomes effective. Staple the duplicate to Form BT 1047 and retain in the district or branch file.

Returns No yes

Periods _____

When changes to the mailing address are made which fall near tax return cutoff dates shown on the Calendar of Business Taxes Functions, furnish taxpayer with any appropriate tax returns and, if needed, Form BT 530 A for sub location local tax, allocation. If none are required, check the "NO." box. Otherwise, check the "YES" box and indicate for which period(s) returns are being furnished.

7. Basis

Place the alpha character (M, Q, Y, F, O, X) for the account's present reporting basis OD this line. **An entry must appear in this section for all transactions.**

Section D, Reason For Transfer _____ 310.050

Before processing a Form BT 1047 for an interdistrict move, review the account to be sure the account is active and sales are being reported. If no sales have been reported for an extended period of time (one year or more) a close out should be initiated, the taxpayer informed of the close out and the seller's permit retrieved if possible. Paperwork for an interdistrict move should not be prepared or processed if known the account will be closed out.

1. As of _____ Sales Tax

_____ Use Fuel

_____ Vendor

_____ Certificate of Registration Use Tax

_____ Consumer Use Tax

_____ Other _____

This section is used to transfer a single location seller's permit, use tax, or use fuel tax account between districts. Do not use this section to transfer or move an account within the same district, including between branches of the same district.

Enter the effective date of the move to the new business location on the line following "As of." Next, check which type of account is being moved to the new district of control.

Check " Other _____" when moving other types of accounts not listed, such as "SG" Gasoline Pre collection Accounts.

COMPLIANCE POLICY AND PROCEDURES MANUAL

Note: When moving the master location of a consolidated account between districts, do not use or check boxes in this area. Use 2., "Master Location — consolidated account moved to another district"

2. ~~[] As of _____ Master location — consolidated account moved to another district. Duplicate~~

~~BT 1047 for move of sub-permits attached.~~

~~This section is used to transfer the master location of a consolidated seller's permit (tax codes "SX", "SY" and "SZ") between districts. Enter the effective date of the move to the new business location on the line following "As of."~~

Special Procedure for "SX" Consolidated Accounts

~~When moving the master location of an "SX" consolidated account, a second BT 1047 is required to change the office of control for sub-locations. Attach a RG 2 video printout of all sub-locations to the second Form BT 1047.~~

~~Complete Section A, and enter the new master office in Section B.1. In the "REMARKS" section, place the word "Subs."~~

Note: No duplicate BT 1047 is required to move sub permits for "SY" and "SZ" accounts. Form BT 1047 will be corrected at the next printing to reflect this change.

TO: _____ Send the master file and all pertinent documents

~~When a district other than the district of control wishes to have an account transferred to another district, Form BT 1047 is prepared in triplicate. After the "TO:", enter the district where the file is presently located. For instance, if the DHF — Merced office prepares Form BT 1047 to transfer a file from KHC — Modesto to DHF — Merced, the person in Merced preparing the form will enter "KHC — Modesto" on this line and forward the completed form to Sacramento District.~~

Distribution of Forms BT 1047

~~Forward the original and duplicate copies to the old district, requesting file and related material be sent to the new district. The old district will complete the Form BT 1047 and the entries in Section A of the form will be verified with the registration record for accuracy, then forward the original of the form to Headquarter Registration. The duplicate is returned to the new district together with the requested file material.~~

Section D, Reason For Transfer _____ (Cont). 310.050

TO: _____ Attached is master file and documents identified below

~~When the master district (district of control) wishes to transfer an account to another district, Form BT 1047 is prepared in triplicate. After the "TO:", enter the district where the file is to be sent. For instance, if the KHC — Modesto office prepares Form BT 1047 to transfer an account from KHC — Modesto to DHF — Merced, the person in Modesto preparing the form will enter "DHF — Merced" on this line and forward the completed form to Sacramento District.~~

Distribution of Form BT 1047

~~The old district will acquire all of the additional information necessary for the new district by telephone and complete Form BT 1047 in its entirety. The old district will forward the original Form BT 1047 to Headquarters. The file, including all district documents is attached to the second copy of the Form BT 1047 and is forwarded to the new district. The file should be purged of old and/or extraneous material prior to mailing. The third copy of the form is kept in the old district.~~

Security

Before transferring an account with security, review the account to see whether security is still required. If security is no longer required, process a refund or notification of non-renewal (Form BT 168 B) for surety bonds.

Accounts which are being transferred to another district of control and for which security deposits will continue to be

ACCOUNT MAINTENANCE

required, must have security records transferred to the new district.

Check the type(s) of ACTIVE security deposit(s) on file for the account. For surety bonds, also enter the bond number and name of bonding company. On the DESCRIPTION line enter the date(s) of all Forms BT 487 and amount of security they represent. For time certificates of deposit, savings and loan certificate or credit union share accounts pledged as security, the former district of control must remove all security documents from security document storage files and forward the documents with the master file to the new district of control.

Upon receipt at the new district of control security documents will be removed from the master file and placed in security document storage files.

Billings

When an account is being transferred to another district of control, enter data about the accounts receivable balance in this section. Attach all collection notes to the file and forward with any billing documents to the new district.

Note: Administrative responsibility for collection of the balance will be transferred to the new district. Both former district of control and the receiving district must exercise sufficient follow up to ensure the balance has been properly transferred and that collection action continues uninterrupted.

Delinquencies

Revoked Accounts

Accounts which have revoked may not be routinely transferred between districts in revoked status. Please refer to CPPM 360.071 for specific guidance when moving a revoked account.

Unrevoked Accounts

Enter periods or causes of delinquency.

Note: Administrative responsibility for delinquencies will be transferred to the new district. Both former district of control and the receiving district must exercise sufficient follow up to ensure the delinquency has been properly transferred and that action to clear the delinquency continues uninterrupted.

COMPLIANCE POLICY AND PROCEDURES MANUAL

~~Section E, New Phones and Addresses~~ ~~310.060~~

~~Enter any new residence or business phones, and new residence address which may have resulted from transactions being performed.~~

~~Office, By, Date~~ ~~310.070~~

~~Enter the office designation and/or name (AR—Ventura, FHB—San Marcos and so forth), the name of the person preparing the BT 1047, and the date the form was prepared.~~

PARTNERSHIP CHANGES 301.000

4. RUPA PROVISIONS 301.010

The Revised Uniform Partnership Act (RUPA) made significant changes to the laws governing partnerships in California and requires changes to the way the Board administers partnership accounts. It became effective on January 1, 1997 for all new partnerships formed in this state on or after that date. It became effective on January 1, 1999 for all partnerships – regardless of when they were formed. Partnerships formed prior to January 1, 1997 could elect to be governed by RUPA during the ‘transition’ period from January 1, 1997 to January 1, 1999 (if no such election was made, they would not have become subject to RUPA until January 1, 1999.

RUPA provides that partnerships are distinct and separate entities from their individual partners and allows for the continuation of a partnership with the addition or deletion of partners. [For more detailed information on RUPA, see revised CPPM Section 724.000]

In accordance with RUPA, staff should not close-out a partnership permit and issue a new one, merely because of a partner change (unless a written partnership agreement specifies dissolution of the partnership in such circumstances). Since the permit will continue, for account maintenance and other purposes, it is imperative that partner-change information, when received by district staff or Headquarters personnel, be properly documented.

DOCUMENTING PARTNERSHIP CHANGES 301.020

RUPA does not require that notice be given to government agencies or creditors when a partner is added or dropped from a partnership. Therefore, to ensure that Board records are accurate and up-to-date, it is important to timely and accurately document when partners are added or dropped and when notice was received. The Board’s permit applications and selected pamphlets have been revised to advise applicants of the importance of notifying the Board immediately whenever a partner is added or dropped. Although RUPA does not require such notice, prompt notification to the Board may protect former partners from tax liabilities incurred by the partnership after they dissociated (left the partnership), and may protect new partners from liabilities incurred before they joined the partnership.

When notified by telephone that a partner has been added or dropped, the person receiving the information should obtain and document the following information. Note: The Partner-Change Information sheet attached to this section may be used for this purpose:

1. Name of the person providing the information.
2. Phone number and address of person providing the information.
3. Name of partnership and/or name of business (DBA).
4. Account number, if known.
5. Name(s) of managing partner or partners (at least one partner’s name should be obtained).
6. Name(s) of partner(s) added or dropped.
7. Effective date(s) of change.

DOCUMENTING PARTNERSHIP CHANGES**(Cont.1) 301.020**

In addition to the above, the following steps should also be taken, when appropriate:

- The person receiving the call should include his or her name on the information sheet and the date the information was received. The caller should be asked to send in written confirmation of the information provided. If written confirmation is not received within two weeks, a confirming letter should be sent to the caller who provided the information by the district of control. A first-line supervisor or his/her designee should send the confirmation letter. A copy of this letter should also be sent to the business address in the name of the partnership or business name (DBA). A copy should also be sent to the Taxpayer Records Section and another copy retained in the district. Attached to this CPPM section are two suggested confirmation letters that may be used: one is for confirming the addition of a partner and the other letter is for confirming the dropping of a partner from the partnership. If more than one partner is being added or dropped, multiple letters should be sent.
- If the call is received in a district office or in any section directly responsible for the account, the information sheet should be given to the person's immediate supervisor. The supervisor will assign staff to enter the information on-line in the comments section of appropriate screens for the SUTD or the STD accounts. All information on the sheet should be entered. The Difference sub-system in IRIS or the A/R screens in STARS should be checked for any unpaid balances on the account. Any A/R information should also be entered, including the reporting periods. If there are no outstanding liabilities on the account, a notation should be entered indicating there is no A/R balance. The supervisor will then ensure that the information sheet is filed and maintained in a centralized location for future reference (most likely, for on-line entry into IRIS or STARS when planned RUPA enhancements to these automated systems become operational).
- If notice of a change in partners is received in the Customer and Taxpayer Services Division (CATS) or in any other section not directly responsible for the account, the information sheet will be completed as above and forwarded to the district or section responsible for the account, to the attention of the District Administrator or section supervisor in charge. This person will then ensure that the above procedures are followed and the information is entered on-line, including any A/R data.
- If, for whatever reason, all the pertinent information cannot be obtained during the initial phone contact, an effort should be made to at least obtain the caller's name, phone number (or address), account number or name of the business, and at least one partner's name. A return phone call to the person should then be made as soon as possible, or the person's name, number and other particulars should be forwarded to the responsible section or district of control for follow-up.
- If information is received in the mail, the correspondence should be forwarded to the district or section responsible for the account for follow-up and processing as described above.

DOCUMENTING PARTNERSHIP CHANGES

(Cont.2) 301.020

Partner-Change Information			
Caller Information			
Name of person requesting change:			
Phone number of caller:	Date Notified:		
Address of caller:			
Name of Partnership:	Account Number:		
Names of current partners:			
Changes Requested and Effective Dates:			
<u>Partner Added</u>	<u>Date</u>	<u>Partner Dropped *</u>	<u>Date</u>

1. Comments entered on TAR AI for this account?

Yes No

All comments should be printed and attached

**For any partner that has been dropped, send completed information to: Registration Specialist, Special Projects Team, Program Planning Division (MIC: 40)*

2. Asked caller to provide written confirmation of these changes? Yes No

3. Written confirmation must be received within two weeks of the date notified. **Follow up on** _____

Written confirmation received from partner or person providing information on _____

Confirming letter sent to partner or person providing information on _____

Confirming letter sent to Partnership at business address on _____

Delinquency and A/R Information		
Period	A/R Balance †	Delinquent? Yes/No
_____ to _____	_____	_____
_____ to _____	_____	_____
_____ to _____	_____	_____

† Supervisor or designee will notify Special Procedures Section of any accounts with an existing A/R balance

Employee Taking the Call _____ Date completed and sent to Supervisor _____

DOCUMENTING PARTNERSHIP CHANGES

(Cont.3) 301.020

Supervisor Section			
<u>Form completed, including follow up?</u>	<u>Yes</u>	<u>No</u>	
<u>Documentation attached?</u>	<u>Yes</u>	<u>No</u>	
<u>E-mail sent to Special Procedures?</u>	<u>Yes</u>	<u>No</u>	<i>Send E-mail if A/R balance exists</i>
<u>Deleted partners sent to MIC 40?</u>	<u>Yes</u>	<u>No</u>	
<u>Documentation sent to district of control?</u>	<u>Yes</u>	<u>No</u>	
<u>Comments printed and attached?</u>	<u>Yes</u>	<u>No</u>	
<u>Documentation sent to Taxpayer Records?</u>	<u>Yes</u>	<u>No</u>	<u>Date sent:</u>
<u>Entered in RUPA Log: (see suggested log below)</u>	<u>Yes</u>	<u>No</u>	<u>Date entered:</u>

Comments:

District RUPA Log

List of Partnership Accounts where partners have been added or dropped for year _____.

<u>Account Number</u>	<u>Account Name</u>	<u>Process Date</u> (of Partnership Change)

ACCOUNT MAINTENANCE

DOCUMENTING PARTNERSHIP CHANGES

(Cont.4) 301.020



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

(INSERT LOCAL OFFICE ADDRESS)

TELEPHONE (INSERT LOCAL OFFICE PHONE NUMBER)

FAX (INSERT LOCAL OFFICE FAX NUMBER)

www.boe.ca.gov

JOHAN KLEHS
First District, Hayward

DEAN ANDAL
Second District, Stockton

CLAUDE PARRISH
Third District, Torrance

JOHN CHIANG
Fourth District, Los Angeles

KATHLEEN CONNELL
State Controller, Sacramento

JAMES E. SPEED
Executive Director

Date

Addressee (name of partner added)

Address (his/her address)

Account Number (SR XX 99-999999)

(Business Name / DBA)

Dear (name of partner added):

This is to confirm [information recently provided to us] that you have joined (insert name of partnership, if known) [or] [the partnership] registered to the above-referenced Board of Equalization account, [doing business as] (insert business name or DBA, if there is one), effective (date of addition to partnership). Accordingly, your name has been added to our registration records as an active partner for this account.

[Note: The next paragraph is optional, depending on whether or not the information was received from a third party and not directly from the partner added.]

The above information was received from (name of person supplying information), which was provided to us on (date information received). If this information is incorrect, please contact us at (local office phone number).

You should notify the Board immediately if you ever dissociate from or leave this partnership, as timely notification could affect your personal liability for any taxes that might be incurred by the partnership business after your separation.

Very truly yours,

Authorized Representative
Board of Equalization
(insert city), California

cc: (insert partnership name, if known, or business name / DBA, or name(s) under which account is registered.)
(insert business address or address of record.)

DOCUMENTING PARTNERSHIP CHANGES

(Cont.5) 301.020



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

(INSERT LOCAL OFFICE ADDRESS)

TELEPHONE (INSERT LOCAL OFFICE PHONE NUMBER)

FAX (INSERT LOCAL OFFICE FAX NUMBER)

www.boe.ca.gov

JOHAN KLEHS
First District, Hayward

DEAN ANDAL
Second District, Stockton

CLAUDE PARRISH
Third District, Torrance

JOHN CHIANG
Fourth District, Los Angeles

KATHLEEN CONNELL
State Controller, Sacramento

JAMES E. SPEED
Executive Director

Date

Addressee (name of partner dropped)

Address (his/her address)

Account Number (SR XX 99-999999)
(Business Name / DBA)

Dear (name of partner dropped):

This is to confirm [information recently provided to us] that you are no longer associated with (insert name of partnership, if known) [or] [the partnership] registered to the above-referenced Board of Equalization account, [doing business as] (insert business name or DBA, if there is one), effective (date of deletion from partnership). Accordingly, your name has been deleted from our registration records as an active partner for this account.

[Note: The next paragraph is optional, depending on whether or not the information was received from a third party and not directly from the partner added.]

The above information was received from (name of person supplying information), which was provided to us on (date information received). If this information is incorrect, please contact us at (local office phone number).

Very truly yours,

Authorized Representative
Board of Equalization
(insert city), California

cc: (insert partnership name, if known, or business name / DBA, or name(s) under which account is registered.)
(insert business address or address of record.)

ADDING OR DROPPING PARTNERS**301.030**

When a partner is added or dropped, generally the permit will continue if the business continues and no new permit will be issued unless the partnership agreement specifies dissolution of the partnership when partners are added or dropped. In that case the permit will be closed-out and a new one issued to the new partnership or other entity. Partner-change information, when obtained, will be recorded and processed as outlined in CPPM 301.020. Confirmation letters will be requested and sent, and copies will be retained in the district and forwarded to Taxpayer Records.

If a partner dissociates herself/himself from a partnership or is otherwise removed and this results in only one partner remaining, the original permit should be closed-out and a new permit issued for the business. The new permit should be for a sole proprietor or other non-partnership entity, since there cannot be a "partnership" consisting of only one person. By definition, a partnership is an association of two or more persons, formed to carry on a business for profit.

When a partner is added, the name, address, and other information of the partner will be added to the registration record in the Client Taxpayer System (IRIS and STARS accounts) and comments entered on-line as stated on CPPM 301.020. The comments are essential since the Board's automated systems do not yet have the capability to record start-dates for new partners. If there is an existing unpaid balance on the account, a memo or e-mail should be sent to the Supervisor of the Special Procedures section for notification, identifying the account number, name(s) of the new partner(s), and the date each partner was added. Special Procedures will then monitor the account to ensure that no liens or other actions are taken against the new partner(s) for liabilities incurred before joining the partnership. The person entering information on-line will enter comments in either the TAR AI registration screen for SUTD accounts, or the SPR AI screen for STD accounts. All information on the sheet and any A/R information should be entered.

When a partner is dropped, the district or section of control will **not** delete the partner's name from registration. Instead, for SUTD accounts comments will be entered on-line as above and the account number, names of the dropped partner or partners, and copies of the written confirmation and other evidence will be forwarded to the Registration Specialist, Special Projects Team, Program Planning Division (MIC 40). For Special Taxes accounts, the same process will be followed except that the information and confirming documents will be sent to the respective Registration Specialist in the section where the account originated. This is a temporary procedure designed to provide greater control and centralized monitoring of partnership deletions until planned RUPA enhancements to the automated systems become operational. The Registration Specialist will ensure that proper comments have been entered on-line and will delete the partner's name from registration only if there is no outstanding liability on the account. Otherwise, the partner's name will remain on the on-line registration record.

4.CHANGE OF ACCOUNT RECORD - ON-LINE FUNCTIONS 305.000

TAXPAYER IDENTIFICATION NUMBER ACCOUNTS 305.010

All account maintenance changes to a Taxpayer Identification Number (TIN) record are made on-line using the Client Maintenance (CM) program, in the Client Taxpayer System (CTS). Detailed instructions for making TIN changes are found in Chapter 8, Maintenance, in the CTS/STAR User Guide. Changes that can be made to an existing TIN account include:

<u>Adding or Changing Partners</u>	<u>Mail Name</u>
<u>Address Changes or Corrections</u>	<u>Miscellaneous Information</u>
<u>Agent Information</u>	<u>Employer/Spouse Information</u>
<u>AKA (Also Known As)</u>	<u>Personal references</u>
<u>CORP# (Corporation Number) Field</u>	<u>Name Changes and Corrections</u>
<u>DAYP (Daytime Telephone Number) Field</u>	<u>Officers</u>
<u>DLIC (Driver's License) Field</u>	<u>Adding an Officer</u>
<u>DOB (Date of Birth) Field</u>	<u>Changing an Officer's Relationship</u>
<u>EVEP (Evening Telephone Number) Field</u>	<u>Deleting an Officer</u>
<u>FAX (Fax Machine Telephone Number) Field</u>	<u>SEIN (State Employee Identification Number)</u>
<u>FEIN (Federal Employee Identification Number)</u>	<u>SOS# (Limited Partnership Number) Field</u>
<u>LLC# (Limited Liability Company Number)</u>	<u>SSN (Social Security Number) Field</u>
<u>LLC Sunset Date Field</u>	<u>ST (State) Field</u>
<u>Employer information</u>	<u>References</u>
<u>Spouse information</u>	

ACCOUNT MAINTENANCE

ON-LINE CHANGES MADE IN DIRECT INPUT FIELDS

305.020

The Taxable Activity Maintenance screen (TAR AM) allows several changes to be made to an account record by typing the change directly into the field. Changes that can be made in the direct input fields include:

<u>FIELD NAME</u>	<u>DESCRIPTION</u>
<u>Acctant Code:</u>	<u>5 digit accountant's code can only be entered by Account Analysis & Control Section (CPPM 230.080)</u>
<u>Attn:</u>	<u>Attention of who gets the mail</u>
<u>BRP:</u>	<u>Basis Review Protect Code (CPPM 230.095)</u>
<u>Dist File:</u>	<u>District Paper File has been established indicator (Y=yes, blank=no)</u>
<u>Start Date:</u>	<u>Taxable Activity date of first sale (CPPM 335.040)</u>
<u>Confidential:</u>	<u>Y indicates taxpayer requested taxable activity confidentiality. Field access restricted to the Special Projects Team in the Program Planning Division</u>

ON-LINE CHANGES MADE USING MOREABLE + FIELDS

305.030

Moreable fields are used to access underlying screens that contain additional data on the account. When these screens are accessed in account maintenance, changes may be made to the account record. Moreable fields are designated by a “+” or a “>” symbol immediately following the field name. A “+” indicates the screen currently holds no additional data. A “>” indicates there is additional data to be viewed, edited or added.

<u>FIELD NAME</u>	<u>DESCRIPTION</u>
<u>ABC</u>	<u>Alcoholic Beverage Control License - add or delete ABC license information (CPPM 205.000)</u>
<u>DBA</u>	<u>Doing Business As - fictitious names may be added or deleted (CPPM 200.030)</u>
<u>Loc Addr</u>	<u>Taxable Activity Business Location - address may be changed or edited (CPPM 225.000) or interdistrict move of business location (CPPM 310.000)</u>
<u>Mail Addr</u>	<u>Change or edit the mailing address (CPPM 225.000)</u>
<u>Phone</u>	<u>Add or change phone numbers for business or owners</u>
<u>Transfer Info</u>	<u>Predecessor/Successor Transfer Information – predecessor information may be edited (CPPM 225.000) or successor information edited in close-out maintenance (CPPM chapter VI)</u>
<u>Acct Char</u>	<u>Account Characteristic Code (CPPM 325.030)</u>

ON-LINE CHANGES MADE USING MODIFICATION FIELDS

305.040

Modification fields are used to modify account information. Account maintenance changes to these fields can be made by placing the cursor on the field to be modified and pressing the modify key. This action will activate a change window in which the appropriate changes may be made.

The modification fields and their descriptions include:

<u>FIELD NAME</u>	<u>DESCRIPTION</u>
<u>TAT</u>	<u>Taxable Activity Type - Only the indicator portion of this code may be changed</u>
<u>6015</u>	<u>Section 6015 Retailer – Identification can only be updated by Special Projects (CPPM 265.010 to 265.025)</u>
<u>Basis</u>	<u>Change reporting basis code and enter effective date of change (CPPM 315.000)</u>
<u>Bus Code</u>	<u>Change business code and enter effective date of change (CPPM 325.020)</u>
<u>Return Type</u>	<u>Reflects type of return taxpayer receives. 1=BOE 401, 2=BOE 401-EZ</u>

4.

INTERDISTRICT MOVES OF BUSINESS LOCATION 311.000 310.000

4.WHAT IS AN INTERDISTRICT MOVE? 311.005310.010

When an established account moves its business location, or a consolidated account moves the location of books and records, to a place within the physical boundaries of another Board of Equalization district office, administrative responsibility for the account is transferred to the new Board of Equalization district office. The process of transferring this responsibility is an “interdistrict move.”

4.PROCESSING AN INTERDISTRICT MOVE OF AN ACCOUNT 311.010310.020

Form BT-1047 is used to make an interdistrict transfer of an account for

- a. ~~— Sales Tax, including master locations and sub-locations for consolidated accounts~~
- b. ~~— Consumer Use Tax~~
- c. ~~— Certificate of Registration Use Tax~~
- d. ~~— Use Fuel Tax~~
- e. ~~— Vendor Use Fuel Tax~~
- f. ~~— Gasoline pre-collection (SG accounts)~~

When a change of business location address is made the new district designator and tax area code are changed on-line.

Review for Close-out

Before processing a ~~Form BT-1047 for an interdistrict move~~ change of business location address the account should be reviewed to see if the account is active and if any sales are being reported. If no sales have been reported for an extended period of time (one year or more) a close-out should be initiated, the taxpayer should be informed of the close-out, and the seller’s permit should be retrieved if possible. ~~Paperwork for an interdistrict move~~ A change of business location transferring districts should not be ~~prepared or processed~~ if it is known the account will be closed out.

Accounts with Security

Accounts with liquid security must transfer the documents to the new district. Upon receipt, the new district of control will place the security documents in the security storage files.

Processing an Interdistrict Move of Business Location

To process an interdistrict move of a business location from the current district of control take the following steps:

1. If the account has security follow the procedure outlined above.
2. Make the business location and mailing address changes and assign the new district and tax area codes using the on-line registration system. Send new permit to taxpayer.
3. Update the account with any new information (i.e., phones, addresses, and banks).
- 6.4. If a Y indicator on the District File Field exists, send the district office file and/or security documents to the new district of control.
- 7.5. Provide to the taxpayer a tax return if past the cut-off date.

COMPLIANCE POLICY AND PROCEDURES MANUAL

Form BT 1047 is prepared in triplicate and can be initiated by either the old or new district. Only the original is transmitted to Headquarters.

The account file and folder and all related documents are forwarded to the new district.

The box "Notice of Interdistrict Transfer" is checked and the form sections completed as follows:

Section A. — Enter the owner name and account number as it shows on the record.

Section B. — The only entries made in Section B are those which represent changes to the account record.

Section C.6. — Complete applicable parts

Section C.7. — Enter reporting basis (M, Q, Y, F, O, X)

Section D.1. — Enter the date of the transfer and check the box identifying the type of account. If a prepayment account, check the box designated "Other" and enter "Prepayment" on the line following and check the "Sales Tax" box.

Section D.2 — Interdistrict transfer of a master location consolidated account. This box is checked and the date of move is entered in the space provided. If the former master address was also a sale outlet which is discontinued, a Form BT 406 CS is prepared to close out that sub permit. If the new master address is a new sales outlet, Form BT 400 CS is prepared to establish the new permit. A Form BT 400 is not required to change the master location of a consolidated account.

————— When the master location of a consolidated account is moved to another district, the master district identifier on sub permit records will simultaneously be changed by the mainframe computer the new master district.

Section E, — Enter applicable information.

Distribution of Forms BT 1047 for Interdistrict Transfer of Account

— Old District

————— When the old district initiates the Form BT 1047, all of the information regarding security, billings and delinquencies is entered in Section D. If there is no security or billing or delinquency of record, "none" is entered under each respective heading. Section C.6 is completed to show whether or not returns were furnished to the taxpayer. Section C.7 is completed to show basis. New address and telephone information is entered in Section E.

————— The old district will acquire all of the additional information necessary for the new district by telephone and complete Form BT 1047 in its entirety. The old district will forward the original Form BT 1047 to headquarters. The file, including all district documents, is attached to the second copy of the Form BT 1047 and is forwarded to the new district. The file should be purged of old and/or extraneous material prior to mailing. The third copy of the form is kept in the old district.

— New District

————— Where the new district initiates a Form BT 1047, the original and duplicate copies are forwarded to the old district, requesting file and related material be sent to the new district. The old district will complete the Form BT 1047 and the entries in Section A of the form will be verified with the registration record for accuracy, then forward the original of the form to Headquarters Registration. The duplicate is returned to the new district together with the requested file material.

Sections C.6, C.7 and E are completed when information is available.

The new district, upon receiving the folder and related material accompanying Form BT 1047, reviews folder contents (if warranted), and files the folder on open shelf district files.

ACCOUNT MAINTENANCE

~~Decision Table~~ ————— ~~Single Outlet Code~~ ————— ~~311.011~~

~~for~~

~~Area Code, Local Test Code, Tax Program, Office Code~~

DECISION TABLE TO BE DELETED

~~* ——— See map of District OH Areas of Responsibility, CPPM 250.100~~

~~** ——— See map of Fringe Areas, CPPM 250.110~~

~~Additional guidance for accounts with books and records out of state or in fringe areas may be found in CPPM 250.060 and 250.070.~~

~~OUT OF STATE ACCOUNT~~

~~Sales and Use Tax Account~~

~~Single Outlet~~

~~OUT OF STATE ACCOUNT TABLE TO BE DELETED~~

~~When it is determined that books and records sufficient for audit purposes are located out of state under the control of the taxpayer, use the following decision table as a guide to determine proper tax program code, office code, and area code for single outlet accounts.~~

ACCOUNT MAINTENANCE

**4.BT 1047, REINSTATEMENT OF
ACCOUNTS CLOSED OUT IN ERROR** **312.000**

**Reinstatement After Close-out In Error,
Preparation of Form BT 1047** **312.010**

NOTE:

No other processes may be performed on the same BT 1047 used to reinstate an account from closeout in error. If additional functions are to be performed, a second Form BT 1047 must be used. This would include functions such as a reinstatement from closeout in error and interdistrict transfer, or reinstatement from closeout in error and conversion.

When Form BT 1047 is prepared to reinstate an account closed out in error, the box is checked at the top of the form and the close out date from the video is shown in the space provided.

Complete Sections A, C6, C7, and E

For charges to the account record, an additional BT 1047 is required. This would include entries made in Section B to change or correct the record as it existed at the time of close out. Complete Section C.6 to show whether taxpayer was furnished with any returns, and Section C.7 to show reporting basis.

The reinstatement of a sales tax, use fuel or vendor use fuel tax account closed out in error plus an interdistrict move is done in the following steps:

- a. If initiated in the old district:
 1. Form BT 1047 is prepared to reinstate the account and processed.
 2. Another Form BT 1047 is prepared to effect the interdistrict move.
 3. Attach the two forms and forward to Headquarters for processing.
- b. If initiated in the new district:
 1. Form BT 1047 is prepared to reinstate the account.
 2. A second Form BT 1047 is prepared to effect the interdistrict move.
 3. Both Forms BT 1047 are forwarded to the old district.
 4. The old district attaches both original BT 1047 forms together and forwards both to Headquarters Registration for processing.
 5. The file is then transferred to the new district in the manner described in CPPM 311.025.

6. If business code is 29, verify part time status or change to a full time business code.

If the on line change of business location address is initiated from the new district of control, the new district of control will be responsible for steps 1, 2 and 3.

~~BT-1047 AND BT-777, CHANGES INTO REPORTING BASIS~~ 313.000315.000

~~4.OVERVIEW OF CHANGES INTO REPORTING BASIS~~ 313.005315.010

Changes in the tax volume of an account will sometimes require a reporting basis change. For example, accounts which report in excess of \$17,000 taxable sales per month, ~~must be placed onto~~ are required to report on a Quarterly Prepayment reporting basis.

~~Accounts which have historically been collection or compliance problems may also be placed on a different reporting basis so the district can exercise better control over the account. For example, an account on quarterly prepayment basis which routinely fails to file prepayments as required, may be changed to a monthly basis.~~
Reporting basis changes from prepayment status for any reason must be accompanied by a memorandum from the District Administrator or designee explaining the need for the change. Exceptions can be made to this policy and should be documented.

Two different methods are used by the Board to change a reporting basis.

1. **Mass change,** ~~b~~By which a mainframe computer program analyzes tax volume for all accounts and makes changes based upon the existing reporting basis and ~~the reporting basis required for the reported tax volume.~~ ~~Districts may also submit a list of accounts to be included in mass changes of reporting basis which occur at specified window periods during the year.~~ Accounts may be excluded from mass change reviews by assigning the appropriate Basis Review Protect (BRP) code on-line (see CPPM 230.095)

~~2. BT 777 used at field offices to make all reporting basis changes except from quarterly to quarterly prepayment and vice versa.~~

~~3. BT 1047, used to add or delete prepayment basis to a quarterly account.~~

2. On Line Modification see CPPM 315.040

4.FACTORS TO CONSIDER WHEN CHANGING REPORTING BASIS 313.006-315.020

Reporting basis changes should not exceed one per day, per account.

The~~Six~~ ~~must to~~ be considered before processing a change in reporting bases are:

- ~~a-~~The reporting basis change decided upon for a particular account (e.g., monthly to quarterly).
- ~~b-~~The calendar date on which the decision was made to change the reporting basis (e.g., February 16).
- ~~c-~~The last return or returns received or filed by the taxpayer on the old reporting basis (e.g., January).
- Prior adjustments made to returns (e.g. merged returns).
- ~~d-~~The effective date for the new reporting basis (e.g. ~~April~~ April 1).
- ~~e-~~ The dates during which the change to the new reporting basis may be processed (e.g., March 20 to April 10).
- ~~f-~~ The law—should the account be on prepayment status? (See Subsection 313.005-CPPM 235.025).

Part time Account Characteristic (Acct Char) Code 002 accounts should be converted to full time if they qualify for prepayment or have \$20,000 per year in taxable sales. Accounts coded part-time would normally be placed on a yearly reporting basis. Consideration should be given to deleting or modifying an existing Acct Char Code 002, if the above criterion has been met.

~~REPORTING BASIS CHANGES POSSIBLE~~ 313.007

~~The following reporting basis changes are possible for sales and use tax accounts through the on line BT 777, Notice in Reporting Basis. "Fiscal yearly" refers to the period starting July 1 and ending June 30.~~

ACCOUNT MAINTENANCE

Staff who have the proper registration security level can remove an account from prepayment basis, and place a Basis Review Protect (BRP) code.

Monthly to Quarterly	Yearly to Monthly
Monthly to Yearly	Yearly to Quarterly
Monthly to Fiscal Yearly	Yearly to Fiscal Yearly
Quarterly to Monthly	Fiscal Yearly to Monthly
Quarterly to Yearly	Fiscal Yearly to Quarterly
Quarterly to Fiscal Yearly	Fiscal Yearly to Yearly

4.EFFECTIVE DATES OF CHANGE IN REPORTING BASIS 313.008315.030

When changing the reporting basis, ensure that no delinquencies will be created and the taxpayer will have enough time to file a timely return.

~~All reporting basis changes become effective the first day of the quarter. Four effective dates are possible in one year: January 1, April 1, July 1, and October 1. These dates are also used when assigning the "O" ("exempt") reporting basis code to a use fuel account which has been granted an exemption from filing returns but requires a permit for payment of the annual flat rate fuel tax.~~

~~Headquarters will always mail the taxpayer the last return due under the old reporting basis prior to the effective date for the new basis, with this exception:~~

- ~~• When the reporting basis of an account is changed from yearly to monthly or from yearly to quarterly and the effective date is other than January 1. The district must furnish the taxpayer with a return for the expired portion of the year up to and including the last day of the month which precedes the effective date for the new basis. The tax return for the expired portion of the year is due and payable on or before the last day of the month in which the new reporting basis becomes effective.~~

~~When the reporting basis of an account is changed from quarterly to monthly and Form BT 777 is transmitted to Headquarters after the dates shown on the yearly schedule for furnishing tax returns to taxpayers, the first return due under the new basis is mailed with the taxpayer's copy of Form BT 777.~~

Process Date When Changing Reporting Basis 313.009

~~The district may decide any time that a reporting basis for an account should be changed, and may prepare a Form BT 777 at any time. Generally Form BT 777 is mailed to the taxpayer for official notice of the change, and to Headquarters to change the account record only during the window periods set forth below:~~

EFFECTIVE DATE OF NEW REPORTING BASIS	Window Period Starting Date	Window Period Ending Date
April 1	March 20	April 10
July 1	June 20	July 10
October 1	September 20	October 10
January 1	December 20	January 10

~~Exceptions may be made if deemed necessary for better control of a problem account. Form BT 777 may be sent to Headquarters at a time other than that in the schedule if accompanied by a letter from the District Principal Compliance Supervisor briefly explaining reasons for the requested change.~~

4. FORM BOE 777, NOTICE OF CHANGE IN REPORTING BASIS

315.040

The district may decide at any time that a reporting basis for an account should be changed based on the account's history. The on-line form BOE-777 is to be mailed to the taxpayer to officially notify them of the change along with any necessary returns. An on-line comment should be made.

All reporting basis changes become effective the first day of the quarter. The following four effective dates should be utilized: January 1, April 1, July 1, and October 1. Only district personnel with appropriate security level can remove an account from prepayment basis or place BRP codes on an account. In addition, a system-generated list of accounts removed from prepayment basis is sent to the district each year for review.

4. FORM BOE -1241, PREPARATION OF BT-777 FOR NOTICE OF PREPAYMENT STATUS 315.050313.011

Form BT 777 may be used to change an account from monthly, yearly, or fiscal yearly basis to quarterly prepayment status. When preparing Form BT 777, place "Q" in the "Basis" box in the coding grid, and place the digit "1" or "3" in the space designated "Special Return Processing Code"; see CPPM 313.020. Prepare Form BT 1241 C, Notice of Prepayment Status, in duplicate. The original is given to the taxpayer and the duplicate retained in the district.

Initial the box on the Headquarters and district copies of Form BT 777 to indicate the taxpayer has been notified in writing of the change to prepayment status.

Sales and use tax accounts meeting the conditions noted in CPPM 235.010 should be changed to a quarterly prepayment reporting basis. Form BOE-1241 must be printed and mailed to the taxpayer.

Mass Change of Reporting Basis

313.012

Mass changes of reporting basis are used to change the reporting basis on many accounts without preparation of individual Form BT 777. Two separate processes are involved:

1. Headquarters notices of accounts selected for change using the mainframe; and
2. Field office lists of numerous accounts for basis change.

Headquarters Notices of Accounts Selected for Change

Payment records are compared by the mainframe periodically and change to the reporting basis made for accounts which fall within certain criteria. Once the changes have been identified a listing of affected accounts will be sent to the district of control:

Payment Record Shows	Change Made ...	To	Effective
Monthly sales tax accounts reporting \$120 to \$3,000 tax per year	March of even years	Q	July 1
Yearly accounts reporting over \$800 tax per year	Every April	Q	January 1
Accounts reporting no sales or tax	Every April	Close out or extend	
Monthly sales tax accounts reporting less than \$200 tax per year	October of odd years	Y	January 1
Quarterly sales tax accounts reporting less than \$200 tax per year	October of odd years	Y	January 1
Monthly and quarterly fuel users tax accounts reporting less than \$200 per year	October of even years	Y	January 1
Monthly fuel users tax accounts reporting \$200 to \$1,200 tax per year	October of even years	Q	January 1

ACCOUNT MAINTENANCE

Quarterly fuel users tax accounts reporting more than \$1200 tax per year.	October of even years	M	January 1
Prepayment basis review year	December each or delete	Add	January 1

District Initiated Mass Change of Reporting Basis

Districts may request a mass change of reporting basis for multiple accounts in the manner detailed below.

IMPORTANT

Yearly accounts: All mass changes must have an effective date of January 1.

Prepayment, fiscal yearly, or special reporting basis accounts: Mass change procedures may not be used.

No other changes to the accounts' records may be made via mass change of reporting basis processes.

Mass Change of Reporting Basis (Cont.) 313.012

These changes require use of Form BT 777 or BT 1047.

1. ~~Separate listings must be prepared for each new reporting basis i.e. monthly, quarterly or yearly.~~
2. ~~Fuel accounts must be changed on separate lists. Do not mix sales tax and fuel user tax accounts.~~
3. ~~Lists must be legible. Type or neatly print the full account number SR ARD 15 654321.~~
4. ~~Check account number against current registration information appearing on the video to ensure information given is correct.~~
5. ~~Lists must arrive in Registration only during the window periods shown below. Lists received after the window period will be returned unprocessed, to the originating district.~~

Effective Date of Change	Start	List Must be Received in Registration	End
April 1	March 1	March 10	
July 1	June 1	June 10	
October 1	September 1	September 10	
January 1	December 1	December 10	

Headquarter will mail notices of changes to taxpayer and furnish a list in terminal digit order by branch to the district of control.

Consolidated accounts included in a mass change do not require a Form BT 1047 for sub permits.

Preparation of BT 1047 for Prepayment Status 313.013

Form BT 1047 is used to change an account already on quarterly basis to prepayment status. Place the digit "1" or "3" in the space designated "Special Return Processing Code"; see Subsection 313.020. Prepare Form BT 1241 C, Notice of Prepayment Status, in duplicate. The original is given to the taxpayer and the duplicate retained in the district.

Complete Section C.6 to show Form BT 1241 C and returns (if required) were furnished to the taxpayer, and enter the reporting basis in Section C.7.

Deletion of Prepayment Status Effective January 1 313.015

If an account which qualifies for quarterly prepayment reporting basis is changed to monthly reporting basis with an effective date of January 1, subsequent automatic review may change the basis back to quarterly prepayment. Districts will need to continuously monitor accounts which must be kept on monthly basis in spite of taxable sales.

For instructions regarding a change to a fiscal or special reporting basis, see Subsection 313.020.

Changes to Special Reporting Basis Form BT 1047 313.020

An account may be changed to a special monthly, quarterly, or yearly reporting basis when returns are to be filed for

other than normal calendar periods or fiscal year. If a request is received and approved by the district, Form BT-1047 is used to request the change. The entries made in Section B are in the coding grid. Under "Exception Code" enter 99990. In the "Special Return Processing" block enter "2". If a sales tax account is on a prepay reporting basis, the entry in this space is "3".

An entry in Section C explains the change requested and shows the schedule of reporting periods. If more space is needed, attach a separate schedule. The Form BT-1047 is sent to Headquarters Registration. If the request from the taxpayer is received by Headquarters, Headquarters Registration will prepare and process a Form BT-1047.

To change from a special to a normal basis, enter the word "delete" in the blocks entitled "Exception Code" and "Special Return Processing Code". If a sales tax account is on a prepay reporting basis, the digit in the "Special Return Processing" block is "1".

Headquarters will notify the taxpayer of the effective date when establishing a special reporting basis.

Changes to Weekly Reporting, Vendor Use Fuel Tax — BT 1047 ————— 313.030

Vendors of fuel who file weekly returns may be changed to regular monthly basis. Prepare Form BT-1047 to remove the special return processing code from the account record. Enter "delete" in the "Special Return Processing Code" box in the coding grid.

The effective date of the change must be the first day of the month and is entered in the space provided for remarks. When the final weekly return includes days in two months, instruct the vendor to include only sales made up to the effective date of change.

Changes to Special Reporting Basis, Use Fuel Tax ————— 313.035

If a fuel user who was exempt from filing returns no longer qualifies because of a changed method of operation, Form BT-777 is prepared to assign a regular reporting basis, change the business code and change the tax code. Enter the account number showing the new tax code ("FR" or "FS").

Entries are made in the coding grid to assign the proper reporting basis and business code. Returns must be filed for the period(s) of non-exempt operation which occurred prior to assignment of a regular reporting basis.

When the user requests an exemption from filing returns for an account already on a regular basis Form BT-1047 must be prepared. The reporting basis code "0" and business code "90" are entered in the coding grid. Change the tax program to "FC"¹. Transmit the completed form to Headquarters Registration only during window periods shown in the schedule provided for processing changes of reporting basis (See Subsection 313.009). No Form BT-777 is required.

¹ "FR" and "FS" accounts may not be placed on exempt basis.

SYSTEM GENERATED REPORTING BASIS CHANGE ————— 315.060

The mass change procedure is used to change the reporting basis according to an account's taxable measure history.

The following is a list of the various basis reviews and the effective dates.

SYSTEM GENERATED REPORTING BASIS CHANGE

(cont) 315.060

PAYMENT RECORD SHOWS	BASIS CHANGE MADE	TO BASIS	EFFECTIVE
<u>Monthly sales tax accounts reporting \$1200--\$3600 tax per year.</u>	<u>Every June</u>	Q	<u>July 1</u>
<u>Accounts reporting no sales or tax. (CPPM 645.130)</u>	<u>Every May</u>	C/O or Extend	<u>FY=6/30</u> <u>Q,M,Y=12/31</u>
<u>Monthly sales tax accounts reporting less than \$1200 per year.</u>	<u>Every December</u>	Y	<u>January 1</u>
<u>Yearly accounts reporting over \$1200 tax per year.</u>	<u>Every December</u>	Q	<u>January 1</u>
<u>Prepayment basis review.</u>	<u>December each year in HQ (not sent to district office)</u>	Add or delete QP	<u>January 1</u>
<u>Quarterly sales tax accounts report less than \$1200 per year.</u>	<u>Every December</u>	Y	<u>January 1</u>

4. DELETION OF PREPAYMENT STATUS EFFECTIVE JANUARY 1

~~313.015~~ 313.070

~~If When an account, which that qualifies for quarterly prepayment reporting basis, is changed to a monthly reporting basis with an effective date of January 1, a subsequent automatic review may change the basis back to quarterly prepayment. Districts will need to continuously monitor accounts which must be kept on monthly basis in spite of taxable sales. To avoid having an account returned to prepayment basis, with supervisory approval, use the appropriate BRP code to prevent this occurrence (see CPPM 235.000).~~

~~For instructions regarding a change to a fiscal or special reporting basis, see Subsection 313.020~~

~~For instructions regarding a change to a fiscal or to a special reporting basis, see Subsection 325.055.~~

CHANGES TO OR FROM YEARLY REPORTING BASIS

315.080

When an account is changed from a quarterly or monthly reporting basis to a yearly reporting basis, a copy of Form BOE-400-Y, *Important Reminder for Sales and Use Tax Accounts Reporting on a Yearly or Fiscal Yearly Basis*, is generated by the on-line system and should be given to the taxpayer with Form BOE-777. A regular fiscal year basis is one which would begin July 1 of any year through June 30 of the next year.

CHANGES TO SPECIAL REPORTING BASIS

315.090

Only the Account Analysis and Control Section can make changes to an account with a special reporting basis on-line. For instructions on requesting a special reporting basis see CPPM 235.070. A request must be submitted by the taxpayer on form BOE-715. Once the Account Analysis and Control Section receives a request, they will handle all necessary correspondence with the taxpayer and perform the on-line function required to initiate the basis change to a special reporting basis.

4.

4.REPLACEMENT OR REISSUANCE OF PERMITS 320.000

4.GENERAL GUIDES FOR REPLACEMENT OR REISSUANCE OF PERMITS 320.010

Good judgment must be exercised in determining whether a new permit or certificate of registration should be issued. A new permit or certificate form BOE-0442 should be issued when: ~~If a taxpayer requests a new permit or certificate because of an error in his present permit or certificate, such as in the spelling of a word or the number of the street address, a new form should be issued. If our staff initiates action to make a minor correction on the account record, such as a misspelled street name or owner name, a permit or certificate need not be issued. When there is a change of business address for a user (use fuel tax), a new permit or certificate need not be issued. When there is a change of business address for a user (use fuel tax), a new permit is not issued except upon request by the taxpayer. When a permit is issued at the request of a taxpayer, some documentation must be placed in the taxpayer's file maintained in the district.~~

~~A new permit or certificate form should be issued whenever an owner's name is changed by marriage or court order. It should be issued to replace a lost permit or certificate~~

1. A taxpayer requests a new permit or certificate because of an error in his/her present permit or certificate of registration, such as in the spelling of a word or in the number of the street address.
2. Changes to an owner's name by marriage or court order.
3. Permit or certificate is lost.

If staff initiates action to make a minor correction on the account record, such as a misspelled street name or owner name, a new permit or certificate need not be issued.

New seller's permit's for ~~suboutlets~~ sublocations will be issued when there is a change in master location of a consolidated account between districts. A new permit need not be issued to a ~~suboutlet~~ sublocation of a consolidated account when a minor correction is made to the account numbers such as the tax area code or branch office code.

4.SELLER'S PERMITS 320.020

The following list of circumstances show the action to be taken for the reissuance or replacement of seller's permits:

- a. ~~Permit replaced or reissued.~~
 1. ~~Change in business address interdistrict or intra district move (BT 1047)~~
 2. ~~Reinstatement after revocation with a change of business address (BT 400)~~
 3. ~~Reinstatement after close out in error with or without a change in business address (BT 1047)~~

Note Permit need only be reissued when deemed necessary

4. ~~Change in a boundary of a district or subdistrict (BT 1047 and list of accounts)~~
5. ~~Certain corrections to account records as follows:~~

~~Owner's name
business address
account number (BT 1047)~~

Note: If the only change is to the tax program, re-issuance of the permit is not necessary.

- b. ~~Permits will not be replaced or reissued under the following circumstances:~~
 1. ~~Annexation or incorporation (BT 1047 and list of accounts)~~
 2. ~~Conversion or one or more single outlet accounts to sub permit status under a consolidated account (BT 400 CS)~~

ACCOUNT MAINTENANCE

- ~~3. Change of DBA~~
- ~~4. Decennial reapportionment resulting in creation, change or deletion of an administrative Board district.~~[†]

Permit replaced or reissued:

- 1. Change in business location address.
- 2. To replace a permit which has been surrendered or destroyed.
- 3. Certain corrections to account records as follows:
 - Owner's name
 - Business address
 - Change of business name (DBA) if requested.

Permits will not be routinely replaced or reissued under the following circumstances:

- 1. Annexation or incorporation.
- 2. Change of DBA if not requested.
- 3. Reapportionments resulting in creation, change or deletion of an administrative Board district.
- 4. Conversion of consolidated account with one sublocation to a single outlet account.
- 5. Change in a boundary of a district or branch office.

4.CERTIFICATE OF REGISTRATION--USE TAX

320.040320.030

A Certificate of Registration — Use Tax permit may be replaced or reissued under the following circumstances:

- a. Change of business address (~~BT 1047~~)
- b. Reinstatement after close-out in error if permit was surrendered (~~BT 1147~~)
- c. ~~Conversion of a regular sales tax account to a Certificate of Registration — Use Tax account (BT 400 U and BT 1047)~~

Use Fuel Tax Permits

320.050

~~Whenever corrections to the account record such as owner's name, and account number are made, a replacement permit form will be issued.~~

~~Do not reissue the permit for a reinstatement after revocation.~~

Vendor Use Fuel Tax Permits

320.060

~~Vendor use fuel tax permits are replaced when there is a change in the owner's name business address, or account number.~~

BT-1047 CODING GRID ON-LINE CODE FIELD ENTRIES 328.000325.000

Overview 328.005

Coding grids on Forms BT 1047 are identical to application forms in the BT 400 series.

Coding grids on Forms BT 1047 permit placement of information into alphanumeric characters for entry onto the mainframe.

Subjects within this subsection are discussed in the same order they appear across the coding grid.

BASIS CODES 328.010325.010

~~Changes to basis codes are permitted only at certain times through the year, and on Form BT 1047, only addition or deletion of prepayment status may be made, or, for fuel accounts, changing an account to an exempt reporting basis in conjunction with a change of tax code and business code.~~ Changes to the reporting basis can be made at any time, pursuant to CPPM 315.000.

4.BUSINESS CODE 328.020325.020

Business codes are extremely important to the Board's compliance, audit and administrative programs. The importance of accurate coding cannot be overemphasized. ~~See the Business Taxes Code Book for an index of business codes Chapter 2 for policy and procedure on assigning business codes. An index of business codes and examples of businesses to include and exclude in each code are also found in Chapter 2 of the Business Taxes Code Book. An index of business codes is also available on-line through the Utility Menu of the Taxable Activity Registration on-line program (TAR).~~

4.VERIFICATION OR CORRECTION OF BUSINESS CODE - CODE 29 ACCOUNT CHARACTERISTIC CODES ACCOUNTS 325.030328.030

~~A separate code, 29, has been established for most part time permittees. An account determined to be "part time" (See CPPM 225.022) uses "29" regardless of the type of business. Some businesses classified as part time may develop into full time operations, or the sales volume may become high enough to justify a change to a full time code. This ensures placement of these accounts in the proper audit cell.~~

~~Whenever an office takes action on, or has occasion to review, a Code 29 account, special attention should be given to the possibility that the account should have a full time business code. This may be indicated by the fact that there are large deductions for resale, the account is on prepayment status, the annual gross receipts are \$20,000 or more, etc. Such accounts should be referred to the field office of control.~~

~~In addition, cell lists should be reviewed for Code 29 accounts, including cell 16. All accounts identified should be checked for possible immediate change to the proper business classification code, even if the business is still actually operated on a part time basis.~~

~~Over the years, some of the businesses classified as part time have developed into full time operations, or the sales volume has become high enough to justify change to a full time code. This would ensure placement of these accounts in the proper audit cell.~~

~~Whenever a field office takes an action on a "part time" account, consideration should also be given to changing the 29 business code to a code which indicates the principal source of gross receipts.~~

~~In addition, "cell" lists should be reviewed for Code 29 accounts including cell 16. All accounts identified should be checked for possible immediate change to the proper business classification code, even if the business is still actually operated on a part time basis.~~

With the enhancements of REG '98, additional fields were added. Specifically, the Account Characteristic Code (ACCT CHAR) field is where miscellaneous information about each account resides. Information regarding the time

ACCOUNT MAINTENANCE

base of the account is also there, e.g. temporary (formerly ST), part-time, etc. Additionally, this field- contain information that was previously located in the Account Analysis, Direct Pay and Vehicle Lessor fields.

- Temporary accounts previously coded ST have been converted to SR with an ACCT CHAR 001.
- Part-time accounts will be assigned ACCT CHAR 002 and a full-time business code.
- Full time accounts should be converted to part-time if their annual gross sales are less than \$20,000 per year. Accounts coded part-time would normally be placed on a yearly reporting basis. Serious consideration should be given prior to deleting or modifying an existing Acct Char Code 002 (Part-time).

Account Characteristic Codes (Acct Char) are used to indicate additional characteristics of a given account (i.e., part-time, temporary, etc.) Acct Char codes are as follows:

001 Retailer who is temporary

002 Retailer who is part time

003 Retailer who sells fuel

004 Retailer who sells fuel and is also a fuel broker

005 Retailer who sells fuel and is also a distributor

006 Retailer who sells at swap meets and temporary locations

007 Retailer who has warehouse locations

008 Retailer who is voluntarily filing SC (Certificate of Registration-Use Tax)

009 Retailer who is a vehicle lessor (Section 7205.1)

010 Retailer who has a Manufacturer's State Tax Exemption Certificate

011 Retailer who has signed a request for a permanent extension (usually a government entity) and will be tied to a TAR code

012 Auctioneer or out-of-state retailer with sales or use tax exceeding \$500,000 (Regulation 1802)

013 Government entity that has a permit to report and pay use tax directly to the Board

014 Non-government entity that has a permit to report and pay use tax directly to the Board

015 Out of state retailer that was identified by the Discovery Program (this characteristic is for the account given for the period that the Discovery Contractor is responsible for collecting)

016 Out-of--state retailer's account for future periods after it has been identified by the Discovery Contractor

017 Voluntary disclosure (out-of-state accounts)

018 1032 Program (out-of-state accounts)

019 -AGMT Partnership

998 Not Available for Purge

999 Arbitrary account

Return Type fields:

001 BOE-401

002 BOE-401-EZ

4. TAX AREA CODE

325.040328.030

Sales and Use Taxes

Tax Area codes are used by the Board to distribute local taxes to the appropriate jurisdictions and as a basis for developing statistical data information. An index of tax area codes and the policy and procedure for assigning the proper tax area code is may be found in the Business Taxes Code Book at Section 110.000. The first five digits of the tax area codes are also found and in the Uniform Local Sales and Use Tax Section of the Business Taxes Law gGuide.

The full tax area code is composed of twelve digits:

- The first group of five digits consists of a two-digit county code followed by a three-digit code denoting city or unincorporated area of each county.
- The second group is a three-digit code identifying any “add-on” special taxing jurisdictions in which the account may be located such as transit districts.
- The third group is a four digit code representing “In Lieu” areas such as redevelopment agencies.

Groups two and three will consist of zeros for locations not within special taxing jurisdictions or redevelopment areas.

For example, Huntington Park might show an area code of 19018 005 0001, broken down as follows:

19	018	005	0001
County Code	City Code	“Add On” code	“In Lieu” code
See	See	See	
Code Book	Code Book	Code Book	
110.050	110.065	110.070	

Assigning Tax Area Codes

The on-line registration system will provide two or three possible tax area code choices when assigning a business location address; however, there are rare occasions when none of the choices provided will be correct. In these situations, a review should be made before activating the override function. Use the Business Taxes Code Book and/or Thomas Guide to determine the correct tax area code whenever an override action is required. If unsure of the correct tax area code assignment, contact the Local Revenue Allocation Section, Area Code Control, for verification of the correct tax area code.

City and County Codes

Under provisions of the Bradley-Burns Uniform Local Sales and Use Tax Law, the Board of Equalization contracts with local taxing jurisdictions (cities, counties) to collect the local portion of the sales and use tax and remit these amounts to the local entities (see CPPM 110.015).

Every city and county has been assigned a five-digit code for local tax allocation purposes. The first two digits from 01 to 58 identify the individual county in California. Code 59 identifies all counties collectively for statewide allocation. Code 59 followed by “999” signifies local tax is proportionately allocated to all cities and counties.

The last three digits in the five-digit code indicate the specific taxing jurisdiction to receive the local tax. If the local tax is to go exclusively to the county indicated by the first two digits, the final three digits will be 998. If tax is to be apportioned among the county and all local tax jurisdictions within the county indicated by the first two digits (countywide allocation), the final three digits will be 999.

~~In almost all cases, if the final three digits of an area code are between 001 and 997, the local taxing jurisdiction is an incorporated city. The exception is when an individual code has been assigned for statistical purposes to an unincorporated area tentatively designated a city. A business located in this area would not be within city limits.~~

MayOctober 2001

ACCOUNT MAINTENANCE

TAX AREA CODE

(Cont.2) 325.040

~~TC (tentative city) designations identify specific areas in unincorporated county territory so local authorities may receive information from the Board as to the amount of local tax revenue that would be allocated to the specific area should it become an incorporated city. Areas identified with TC (tentative city) area codes cannot be within any city limits. Area codes for consolidated accounts will be explained in Section 232.060 et. seq.~~

Add-On Codes

The “add-on” portion of the tax area code identifies those tax districts~~special taxing jurisdictions~~ for which an additional (or added on) transactions (sales) and use tax is assessed, such as BART and SCTA. These positions of the tax area code consist of zeros for selling locations not in “add-on” ~~districts~~special taxing jurisdictions. Numeric “add-on” codes within the tax area code replaced the former alpha Special Taxing Jurisdiction Identifier on January 1, 1986 (~~Business Taxes Codebook §110.065~~).

See Exhibits A and B at the end of this subsection for further discussion of Special Taxing Jurisdiction identifiers.

In-Lieu Codes

The “In-Lieu” portion of the tax area code identifies special taxing jurisdictions (usually local redevelopment agencies) that receive their share of ~~the~~ local tax directly from the Board rather than through the county or city. These positions of the tax area code consist of zeros for locations not within “in-lieu” redevelopment areas. The code for each “in-lieu” ~~area~~ is consecutively numbered as each new special taxing jurisdiction~~redevelopment area~~ contracts to have the Board administer the ordinance.

~~In lieu codes may be found in (See Business Taxes Code Book section 110.071).~~

Consolidated Accounts

~~For consolidated accounts, the allocation system will take information from expanded tax area codes on each sub location.~~

Types of Consolidated Accounts

- ~~1. All sub locations within the same area code, add on code, and in lieu code (all area codes for sub locations are identical):~~
 - ~~• Use “SX” tax program~~
 - ~~• master permit will carry the same tax area code as its subs~~
- ~~2. Different sub location area codes, add on codes, or in lieu codes exists:~~
 - ~~• Use “SY” (or if special seller, “SZ”) tax program~~
 - ~~• “add on” and in lieu codes will be assigned to each selling location (sub permit) according to its specific business location.~~
 - ~~• city portion of the area code for the master permit will be “000”~~
 - ~~• if no sub locations located within a special taxing jurisdiction use “000” for the master location “add on” code; or,~~
 - ~~• if one sub location is located within a special taxing jurisdiction, also use the “add on” code for that specific sub location as the master location “add on” code; or,~~
 - ~~• if the two or more sub locations are located within different special taxing jurisdictions, use “997” as the master location “add on”~~
 - ~~• the master permit will have the “in lieu” code of “0000” regardless of how many in lieu codes may be involved on sub permits for the account.~~

~~See Section 232.000 for more detailed instructions on consolidated accounts. See Section 332.000 for detailed instructions on how to prepare Forms BT 1047, BT 400 CS and BT 406 CS for conversion to and from consolidated status.~~

Mayest October 2001

TAX AREA CODE

(Cont.3) 325.040

Use Fuel Tax Programs

~~Use Fuel Tax monies are not subject to local tax allocation, but area codes are assigned to keep Use Fuel mainframe programming compatible with other Business Taxes programs. For instate accounts the first two digits of the area code represent the county in which the user is registered. The remaining digits are always "0".~~

~~For out of state (including fringe areas) use fuel tax accounts the first two digits are always "60". The next two digits identify the specific state in which the account is located.~~

~~An index of use fuel tax area codes appears in Section 120.00 of the Business Taxes Code Book. The four digit codes are expanded to 12 digits by adding trailing zeros to agree with sales tax area code format.~~

For consolidated accounts, the allocation system will take information from expanded tax area codes on each sublocation.

Types of Consolidated Accounts

1. All sublocations within the same tax area code, add-on code, and in-lieu code (all tax area codes for all sublocations are identical):
 - ~~use~~ Use "SR X" ~~"SX" tax program~~ Taxable Activity Type
 - ~~master~~ Master permit will carry the same tax area code, add-on code and in-lieu code, as its sublocations
2. Different sublocation tax area codes, add-on codes or in-lieu codes exist:
 - Use "SR Y" or "SR Z" Taxable Activity Type ~~"SY" (or if special seller, "SZ") tax program~~
 - "Add-on" and "in-lieu" codes will be assigned to each selling location (subpermit) according to its specific business location
 - City portion of the tax area code for the master permit will be "000"
 - If no sublocations are located within a special taxing jurisdiction, use "000" for the master location "add-on code"; or,
 - If one sublocation is located within a special taxing jurisdiction, also use the add-on code for that specific sublocation as the master location "add-on code"; or,
 - If ~~the~~ two or more sublocations are located within ~~different~~ a special taxing jurisdiction, use "997" as the master location ~~"Add~~add-on" code, they may, however, be different special taxing jurisdictions
 - The master permit will have the "in-lieu" code of "0000" regardless of how many in-lieu codes may be involved on sub-permits for the account

See CPPM Section 245.000 for more detailed instructions on consolidated accounts.

4.ORIGINAL STARTING DATE

325.050328-040

~~Make no entries in this space. Form BT 1047 may not be used to change a starting date; use Form BT 523 to charge or correct a starting date. This space will be shaded at the next printing of Form BT 1047.~~

The original starting date may be changed on the Account Maintenance on-line screen. Start date changes may not exceed one per day, per account.

4.OWNER CODE

325.060328-050

Enter the owner code which agrees with "type of organization" entry as determined in CPPM 230.000. ~~Section~~

May~~October~~ 2001

ACCOUNT MAINTENANCE

225.080. Coding grid entries must agree with the entry made in the "type of organization".

In the case of a fiduciary ownership, the code entered indicates the legal status of the fiduciary, for example, Est. of Allen Widmeyer, Sandra Squaglia, Trustee would be shown as Other (Fiduciary), owner code entry "O". Corporations where a fiduciary is involved are also coded "O".

The coding grid entry must agree with the information entered under "owner(s)". The code must agree with "type of organization" unless a partnership, including a corporation as a general partner, is involved.

Exceptions:

When a corporation is a general partner in a partnership, treat the ownership as a corporation; use "C" as the coding grid entry.

When a corporation is a limited partner in a partnership, treat the ownership as a partnership; use as the coding grid entry:

Ownership Type	Coding Grid Entry
Sole Proprietor	S
Partnership	P
Husband & Wife Co-ownership	M
Corporation	C
Other	0

Owner Code _____ **(Cont.) 328.050**

~~The following changes may not be made with Form BT 1047:~~

- ~~• addition or deletion of a general partner~~
- ~~• incorporation of an account~~
- ~~• change of tax program from fuel to sales/use tax and vice versa~~
- ~~• change of tax program from temporary (tax code "ST") to regular~~
- ~~• change of start date~~
- ~~• change of ownership after taxpayer has filed first return, such as from individual to partnership~~

~~Each of the situations above, except the change of start date, requires closeout of the permit and issuance of a new permit. Use Form BT 523 to change the start date.~~

Owner codes are generated automatically from the Entity Code assigned in the on-line registration of a client for a Taxpayer Identification Number (TIN), (CPPM §230.040). The owner code is generated when a taxable activity registration is initiated for a specific TIN account. The assigned owner code can not be changed at the district level. A request in writing for a change should be made to the Account Analysis and Control Section, Registration/Security Unit. In all other cases, a new seller's permit number must be issued.

Account Analysis _____ **328.060**

Sales Tax Accounts

~~Sellers of Motor Vehicle Fuel (gasoline) will be identified with a "G" in the account analysis box. This entry flags gasoline sellers so they receive separate sales tax Forms BT 401 GS.~~

Use Fuel Tax, Use Tax Accounts

~~The Account Analysis section is not used. Make NO ENTRIES in the Account Analysis Code for Use Fuel and Consumer Use Tax accounts.~~

HQ Use Only _____ **328.070**

~~Make no entries in this section. Headquarters Registration, only, uses this section for effective dates.~~

Exception Code: Accountants' Mailing Code **328.080****General**

Returns may be mailed in bulk directly to accountants servicing five or more taxpayers. These accountants are assigned tax return mailing code numbers ranging from 00001 to 99989. Two sets of file cards showing the names and addresses of these accountants are furnished to district offices.

When an accountant is assigned a mailing code number or the mailing address of an accountant already assigned a number changes, districts are furnished new or replacement cards for their accountants' file.

Issuance of Accountant's Code

In order to obtain an accountant's mailing code, an accountant must submit a request showing the name and account number of five or more taxpayers whose returns he/she is to receive, along with a signed authorization from each taxpayer asking that the returns be mailed to the accountant. Form BT 91 (Permittee Authorization to Sent Tax Returns to Accountant) is designed for this purpose, however, a letter from the taxpayer indicating the account number, name and address of the accountant and the mailing code number assigned to the accountant may be accepted in lieu of Form BT 91.

Authorizations taken in the field should be attached to completed permit application forms for new accounts and forwarded to Headquarters Registration Unit. Existing accounts may have the accountant's code and exception code added or changed via remote input.

When the accountant does not have an assigned mailing code number, route completed authorization forms to Headquarters Registration Unit for further action.

Exception Code: Accountants' Mailing Code **(Cont.) 328.080****Accountant Closes Practice**

When Headquarters is notified that an accountant is no longer in business the accountant's code number is canceled and a card is sent to each district showing this information. Each district then removes the active card from its accountant's file and destroys it. At this time the district or branch in which the accountant is located will obtain from the accountant a list of the accounts. All districts of control will be notified of accounts within their area of responsibility, and each will remove or change the accountant's code using remote input.

Accountant Change of Ownership

If an accounting business has a mailing code number and subsequently changes ownership, the new owners may retain the code number if they obtain new authorizations (BT 91 or equivalent) from the clients.

The district may send a single Form BT 1047 Notice to Change Account Record, to Headquarters with a list of accounts and signed authorizations attached.

Explain to both the accountant and the taxpayer that only returns will be mailed to the accountant for an account having the accountant exception code. All other mail will be sent to the mailing address of record for the taxpayer.

An annual listing of names and addresses of permittees whose returns are mailed directly to accountants summarized by accountant mailing code number and district will be provided to field offices for audit selection purposes.

Exception Code: Returns Mailed to Foreign Country **328.081**

When the taxpayer furnishes an out of country mailing address, enter 2 in the Special Return Processing Code box, and 99991 in the exception code box (See Decision Table, Subsection **328.086** and Chapter IV, Remote Input Manual).

Exception Code: Multiple Exceptions **328.082**

When an account on a special reporting basis has additional exceptions added to the normal mailing of returns, the special reporting basis exception code "99990" takes precedence and is entered in the space provided. If, in addition to the special basis, returns are to be mailed to a qualified accountant or to a foreign country, attach a memo to the application giving complete mailing information.

ACCOUNT MAINTENANCE

Special Return Processing Code **328.085**

Special return processing codes are used to flag certain categories of accounts for individual processing, and for creation of specific unique returns or reports.

Sales and Use Tax Accounts

Code 1 signifies an account on prepayment status (See CPPM Subsection 229.010).

Code 2 signifies an account with an entry in the Exception Code portion of the coding grid (See CPPM Subsections 328.080 through 328.082).

Code 3 signifies an account on prepayment status and with an entry in the Exception Code portion of the coding grid (See CPPM Subsections 328.080 through 328.082).

See Sections 328.086 for a decision table which will assist you to select proper entries under the Sales and Use Tax Law for both the Exception Code and Special Return Processing Code boxes.

Special Return Processing Code **(Cont.) 328.085**

User and Vendor Use Fuel Taxes

Code 2 signifies an account with an entry code in the Exception Code portion of the coding grid (See Sections 328.080 through 328.082).

Code 8 signifies a user of fuel exempt under Section 8655 of the Use Fuel Tax Law.

Code 9 signifies a vendor of use fuel required to file weekly returns.

See Sections 328.087 for a decision table which will assist you to select proper entries under the Use Fuel Tax Law for both the Exception Code and Special Return Processing Code boxes.

Reporting Basis Related Coding Grid
Entries and Actions, Sales Tax **328.086**

Reporting Basis Related Coding Grid
Entries and Actions, Use Fuel Tax **328.087**

Extension Code: Permanent Extension of Time
Granted to Certain POLITICAL Subdivisions **328.090**

The entry "30" is made in this space when the taxpayer has been granted a permanent extension of time within which to file each return. This will result in the code "30" appearing in the return heading for identification purposes.

A general one-month extension is granted to all municipalities, school districts and other political subdivisions of this State. The one month blanket extension is also granted to the Department of Finance for all State agencies. Interest will not be assessed against the State agency providing it files its sales tax or use tax claim with the State Controller on or before the due date of the tax return. (See Subsection 535.060).

Extension Code: Coding Tax Returns for Return Review **328.091**

All codes in the extension block, except for the automatic extension Code 30, are exclusively reserved for use by the Return Review Unit and can be assigned only with the approval of a supervisor or Business Taxes Specialist in the Return Review Unit. Form 1047, Notice to Change Account Record, will be used to add or delete the codes.

EXHIBIT A: CHANGES IN REGISTRATION PROCESS FOR BAY AREA RAPID TRANSIT (BART)

Bay Area Rapid Transit District (BART) is imposed within three counties: San Francisco City/County, Alameda County and Contra Costa County. Two counties, Alameda and Contra Costa, imposed additional taxes of .50% over and above BART, while San Francisco remained at 6.50%. Prior to April 1, 1989, BART used identifier code "001" on BTCIS registration programs.

BART code "001" was found to be incompatible with the Cash Rewrite Project in Spring, 1989, and three new

COMPLIANCE POLICY AND PROCEDURES MANUAL

codes, collectively referred to as “fractional codes” for BART were then added: “020” for BART in Alameda County, “021” for BART in Contra Costa County, and “022” for BART in San Francisco City/County.

Procedure Changes for April 1, 1989

Effective April 1, 1989, BART code “001” was no longer acceptable for BTCIS registration purposes in San Francisco; code “022” replaced the old BART code. **This change applied ONLY to registration and return processing.** Account maintenance for BH — San Francisco District sales and use tax accounts, whether by remote input or paper input, used “022” as the add on code for registration transactions which occur with an effective date on or after April 1, 1989 through March 31, 1990.

Procedure Changes for April 1, 1990

San Francisco City/County voters enacted San Francisco County Transportation Authority (SFTA) in the election of November 7, 1989. SFTA was implemented on April 1, 1990 for an overall tax rate of 7.25%¹. SFTA has a single code of “027”, and a BART/SFTA combined code of “028”. BTCIS registration and return processing and account maintenance for BH — San Francisco District Office sales and use tax accounts, whether by remote input or paper input, must use “028” as the add on code for registration transactions which occur with an effective date on or after April 1, 1990.

BART code “001” will continue to be used for audits, field billing orders, form BT 1043-D, BT 523 and other forms upon which Special Taxing Jurisdiction (formerly “Transit District”) taxes must be allocated. These forms will ignore BART Fractional Codes entirely.

¹ — This amount will be reduced to 7% upon expiration of the Earthquake Relief Fund on December 31, 1990.

EXHIBIT B **NUMBER SERIES PREFIX**

Active and Close-out or Superseded		
<u>Prefix</u>	<u>Office Originally Issued Series</u>	<u>Tax Programs</u>
00	Occasional Sales	Use tax ²
01-000001 to 01-899999	Occasional Sales	Use tax ³
01-900000 to 01-999999	Registration	Arbitrary numbers
02	Excise Tax Division	Cigarette taxes
03	Excise Tax Division	Beer and wine
04	All field offices	User Use Fuel ⁴
05	All field offices	Vendor Use Fuel ⁵
06	All field offices	Transportation Tax ⁶
07	Excise Tax Division	MVF Distributor
08	Excise Tax Division	MVF Broker
09	Excise Tax Division	MVF Producer
10	Excise Tax Division	MVF Accts, L.A. Co. only
11	AA — Hollywood	Business Taxes
12	AB — Torrance	Business Taxes
13	AC — Van Nuys	Business Taxes
14	AD — Downey	Business Taxes
15	AR — Ventura	Business Taxes
16	AL — Long Beach	Business Taxes ⁷
17	AP — Arcadia	Business Taxes
18	AS — Culver City	Business Taxes

ACCOUNT MAINTENANCE

19	BH — San Francisco	Business Taxes
20	BB — San Mateo	Business Taxes ⁸
21	CH — Oakland	Business Taxes
22	DH — Fresno	Business Taxes
23	EH — San Bernardino	Business Taxes
24	EA — Orange County	Business Taxes
25	FH — San Diego	Business Taxes
26	GH — San Jose	Business Taxes
27	JH — Santa Rosa	Business Taxes
28	KH — Sacramento	Business Taxes
29	MH — Marysville	Business Taxes ⁹
30	Out-of-State	Business Taxes
31	Excise Tax Division	Electrical Energy Surcharge
32	Excise Tax Division	Cigarette Taxes
33	Excise Tax Division	MVF — Jet Fuel
34	Excise Tax Division	Insurance Tax
35	Excise Tax Division	Telephone Taxes
36	Excise Tax Division	Hazardous Substance Tax
37	Excise Tax Division	Moore Univ Teleph Tax
38	Excise Tax Division	Haz Mat. Facility Fee
39	Excise Tax Division	Solid Waste Disp.

Exhibit B **Number Series Prefix (Cont.)**

<u>Prefix</u>	<u>Office Originally Issued Series</u>	<u>Tax Programs</u>
40	AF — Covina — Foothills	Business Taxes ¹⁰
41	AM — Modesto	Business Taxes ¹¹
42	Excise Tax Division	Hazardous Waste Environmental Fee
43	Excise Tax Division	Hazardous Waste Environmental Fee
44	Excise Tax Division	Underground Storage Tank Maintenance Fee
50	Excise Tax Division	Tobacco Products Tax
70	Excise Tax Division	Beer Vendor
71	Excise Tax Division	Beer and Wine
72	Excise Tax Division	Distilled Spirits
73	Excise Tax Division	Customs Broker
74	Excise Tax Division	Common Carriers
75	Excise Tax Division	Interstate ABC Transp. ID
77	Business Taxes	Gasoline pre-collection
78	Business Taxes	Gasoline pre-collection
81	Occasional Sales Unit	Use Tax ¹²
82	Occasional Sales Unit	Use Tax

COMPLIANCE POLICY AND PROCEDURES MANUAL

- 84 — All field offices — Litter Assessment¹³
- 98-000001 to 98-099999 — All field offices — Consolidated Accounts¹⁴
- 98-100000 on — Out of State District — Fuel Exemption Registration
- 99 — All field offices — Certificate of Registration — Use Tax¹⁵

- 2 — When series ran out, prefix “01 ” was started.
- 3 — When series ran out, prefix “81 ” was started.
- 4 — User Use Fuel Tax accounts bearing 1 to 6 digits prior to 1965 were converted to 8 digit accounts by using the “04” prefix, plus leading zeros and the 1 to 6 original digits to make an 8 digit account number.
- 5 — Vendor Use Fuel Tax accounts bearing 1 to 6 digits prior to 1965 were converted to 8 digit accounts by using the “05” prefix, plus leading zeros and the 1 to 6 original digits to make an 8 digit account number.
- 6 — Repealed as of July 1, 1973.
- 7 — Office merged into AB — Torrance and AD — Downey in the 1982 reapportionment.
- 8 — Office and branch merged into BH — San Francisco and AR — Ventura in the 1982 reapportionment.
- 9 — Office and branches merged into JH — Santa Rosa and KH — Sacramento in the 1982 reapportionment.
- 10 — Office and branches merged into AC — Van Nuys and APP — Arcadia in the 1982 reapportionment.
- 11 — Office and branches merged into DH — Fresno and KH — Sacramento in the 1982 reapportionment.
- 12 — When the series ran out, “82 ” was started.
- 13 — Enacted 1978, repealed in 1979.
- 14 — Consolidated Sales Tax accounts bearing 1 to 6 digits prior to 1965 were converted to 8 digit accounts by using the “98” prefix, plus leading zeros and the 1 to 5 original digits to make an 8 digit account number.
- 15 — Certificate of Registration — Use Tax accounts bearing 1 to 6 digits prior to 1965 were converted to 8 digit accounts by using the “99” prefix, plus leading zeros and the 1 to 5 original digits to make an 8 digit account number.

EXHIBIT C — ADD-ON CODES FOR SPECIAL TAXING JURISDICTIONS

As of 10/1/90

COUNTY	ADD-ON			EFF.
CODE	NAME	CODE	DISTRICT INITIALS, NAME	DATE
— Statewide	033 EQRF	Earthquake Relief Fund		.25% 12/1/89
01 Alameda	011 BART/ACTA	Multiple (combined)		1.00% 4/1/87
— Alameda	001 BART	Bay Area Rapid Transit District		.50% 4/1/70
— Alameda	010 ACTA	Alameda County Transportation Authority		.50% 4/1/87
— Alameda	020 BART	Fractional Code (BART in Alameda Co. only)		.50% 4/1/70
07 Contra Costa	025 BART/CCTA	Multiple (combined)		1.00% 4/1/89
— Contra Costa	001 BART	Bay Area Rapid Transit District		.50% 4/1/70
— Contra Costa	021 BART	Fractional Code (BART in Contra Costa Co. only)		.50% 4/1/70
— Contra Costa	024 CCTA	Contra Costa Transportation Authority		.50% 4/1/70
10 Fresno	012 FCTA	Fresno County Transportation Authority		.50% 7/1/87

May/October 2001

ACCOUNT MAINTENANCE

13	Imperial	029	IMTA	Imperial County Local Transportation Authority	.50%	4/1/90
14	Inyo	014	INRC	Inyo County Rural Counties Transactions Tax	50%	10/1/88
19	Los Angeles	005	LACT	Los Angeles County Transportation Commission	.50%	7/1/82
20	Maderia	034	MCTA	Madera county Transportation Authority	.50%	10/1/90
27	Monterey	032	MPRI	Monterey Co. Public Repair & Improvement Auth.	.50%	4/1/90
33	Riverside	026	RCTC	Riverside County Transportation Commission	.50%	7/1/89
34	Sacramento	023	STAT	Sacramento Transportation Authority	.50%	4/1/89
34	San Benito	015	SBCG	San Benito County Council of Governments	.50%	1/1/89
36	San Bernardino	031	SBER	San Bernardino County Transportation Authority	.50%	4/1/90
37	San Diego	017	SDTC/SDJF	Multiple (combined)	1.00%	1/1/89
	San Diego	013	SDTC	San Diego County Regional Transportation Comm.	.50%	4/1/88
	San Diego	016	SDJF	San Diego County Regional Justice Facility	.50%	4/1/88
38	San Francisco	028	BART/SFTA	Multiple (combined)	1.00%	4/1/90
	San Francisco	027	SFTA	San Francisco Co. Transportation Authority	.50%	4/1/90
	San Francisco	022	BART	Fractional Code (BART in San Francisco only)	.50%	4/1/70
	San Francisco	001	BART	Bay Area Rapid Transit District	.50%	4/1/70

Exhibit C Add-on Codes for Special Taxing Jurisdictions (Cont.)

COUNTY	ADD-ON	EFF.				
CODE	NAME	CODE	DISTRICT INITIALS, NAME	RATE	DATE	
41	San Mateo	019	SMCT/SMTA	Multiple (combined)	1.00%	1/1/89
	San Mateo	002	SMCT	San Mateo County Transit District	.50%	7/1/82
	San Mateo	018	SMTA	San Mateo County Transportation Authority	.50%	1/1/89
42	Santa Barbara	030	SBAB	Santa Barbara Co. Local Transportation Auth.	.50%	4/1/90
43	Santa Clara	007	SCCT/SCTA	Multiple (combined)	1.00%	4/1/85
	Santa Clara	003	SCCT	Santa Clara County Transit District	.50%	10/1/76
	Santa Clara	006	SCTA	Santa Clara County Traffic Authority	.50%	4/1/85
44	Santa Cruz	004	SCMT	Santa Cruz Metropolitan Transit District	.50%	1/1/79

For counties with *MULTIPLE (combined)* codes, use the first code shown for all registration and account maintenance transactions which occur after the effective date of the combined special taxing jurisdictions.

16 This code is used only on the mainframe for tax allocation purposes, and represents BART tax for Alameda County only.

COMPLIANCE POLICY AND PROCEDURES MANUAL

17 — This code is used only on the mainframe for tax allocation purposes, and represents Contra Costa County only.

18 — This code is used only on the mainframe for tax allocation purposes, and represents BART tax for San Francisco County only.

EXHIBIT D **ADD-ON CODES IN NUMERICAL ORDER**

ADD-ON CODE	NAME	COUNTY CODE	EPF. DATE
001	BART Bay Area Rapid Transit District	01, 07, 38	4/1/70 ¹⁹
002	SMCT San Mateo County Transit District	41	7/1/82
003	SCCT Santa Clara County Transit District	43	10/1/76
004	SCMT Santa Cruz Metropolitan Transit District	44	1/1/79
005	LACT Los Angeles County Transportation Commission	19	7/1/82
006	SCTA Santa Clara County Traffic Authority	43	4/1/85
007	SCCT/SCTA Multiple (combined)	43	4/1/85
008	(not used)		
009	(not used)		
010	ACTA Alameda County Transportation Authority	01	4/1/87
011	BART/ACTA Multiple (combined)	01	4/1/87
012	FCTA Fresno County Transportation Authority	10	7/1/87
013	SDTC San Diego County Regional Transportation Comm.	37	4/1/88
014	INRC Inyo County Rural Counties Transactions Tax	14	10/1/88
015	SBCG San Benito County Council of Governments	35	1/1/89
016	SDJF San Diego County Regional Justice Facility	37	1/1/89
017	SDTC/SDJF Multiple (combined)	37	1/1/89
018	SMTA San Mateo County Transportation Authority	41	1/1/89
019	SMCT/SMTA Multiple (combined)	41	1/1/89
020	Fractional code BART in Alameda County	01	4/1/70 ²⁰
021	Fractional code BART in Contra Costa County	07	4/1/70 ²¹
022	Fractional code BART in San Francisco only	38	4/1/70 ²²
023	Stat Sacramento Transportation Authority	34	4/1/89
024	CCTA Contra Costa Transportation Authority	07	4/1/89
025	BART/CCTA Multiple (combines)	07	4/1/89
026	RCTC Riverside County Transportation Commission	33	7/1/89
027	SFTA San Francisco Co. Transportation Authority	38	4/1/90
028	BART/SFTA Multiple (combined)	38	4/1/90
029	IMTA Imperial Council Local Transportation Authority	13	4/1/90
030	SBAB Santa Barbara Co. Local Transportation Auth.	42	4/1/90
031	SBER San Bernardino County Transportation Authority	36	4/1/90
032	MPRI Monterey Co. Public Repair & Improvement Auth.	27	4/1/90
033	EQRF Earthquake Relief fund		12/1/89
034	MCTA Madera County Transportation Authority	20	10/1/90

19 — This add-on code was dropped from BTCIS registration programs on April 1, 1989. However, BART add-on code "001" will continue to be used for audits, field billing orders, BT 1043-D, and all manually prepared documents involving BART taxes

ACCOUNT MAINTENANCE

~~20~~ — BART Fractional code “020” is used **only** by the mainframe for allocation of tax monies, and does not appear on BTCIS displays.

~~20~~ — BART Fractional code “021” is used **only** by the mainframe for allocation of tax monies, and does not appear on BTCIS displays.

~~20~~ — BART Fractional code “022” is used **only** by the mainframe for allocation of tax monies, and does not appear on BTCIS displays.

ACCOUNTANT CODE

325.070

Only the Account Analysis & Control Section may edit an accountant’s 5 digit mailing codes. See CPPM 230.080 for policy and procedure on issuance of accountant’s codes, discontinuing a code, accountants with codes changing ownership and mail distribution for coded accounts.

4.CONVERSION OF CONSOLIDATED ACCOUNTS 3302.000

4.WHAT IS A CONVERSION PROCESSES – SINGLE/MULTIPLE LOCATIONS 3302.010

~~There are~~ Conversion is a process by which one of three ~~two~~ separate and distinct ~~conversion~~ processes occurs:

1. A single location sales tax account ~~with one selling location~~ ~~adds~~ is permitted to report sales for one or more ~~additional~~ locations and reports tax for all locations under a single account number. ~~This specific process is called consolidation.~~
2. A consolidated sales tax account with two or more selling locations closes all but one location or wishes to separately report sales for each location.
3. ~~Because of changes in operation or physical location, a sales or use tax account is changed to another kind of sales or use tax account. This might include a consumer use tax permit changing to a sales tax account, a sales tax account changing to a certificate of registration use tax, or a certificate of registration to a sales tax account.~~

4.TERMS USED WHEN DEALING WITH CONSOLIDATED ACCOUNTS 3302.020

Consolidated Account

~~A term which~~ Describes the master location and all subpermits of an account. A consolidated account is only available for sales tax programs, and is identified by the taxable activity type tax program code “SR X”, “SR Y” or “SR Z”. ~~No~~ Use tax programs do not have consolidated accounts.

~~Consolidated accounts are voluntary, and must be issued with permission of the taxpayer. If a~~ If requested by the taxpayer, ~~prefers to maintain~~ separate seller’s permits will be issued for each every location. ~~Board policy has been and will continue to be to honor the taxpayer’s wishes.~~

Temporary accounts ~~(ST)~~ may not be converted to consolidated accounts after issuance. However, Temporary Temporary accounts may, ~~however,~~ be originally issued as consolidated accounts. See CPPM §245.015 for further information on temporary consolidated accounts.

Master Location

~~The location of books and records for audit and compliance purposes. A master location does not necessarily need to be a selling location, hence a master location may be in one district, with all selling sub locations located elsewhere. The location of an out of state accountant or bookkeeper, as is common in franchise operations, is not a master location. (see CPPM 245.010). The master location may or may not be a sublocation, depending on whether or not sales are made at that location.~~

Sublocation

One of two or more business locations from which sales of tangible personal property are made, and for which sales are reported under a single sales tax account number (CPPM 245.015).

Sub location Number

~~A four digit number assigned to a specific sub location. Sub location numbers begin with “0001” for the first sub location, “0002” for the second sub location, and are numbered in sequence to a theoretical maximum of “9999.”~~

Sub-Permit

A seller’s permit issued to a specific sublocation.

Sub-Permit Start Date

The starting date of sales at a specific sublocation.

~~If a sales location is also the master location, a sub permit and a consolidated permit are required for that location.~~

May October 2001

ACCOUNT MAINTENANCE

Because a master location does not have a permit as a place of business, enforcement, or punitive measures regarding master locations are not available to the Board.

~~Consolidated Accounts in a Single Taxing Jurisdiction~~ ~~332.015~~

~~Consolidated accounts issued to persons having two or more locations within the identical taxing jurisdiction require no further allocation of local tax. (Accounts with the same 12 digit area code for all locations.) They are always assigned account numbers with the tax code "SX." Accounts coded "SX" file a regular sales and use tax return with no special schedules. Once each year these accounts are sent a list of all locations of record and a letter requesting confirmation of existing locations. Also, taxpayers are requested to inform the Board of new or unlicensed outlets, or outlets which moved or closed out. (See Subsection 232.010 and 228.030).~~

~~"SX" Consolidated Accounts~~

~~Tax program "SX" is for an account with all sub locations within the same taxing jurisdiction. The master location for an "SX" account may be in another district or another county, yet the area code will be shown for where the sub locations are situated.~~

~~For example, a taxpayer operates two sub locations within the City of Ventura, with an area code of 56020 000 0000, but books and records for audit purposes (master location) are in North Hollywood. The permit will be issued as follows:~~

- ~~Tax Program "SX"~~
- ~~Master location: North Hollywood~~
- ~~District at control AC Van Nuys (which has administrative responsibility for accounts in North Hollywood)~~
- ~~Area code on master: 56020 000 0000 (for City of Ventura, where both sub locations operate)~~
- ~~Area code on both subs: 56020 000 0000 (for City of Ventura)~~

~~See also CPPM 228.030 (d) for further discussion of area codes for "SX" accounts.~~

~~Decision Table Consolidated Accounts~~ ~~332.016~~

~~(2 or more locations)~~

~~*Auctioneer, Construction Contractor, or Vending Machine Operator~~

~~For accounts where the master location is situated outside of California, see decision table in CPPM 332.017.~~

~~Decision Table Consolidated Accounts~~
~~Fringe Area and Out of State~~ ~~332.017~~

~~The following decision table may be used to determine the tax program and area code for consolidated accounts with books and records sufficient for audit purposes located in fringe areas or out of state.~~

~~Regular Consolidated Accounts~~
~~Requiring Further Local Tax Allocation~~ ~~332.020~~

~~Consolidated accounts issues to persons having locations in more than one taxing jurisdiction require further allocation of local tax. (Accounts with some difference in area codes of locations.) They are assigned account numbers with tax code "SY" or, as explained in the following section, "SZ." In addition to the consolidated return, taxpayers receive Form BT 530, Schedule C Detailed Allocation by Sub-outlet of Uniform Local Sales and Use Tax, to provide for allocation of tax by sub location (See Subsection 228.030).~~

~~Consolidated Accounts Special Sellers~~ ~~332.025~~

~~"SZ" tax program is a consolidated "Special Seller" ("SS") account. These are consolidated accounts issued to persons who are special sellers, as described in Subsection 232.040 et. seq., and have two or more locations. They are always assigned account numbers with the tax code "SZ." In addition to the consolidated return, these taxpayers receive Form BT 530, Schedule C Detailed Allocation by Sub-outlet of Uniform Local Sales and Use Tax, to~~

~~provide for allocation of tax by sub location. A schedule included with the consolidated return provides for allocation of tax by counties.~~

4.CONVERSION OF SINGLE LOCATION ACCOUNT TO MULTIPLE LOCATION ACCOUNT~~3302.030~~

~~A taxpayer who holds a Seller's Permit for a single location (tax program "SR" or "SS") may voluntarily elect to report sales for additional locations under one account number by converting the account to a consolidated account. Conversion of a single outlet account to consolidated account is accomplished in two steps.~~

~~All selling locations must be listed on Form(s) BT 400 CS, "Schedule of Sub locations."~~

~~Form BT 1047 must be prepared to make required changes to the account record in readiness to accept the sub locations listed on Form BT 400 CS.~~

Preparation of Form BT 1047

~~Check box marked [] Conversion in second area from top of form.~~

~~Complete Section A by entering the name and account number exactly as shown on video display.~~

~~Complete Section B.1 by entering appropriate consolidated account tax code: "SX", "SY", or "SZ." If other correcting entries are required in Section B, make them at this time.~~

~~Enter the appropriate area code in the coding grid. For assistance in this area, see CPPM 232.060 for a decision table.~~

~~Check the box for Section C.5, and in the space following show the date of conversion. Complete Sections C.6 and C.7.~~

~~In Section E, enter any changes which may have occurred. The person preparing Form BT 1047 will also enter the office code or office, name, and date in the area below Section E.~~

Preparation of Form BT 400 CS

~~Form BT 400 CS was extensively redesigned in March, 1989 to accommodate future on line geographic files and expanded registration capabilities for BTCIS. Separate space have been added for numeric and street portion of the address, sub location phone number, ZIP code and county. Addition of a county entry is particularly valuable for Local Tax area code verification where postal delivery areas cover multiple counties. Signatures, which have heretofore been optional are no longer required.~~

~~"Sub Permit Start Date" entries must be in a month date year format, such as "02 1 89", "04 07 89", and so forth. This date is the actual date the specific sub location started sales, and is NOT the date Form BT 400 CS is prepared.~~

~~Prepare forms BT 400 CS and other pertinent forms by **typing or legibly printing** entries. Longhand entries slow editing and review processes and interpretations may cause errors. Illegible forms will be returned to the originating districts for correction.~~

Conversion of Single Location Account to Multiple Location Account (Cont.) 332.030

~~Many post office delivery areas overlap city and/or county boundaries. As a result, proper verification of the exact location of a sub location in some areas is very difficult. For example, the City of Watsonville is an incorporated city within Santa Cruz County with area code 44051 004 0000. Sales within the City of Watsonville are subject to a 6.75% sales and tax rate. Watsonville postal delivery also includes unincorporated portions of Santa Cruz County (44998 004 0000). Immediately across the Pajaro River to the south are unincorporated portions of Monterey County (27998 032 0000, 6.75% tax rate) and San Benito County (35998 015 0000, 6.75% tax rate) served by the same Watsonville post office. There are streets in all three counties which have same or similar names. A similar situation exists in Folsom (Sacramento, El Dorado, and Placer Counties); Thousand Oaks, Malibu, (Ventura and Los Angeles Counties); and Los Gatos (Santa Clara and Santa Cruz Counties). The importance of accurate coding for sub locations has become even more important and cannot be overemphasized, and for this reason the "County" for~~

ACCOUNT MAINTENANCE

each sub location **must** be entered.

Sub locations **must** be located within California. Many consolidated accounts have sub locations in California, and also fill orders to California consumers from out of state locations. When this situation is encountered, the taxpayer becomes a "special seller."¹ No separate sub location is established at the out of state location, but sales to in state consumers made from the out of state location must be reported, and local taxes plus any applicable Special Taxing jurisdiction taxes allocated to the purchaser's county on Schedule B of the sales and use tax return. Use the tax code "SZ"², for this type of account. Special returns containing Schedule B, Allocation by County of Local Tax, will be sent.

Local Tax Unit personnel verify each BT 400 CS sub location area code for full time accounts prior to any Registration Unit edit or input function. The number of additional sub locations has steadily increased resulting in significantly higher volumes. Increased sales volumes with resultant allocations to multiple jurisdictions makes the consequence of error much greater, and when errors occur in area coding, the fiscal impact of a correct or incorrect jurisdiction may be significant. Sub locations for part time accounts (business code "29") are not verified by Local Tax Unit personnel, and if errors in area coding are present, the mainframe registration program will either reject the entry (and the entire document) or will accept the entry and create additional problems later with improper allocations. Subsequent corrections of errors is very time consuming.

Staple original Forms BT 400 CS to original Form BT 1047, and forward all original forms to Headquarters Registration.

1 ——— See CPPM 230.040 for the definition of "Special Seller"

2 ——— "SZ" Tax Program is a consolidated "Special Seller"

Conversion of "SX Account to "SY" or "SZ" 332.032

Existing "SX" accounts may be converted to "SY" or "SZ" when changes occur which make area codes different between or among sub locations.

Prepare Form BT 1047 as follows:

Check box marked [] Conversion in second area from top of form.

Complete Section A by entering the name and account number exactly as shown on video display.

Complete Section B.1 by entering appropriate consolidated account tax code: "SY" or "SZ". If other correcting entries are required in Section B, make them at this time.

Enter the appropriate area code in the coding grid. For assistance in this area, see CPPM 232.060 for a decision table.

Check the box for Section C.5, and in the space following show the date of conversion. Complete Sections C.6 and C.7.

In Section E, enter any charges which may have occurred. The person preparing Form BT 1047 will also enter the office code or office, name and date in the area below Section E.

BT 400 CB, Schedule of Subpermits 332.035

Form BT 400 CB, Schedule of Subpermits, is a district option. Because full registration data for sub locations is available on BTCIS under both RG 1 and RG 2, districts may elect to substitute a RG 2 printout in lieu of form BT 400 CB. No copy is required for Headquarters.

Adding New Sublocations to an Existing Consolidated Account 332.040

New sub locations may be added to an existing consolidated account at any time. To add a new sub location prepare Form BT 400 CS in duplicate as described in CPPM 332.030 and forward the original form to Headquarters Registration. Sub permit numbers are issued sequentially and the same number may not be used twice³.

COMPLIANCE POLICY AND PROCEDURES MANUAL

NOTE: When adding sub location(s) to "SX" consolidated accounts, where the sub location area code is NOT the same as other sub locations for the account, the account must be converted to "SY" or "SZ" as described in CPPM 332.032. The area code for the master location will also change.

~~3~~ Prior to 1985 when only 999 sub permit numbers per account were available in total, unused numbers were occasionally reissued. Since that time, expansion of available sub permit numbers has been sufficient to meet the Board's needs and reissuance of old sub permit numbers has been discontinued.

Preparation of Permit Cards for Consolidated Accounts ~~332.050~~

<u>PERMIT</u>	<u>FORM #</u>
Seller's	BT 442 R ⁴
Consolidated Seller, Master location	BT 442 C

Permits, licenses and certificates have been designed to allow for seven lines of typing, 33 numeric or alpha characters per line using pica (10 characters per inch or 10 CPI) typewriter spacing. It will seldom be necessary, however, to use all seven lines provided.

Pica type (10 characters per inch or 10 CPI) should be used where possible. Corner marks are printed in the upper left and right corners to assist in positioning the form in the typewriter, and as an aid in determining the beginning and ending of each line.

The following items must be typed on the forms before they are issued.

- Account number
- Owner name
- Business Address
- City, State, ZIP

The firm name (DBA) may be typed on these forms. If shown, the entry must be made outside the space outlined for the window envelope block.

Other items of data such as start date, business code, area code, mailing exception code, reporting basis, etc., are confidential data and are not typed on permit or license forms⁵. A mailing address may be included if it is different from the business address, allowing for form to be mailed in a window envelope.

~~4~~ Individual seller's permits are issued for each selling location of a consolidated account.

~~5~~ Permit and license forms are displayed to the public, therefore disclosure of a starting date, business code, reporting basis or other data could potentially allow inference of business volume or other confidential information.

Preparation of Permit Cards for Consolidated Accounts ~~(Cont.) 332.050~~

Positioning of items of data on the forms in their order of entry is as follows:

First Entry—Account Number

— Starting with the top line, left side, type complete account number including tax program code, office code and numerical portion, i. e., SR ARA 15 789012. If a sub permit, continue with a dash after the numerical portion, sub location number, another dash, and master office code, i.e., SY EHB 15 789012 0196 ARA. The account number is the only entry made on the first line of the form.

— It is not necessary to prepare new permits when the only change is to the tax program. This situation occurs when accounts are converted between SX, SY, SZ and SR.

Second Entry (when necessary)

Business Address If Different from Mailing Address

DOES NOT APPLY TO SUBLOCATIONS

— When the mailing address is different from the business address, type the business address on the second line, including the number and street but not the post office unless it is different from the post office of the mailing address. This is the only entry made on the second line. Do not insert the mailing address if the permit will be handed to the taxpayer in person

ACCOUNT MAINTENANCE

— Examples:

- 1310 Eighth Street (same post office as mailing address)
- 1310 Eighth Street, Sacramento (different post office from mailing address)

— If the mailing address is the same as the business address, the second line is left blank.

Third Entry — Owner Name

— Owner name is entered beginning on the next available line. As far as possible, a complete owner name should be entered subject to necessary abbreviations of first names of partners, etc.

Fourth Entry Mailing Address
(or business and mailing address when identical)

— The business address is entered on the next available line. Two lines of the form are used for this entry. The first line will include number, street, etc., the second line will include post office, two-letter state abbreviation and ZIP Code.

— When the mailing address is different from the business address, enter the business address on the second line as described under “Second Entry.”

Formatting for preparation of the form is fixed with respect to entering account number and business address (if applicable) on the first two lines. Entry of other data is flexible, subject to the amount of data that is to be entered. For example, the owner name need not be restricted to one line.

HINT: When preparing the form, determine how much data can be and should be entered before typing is started!

Conversion of a single outlet account to a consolidated account is accomplished by adding a minimum of two sublocations to a single location account. When the second sublocation is added on-line in the Account Maintenance program the system will automatically convert the account to a Taxable Activity Type “SR X”, “SR Y”, or “SR Z” consolidated account.

Sublocations must be located within California. Many consolidated accounts have sublocations in California, and also fill orders to California consumers from out-of-state locations. When this situation is encountered, the taxpayer becomes a “special seller” (“SR Z” Taxable Activity Type is a consolidated special seller account). See also CPPM §240.040 and §245.035.

CONVERSION OF TAXABLE ACTIVITY TYPES

330.040

The following Taxable Activity Type conversions are valid:

1. “SR” to “SR S” and “SR S” to “SR” conversions may be made on-line by using the modify key with cursor on Taxable Activity Type field.
- 3-2. “SR” or “SR S” to “SR X”, “SR Y” or “SR Z” (CPPM §330.020).
- 5-3. Existing “SR X” accounts may be converted to “SR Y” when changes occur which make area codes different between or among sublocations. The TAR on-line account maintenance program will automatically convert “SR” and “SR X” Taxable Activity Types to “SR Y” when location address changes or added sublocations result in more than one tax area code in effect among the active sublocations.

ADDING NEW SUBLOCATIONS TO AN EXISTING CONSOLIDATED ACCOUNT

3302.050

New sublocations may be added to an existing consolidated account at any time.

Mayest October 2001

~~To add a new sublocation use new sublocations use the & SUBS function key from the TAR Taxable AM Activity Maintenance screen. Refer to the CTS User's Guide Chapter XIII for detailed instructions. See CPPM Section 340.030 when adding sublocations will result in a change in the tax program Taxable Activity Type.~~

NOTE: When adding sub location(s) to "SX" consolidated accounts, where the sub location area code is NOT the same as other sub locations for the account, the account must be converted to "SY or "SZ" as described in CPPM 332.032. The area code for the master location will also change.

PREPARATION OF PERMIT CARDS FOR CONSOLIDATED ACCOUNTS 330.060

The system will not automatically print a BOE-442-R-LZ, Seller's Permit, for each sublocation registered. The print subsystem is used to initiate a permit for each sublocation.

4.MOVE OF A SUBLOCATION 330.070330.070

Moves and other account maintenance for sublocations ~~is~~ are generally performed at the district which district that has administrative control of the master location.

~~All moves, including interdistrict moves of sublocations, are performed using on line TAR account maintenance programs.~~

~~Intradistrict moves of master locations are performed using TAR on line account maintenance programs.~~

~~An interdistrict move of a master location is performed using procedures described in CPPM Section 315.000.~~

4.CLOSE-OUTS OF SUBLOCATIONS 330.080332.080

~~From BT 406 CS, "Closeout of Sub location", is used to close out sub permits. Preparation of Form BT 406 CS is discussed in CPPM Chapter 6, and is a district option. Districts may substitute locally prepared forms if desired to replace Form BT 406 CS when no successorship or sale of fixtures and equipment is involved.~~

~~Closeout of sub locations is performed by remote input, with one exception: when closeout of a sub location leaves only one remaining sub location, conversion of the account to a single outlet account must be made. See (CPPM 332.070, following for instructions.~~

Sublocations are closed out using the on-line close out and close out maintenance programs. For Taxable Activity Type conversions related to sublocation close outs, see CPPM 330.010 or CPPM 330.040

4.CONVERSION OF CONSOLIDATED ACCOUNT TO SINGLE LOCATION ACCOUNT330.090332.090

Accounts with multiple locations which close all remaining selling locations but one are locations that close all remaining selling locations but one are converted to a single outlet account.

4. OTHER CHANGES TO CONSOLIDATED ACCOUNTS**330.100330.100****~~Reinstatement of Account Closed Out in Error~~**

- ~~Prepare Form BT 1047 to reinstate the consolidated account, and another Form BT 1047 to reinstate the sub permits involved with a list of the sub permits attached.~~

~~Change in Reporting Basis~~

- ~~Prepare one Form BT 777, Notice of Change in Reporting Basis, to change the reporting basis of the consolidated account and all subs.~~

~~Reinstatement of Account After Revocation (Exception)~~

- ~~Prepare Form BT 400, Application for Seller's Permit, to reinstate the consolidated account. Form BT 400 will also reinstate revoked sub permits under the consolidated account. Care must be taken to determine the number of sub permits included in the revocation, and a reinstatement fee of \$50 collected for each sub location being reinstated. The total amount of sub permit reinstatement fees collected is entered in Section 3 of Form BT 400.~~

~~Reinstatement After Revocation and Closeout in Error (See Subsection 360.140)~~

- ~~Prepare Form BT 400 to reinstate the consolidated account as explained in the paragraph above. Also, prepare Form BT 1047 with a list of the sub permits attached to reinstate the sub permits. Care must be taken to determine the number of sub permits included in the revocation, and a reinstatement fee of \$50 collected for each sub location being reinstated. The total amount of sub permit reinstatement fees collected is entered in Section 3 of the Form BT 400.~~

~~Conversions of Accounts to Different Tax Programs~~**~~332.100~~**

- ~~Sales and use tax accounts may be converted from one program to another within the sales and use tax group. For instance, if the holder of a Certificate of Registration Use Tax establishes a place of business within California, the existing Certificate of Registration Use Tax may be converted to a Seller's Permit. A person holding a Seller's Permit who ceases making sales in California, but who continues to purchase merchandise for self consumption from sources outside the state, may have the Seller's Permit converted to a Consumer Use Tax account.~~
- ~~Conversion of account does not extend to temporary sellers, nor are any fuel tax accounts subject to conversion.~~

Reinstatement of Account After Revocation

Reinstatement fees should only be collected for those accounts or sublocations of a consolidated account, which remain active after revocation, i.e., at the time of reinstatement.

Conversion of account does not extend to temporary sellers, nor are any fuel tax accounts subject to conversion.

~~CONVERSION TO SELLER FROM CONSUMER USE TAX OR CERTIFICATE OF REGISTRATION -USE TAX~~**~~3302.110~~****Documents Required****BT-400**

Complete BT-400 completely. The application form in this instance is prepared the same as for a new account, except on Form BT-400 the statement "Consumer to Seller" or "Cert-U to Seller" is entered in the space entitled "Name of Former Owner" and the previous account number ("SU" or "SC") is entered in full in the space entitled "Former Owner's Account Number." The taxpayer MUST sign the application.

The starting date shown in the coding grid must be the original starting month and year from the Consumer

Mayest October 2001

COMPLIANCE POLICY AND PROCEDURES MANUAL

or Certificate of Registration - Use Tax account to maintain continuity of operation.

In the space entitled "Date Started This Address", enter month, day and year for the first day of the first reporting period under the new tax program.

BT 1047

— Check the "Conversion" box at the top of the form and complete the following sections:

Section A.

— Enter the name and account number as shown on the video.

Section B.

— Enter the new tax program code and other items to be corrected. The numeric portion of the account number is never changed.

Section C.

— Complete sections C.6 and C.7.

Section D, Number 1

— The date of the conversion is entered.

— Check the box designated "Other" and enter the type of conversion taking place, such as "Consumer to Seller" or "Cert U to Seller."

— Attach Form BT 400 to original Form BT 1047, and transmit both documents to Headquarters Registration for processing. Issue a Seller's Permit to the taxpayer as described in CPPM 255.050.

~~the proper permit as described in CPPM Section 275.050.~~

4.

Conversion From Seller To Consumer Use Tax or Certificate of Registration — Use Tax — 332.120

Documents Required

BT 400 CU or BT 400 U

— Complete BT 400 C or BT 400 CU completely. The application form in this instance is prepared the same as for a new account, except the statement "Seller to Consumer" or "Seller to Cert U" is entered in the space entitled "Name of Former Owner" and the previous account number ("SR") is entered in full in the space entitled "Former Owner's Account Number". A signature is desirable but not mandatory. If the taxpayer is unavailable for signature, enter the statement "Signature on File" on the signature line along with the initials of the person preparing the conversion documents.

— The starting date shown in the coding grid must be the original starting month and year from the Seller's Permit account to maintain continuity of operation.

— In the space entitled "Date Started This Address", enter month, day and year for the first day of the first reporting period under the new tax program.

BT 1047

— Check the "Conversion" box at the top of the form and complete the following sections:

Section A.

— Enter the name and account number as shown on the video.

Section B.

— Enter the new tax program code and other items to be corrected. The numeric portion of the account number is never changed.

Section C.

— Complete sections C.6 and C.7.

ACCOUNT MAINTENANCE

~~Section D, Number 1.~~

~~— The date of the conversion is entered.~~

~~— Check the box designated “Other” and enter the type of conversion taking place, such as “Seller to Consumer” or “Seller to Cert U.”~~

~~Attach Form BT 400 CU or BT 400 U to original Form BT 1047, and transmit both documents to Headquarters Registration for processing. If the new permit is a Certificate of Registration — Use Tax, issue the proper permit as described in CPPM 255.050.~~

4. BOE-523, TAX RETURN/OR ACCOUNT ADJUSTMENT NOTICE -
BOE-523 **335.000**

4. OVERVIEW **335.010**

Form ~~BOE~~-523 is a multipurpose form that can accomplish many functions on a single piece of paper. Some of the functions performed using Form ~~BOE~~-523 are available on-line ~~yet to field offices on remote input.~~

~~Although~~Though the form appears very complex at first sight, it is not a difficult form to use. You will generally use only one or two sections of the form at any time, and by treating each section individually you will find the form straightforward in purpose and approach.

This chapter ~~section~~ will lead you through ~~nearly every conceivable~~ situations ~~for which a BOE-523 may be used to change or correct account records.~~ When you use the form, treat each section as though no other section of the form exists.

If you are unable to accomplish the function, ask your supervisor for assistance.

4. FORM BOE-523, TAX RETURN AND/OR ACCOUNT ADJUSTMENT NOTICE USES **335.020**

The situations below may result from one or a combination of circumstances and are not meant to be all inclusive, but will illustrate the common types of situations requiring preparation of the form.

- ~~a. Change of closeout or starting date of a predecessor or successor account.~~
- ~~b. Transfer a return and/or adjust tax for entire reporting period, erroneously reported under one account, to another account.~~
- ~~c. Notify Headquarters to transfer an accounts receivable balance from one account to another.~~
- ~~d. Adjust a return erroneously filed for one period to the correct period under the same account.~~
- ~~e. Transfer a return and/or adjust tax for a fractional period erroneously included in a return for an account to the same fractional period under the correct and different account.~~
- ~~f. Adjust tax wrongly included in a return for one period to another period under the same account.~~
- ~~g. Clearance of a delinquency by the inclusion of the delinquent period in an audit or field billing order or by receipt of a payment representing tax for the delinquent period.~~
- ~~h. Transfer of prepayment periods from one account to another and/or one period to another.~~
- ~~i. Transfer of material from one account to another.~~
- b.a. Transfer a return and/or payment erroneously reported under one account, to another account.
- d.b. Transfer a difference from one account to another.
- f.c. Transfer a return and/or payment filed for one period to the correct period under the same account.
- h.d. Split a return between accounts.
- j.e. Split a return between periods on the same account.
- m.f. Transfer prepayment periods from one account to another and/or one period to another.
- n.g. Change or correct start date and/or close out date.

ACCOUNT MAINTENANCE

4.RETURNS FOR PERIODS PRIOR TO STARTING DATE OR FOR PARTIAL PERIODS 335.030

When a return is received in headquarters filed covering a period or partial period which is prior to the starting date of the account and the return clearly identifies the account number and location under which it will be processed, the Account Reference Unit Analysis and Control Section – Registration Unit will prepare a Form BOE-523, Tax Return and/or Account Adjustment Notice, changing the starting date on-line so that it conforms to the return. ~~Copies of the Form BOE-523 and the return will be sent to the district.~~

If there is a predecessor account ~~involved~~, involved, the Account Reference Unit Analysis and Control Section will correct the return in those instances where it is obvious that this is the proper course of action. If there is any information which would prevent this unit from making a clear and simple decision, then a Form BOE-167, *Questionable Return or Payment Posting*, and a copy of the return will be sent to the district for investigation and action.

4.INFORMATION FOR PREPARATION OF FORM BOE-523

335.040

If only Section 1 is to be completed, ~~enter full account number~~ the district should complete this process on-line, taxpayer name and reporting basis

Depending on each case, the "C.O." box may be checked. ~~and notations made on either "change of close out date" or "change of starting date" lines~~

If Sections 1 and 2 are to be completed, both sections must contain the business and area codes including complete account number, -TAT indicator.

Following are instructions for various situations:

- (a) ONE ACCOUNT INVOLVED: Complete Section 1 when only one account is involved.
- (b) TWO ACCOUNTS INVOLVED: Section 1 is used to enter information on the account from which a transfer or adjustment is made. Section 2 is used to enter information on the account to which a transfer or adjustment is made. The adjustment grid in Section ~~7b-6~~ is completed in the same order as Sections 1 and 2. The period and/or account number from which a transfer is made should be entered on the 'From' line(s). The period and/or account number to which a transfer is made should be entered on the 'To' line(s). If the transfer involves only one revenue period, the total dollar amount of the return should be entered on the 'Amount' line after the dollar sign (\$). The batch number and cash date should be entered on the 'Batch' line. ~~The left hand grid will contain the correct allocation the tax, including any interest and penalty, for the account in Section 1, the center grid the total paid, including interest and penalty, under the account shown in Section 1, and the right hand grid will contain the correct allocation of tax, including any interest and penalty, for the account shown in Section 2.~~
- (c) ONE-ACCOUNT--ADJUSTMENT OF TAX FROM ONE PERIOD TO ANOTHER: The 'Period' and 'Amount' lines should be completed as described above. No entry is required on the 'Account Number' line as the information is contained in Section 1. ~~The left hand grid in Section 7b will contain the adjusted amount of tax for the oldest period, the center grid the information on the return as it was actually filed, and the right hand grid the adjusted amount of tax for the later period. Show the account number only in the left hand grid.~~
- (d) CHANGE OF CLOSEOUT DATE: ~~If the new closeout date is the same as the starting date of record and a one day period of operation is involved, a notation will be made in Section 10. If the account did not operate, check the box provided. No explanation is required.~~
- (e) WHEN FORM BOE-523 IS NOT REQUIRED FOR HEADQUARTERS RECORDS: ~~A copy of Form BOE-523 is not required for Headquarters when a change of starting or close out date falls within the same reporting period. No further action is required. Two exceptions exist to this rule: (1) When a change of reporting basis to yearly occurred within the calendar year of close out, Form BOE 523 must be prepared for Headquarters. (2) When the change of close out date occurs to an account which account that has security to be applied, in part, to the "NR" return immediately preceding the final return, a copy of the form will be sent to Headquarters.~~
- (f)(d) NUMBER OF COPIES OF FORM BOE-523 REQUIRED: ~~Two copies of Form BOE-523 will be prepared for transfers involving two accounts~~ each account. When two or more accounts are involved, the originals sent to

Mayest October 2001

COMPLIANCE POLICY AND PROCEDURES MANUAL

Headquarters should be stapled to present a "package" of the transaction. The forms will be sent as soon as is possible to expedite the required change. ~~Do not use photocopies.~~

~~(e)~~ (e) NEED FOR SEPARATE SCHEDULE: Most situations requiring the preparation of Form BOE-523 will involve only two periods or two accounts for an adjustment. If more than two periods or accounts are affected a separate schedule will be prepared, showing all periods and/or accounts. Insert "See Reverse Side" in Section 8 and attach the schedule(s) to Form BOE-523 when transmitted to Headquarters.

~~(f)~~ (f) TIME LIMITATIONS FOR ALLOCATING LOCAL TAX: Local tax reallocations are governed by Section 7209 of the Bradley-Burns Local Sales and Use Tax Law, as interpreted by Business Taxes General Bulletin 59-12, dated September 11, 1959 (revised September 1, 1987). When Form BOE-523 is prepared to reallocate sales and use tax between local taxing jurisdictions, the "date of first knowledge", establishing the commencement date of the reallocation, must be noted in Section 8 of the form.

~~(g)~~ (g) FUTURE AUDIT OR FILE REFERENCE: ~~The adjustment grid of section 7b only provides space to report the amount of tax involved in the adjustment. When it is believed all figures pertaining to corresponding lines of tax returns should be recorded for future district audit or file reference, a schedule of the adjustment made will be prepared and attached to the district copies of Form BT 523. These schedules are not sent to Headquarters.~~

~~(j)~~ (g) ADJUSTMENT OF FUEL TAXES: When adjustment of fuel taxes is made on Form BOE-523 the bottom line in Section ~~67b~~, titled "total tax" will be used, since there is no state or local tax involved. When balances are transferred between use fuel tax accounts, Headquarters will prepare Form BOE-1269 to effect the actual transfer in response to the district's request on Form BOE-523.

~~(h)~~ (h) INTERDISTRICT PREPARATION OF FORM BOE-523: When Form BOE-523 is prepared in one district for another district, the original and all copies must be sent to the district of control. When two or more districts are involved, the set of prepared forms must be broken down for distribution to the respective district offices.

(i) FORM BOE-523 PREPARED IN CONJUNCTION WITH FBO/AUDIT: Delinquencies will be automatically cleared once the revenue FO (Financial Obligation) has been filled. The only exception requiring a BOE-523 is for older periods, which will not necessarily clear delinquencies automatically.

~~When Form BT 523 is prepared with a FBO or audit the Form BT 523 must be transmitted to Headquarters Account Reference Unit at the same time the document establishing the liability is transmitted to Headquarters Audit Control Unit. This requirement becomes significant when "no permit" audits are involved.~~

~~In the case where tax has accrued prior to the date of application, it is necessary to exercise care so that the account does not proceed through the revocation cycle prior to the transmittal of the Form BT 523.~~

~~The compliance section should secure the necessary registration of the account and place the account number on the form prior to transmittal to Headquarters.~~

~~(j)~~ (j) ADJUSTMENT OF PREPAYMENTS: ~~Forms BT 523 prepared with audits of closed out prepayment accounts where a final period is cleared must note in Section 10 of the disposition of any prepayment periods unsupported by the quarterly return. The adjustment of tax under a prepayment account will be handled the same as tax with other accounts when the quarterly return has been filed and there is no prepayment period unsupported by a return.~~

~~When the quarterly return has not been filed, the transfer of forms or adjustment of tax will be done by completing the appropriate section of the Form BT 523 and inserting the work "prepayment" next to the left hand margin of the appropriate section of the form. This action will alert Headquarters that the account, while designated "quarterly" in Sections 1 and 2, is on a prepayment basis and must be processed accordingly. On closeout accounts where a quarterly return has not been filed and prepayments exist, Form BOE-523 can be used to inform Account Analysis to accept the prepayments as the total revenue due for the period. However, the district may wish to consider preparing a Compliance Assessment in lieu of preparing a BOE-523.~~

ACCOUNT MAINTENANCE

(k) SPLIT REVENUE BETWEEN TWO ACCOUNTS: The adjustment grid in Section 6 is completed in the same order as Sections 1 and 2. The left-hand grid will contain the correct allocation of tax, including any interest and penalty, for the account in Section 1. The center grid will contain the account number and the total amount paid, including interest and penalty, where the revenue is filed and the right-hand grid will contain the correct allocation of tax, including any interest and penalty, for the account shown in Section 2.

(l) SPLIT REVENUE INVOLVING ONE ACCOUNT: The left-hand grid in Section 6 will contain the correct allocation of tax for the 'From' and 'To' dates entered above. The center grid will contain the account number and total amount paid where the revenue is filed and the right-hand grid will contain the correct allocation of tax for the 'From' and 'To' dates entered above.

Change of Closeout Date — No Other Account Involved **350.040**

Instructions:

Complete Section 1, check "C.O." box and note change in closeout date.

If this action places the closeout date in a later reporting period, the delinquency must be cleared. Clearance can be effected in four ways:

- a. — A return(s) is filed for the delinquent period(s).
- b. — A field billing order is prepared to clear the delinquent period(s).
- c. — An audit is made which includes and clears the delinquent period(s).
- d. — A payment is received for the delinquent period(s).

When condition (a) exists, Form BT 523 established the delinquency and the filed and paid return cleared it. The fact a return was filed will be noted in Section 10 to explain the manner of clearance.

When conditions (b), (c), or (d) exist, Section 5 will be completed indicating date of field billing order, audit, or payment and period(s) cleared. The method used to clear the delinquency should be circled.

A change in closeout date can be made either backward or forward. Should the closeout be changed back to the starting date, a check mark will be entered in the box "Did Not Operate."

A final period delinquency be cleared by changing the closeout date to fall at the end or within an earlier period, if the account did not operate in the later period.

Change of Starting Date — No Other Account Involved **350.050**

Instructions:

Complete Section 1, check "C.O." if appropriate, and note change in starting date.

If this action places the starting date in an earlier reporting period the delinquency established must be cleared. Clearance of the delinquency will be done in the same way as illustrated in Subsection 350.040.

Change of Closeout or Starting Date (Predecessor) **350.060**

Change of Starting Date or Closeout Date (Successor) **350.060**

Instruction:

The need to change the closeout date of the predecessor account and the starting date of the successor account usually occurs simultaneously. The adjustment may establish a delinquency under either of the two accounts which must be cleared. Depending on the circumstances, instructions under the illustrations in Subsections 340.040 to 350.050 will be followed.

4. TRANSFER OF A RETURN FROM ONE ACCOUNT TO ANOTHER **335.050**

The need for adjustment of tax paid under one account to another can arise for a number of reasons.

COMPLIANCE POLICY AND PROCEDURES MANUAL

A change in the starting or close-out date of accounts can establish delinquencies or a return may be received with an incorrect account number which would result in a delinquency for that reporting period under the correct account number. If the tax was reported and paid under one of the accounts, the delinquency can immediately be cleared by adjustment on-line.

Instructions

Complete Sections 1 and 2, ~~check the "C.O." boxes if appropriate and note the change in starting or closeout dates.~~ Complete Section 3; enter period to be transferred, and transferor and transferee account numbers, dollar amount, cash date and batch number in the batch field.

The illustration shows the entries required when a return was filed or inadvertently processed under an incorrect account number.

ORIGINAL EXAMPLE NOT AVAILABLE

ACCOUNT TRANSFER OR ADJUSTMENT FROM				ACCOUNT TRANSFER OR ADJUSTMENT TO			
Area Code	Account Number	Sub. No. Master		Area Code	Account Number	Sub. No. Master	
289980000000	SR JHF 99-707031			289980000000	SR JHF 99-896068		
1 Name Sally Foster				2 Name Bud Thompson			
Reporting Basis <input type="checkbox"/> M <input type="checkbox"/> Q <input checked="" type="checkbox"/> Y <input type="checkbox"/> FY <input type="checkbox"/> P				Reporting Basis <input type="checkbox"/> M <input checked="" type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY <input type="checkbox"/> P			
<input checked="" type="checkbox"/> Close Out <input type="checkbox"/> Did Not Operate		Bus. Code 19	Acct. Anal. Code	<input type="checkbox"/> Close Out <input type="checkbox"/> Did Not Operate		Bus. Code	Acct. Anal. Code
Change STARTING DATE from..... to				Change STARTING DATE from to			
Change CLOSING DATE from to				Change CLOSING DATE from to			
3 TRANSFER <input type="checkbox"/> EFT Payment(s) <input checked="" type="checkbox"/> Return(s)				Period* From Yr. 96To..... 4Q96			
				Account Number From SR JHF 99-707031To... SR JHF 99-896068			
				Amount 800.40Batch..... 4063 ... 02/13/00			
				\$			

ACCOUNT MAINTENANCE

4. ACCOUNTS RECEIVABLE BALANCED DIFFERENCE UNDER ONE ACCOUNT TRANSFERRED TO ANOTHER ACCOUNT **335.060350-080**

Instructions:

Complete Sections 1 and 2, Check "C.O." box and enter change of starting or closeout date if appropriate. Complete Section 4 enter account number from which the balance is to be transferred, the transferee account number and the balance to be transferred.

Complete Sections 1 and 2, check return in Section 3. Complete Section 4, enter the difference to be transferred and transferor and transferee account numbers. In Section 8 (Remarks or Explanation), enter the appropriate comments.

ORIGINAL EXAMPLE NOT AVAILABLE

ACCOUNT TRANSFER OR ADJUSTMENT FROM				ACCOUNT TRANSFER OR ADJUSTMENT TO			
	Area Code	Account Number	Sub. No. Master		Area Code	Account Number	Sub. No. Master
	300009970000	SRY EAA 24-			300200370000	SR EA 99-796922	
	Name Forever Yours				Name OK For Now		
1	Reporting Basis <input type="checkbox"/> M <input checked="" type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY <input type="checkbox"/> P			2	Reporting Basis <input type="checkbox"/> M <input checked="" type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY <input type="checkbox"/> P		
	<input checked="" type="checkbox"/> Close Out <input type="checkbox"/> Did Not Operate		Bus. Code 61		<input type="checkbox"/> Close Out <input type="checkbox"/> Did Not Operate		Bus. Code 61
	Change STARTING DATE from to				Change STARTING DATE from to		
	Change CLOSING DATE from to				Change CLOSING DATE from to		
3	TRANSFER <input type="checkbox"/> EFT Payment(s) <input checked="" type="checkbox"/> Return(s) Period* From To..... Account Number From To..... Amount \$ Batch.....						
4	Transfer Balance .\$ 1,531.66 (DIF)				Account Number From ...SY EAA 24-143971..... To ...SR EA 99-796922		

4. ONE ACCOUNT - RETURN FOR ONE PERIOD TRANSFERRED TO ANOTHER PERIOD 335.070350-0690

Instructions:

Complete Section 1, check "C.O." box and enter change of starting or closeout date if appropriate. Complete Section 6 indicating original period of return, the amount and the period the return actually represented.

Complete Section 1. Complete Section 3 indicating original period of return, the amount, and the period the return actually represented. Enter the dollar amount and batch date and number of return being transferred. In Section 8 (Remarks or Explanation), enter appropriate comments.

ORIGINAL EXAMPLE NOT AVAILABLE

ACCOUNT TRANSFER OR ADJUSTMENT FROM				ACCOUNT TRANSFER OR ADJUSTMENT TO			
Area Code	Account Number	Sub. No. Master		Area Code	Account Number	Sub. No. Master	
360810310000	SRV EH 99-796932						
Name Susan Kay Finch				Name _____			
1 Reporting Basis <input type="checkbox"/> M <input checked="" type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY <input type="checkbox"/> P				2 Reporting Basis <input type="checkbox"/> M <input type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY <input type="checkbox"/> P			
<input type="checkbox"/> Close Out <input type="checkbox"/> Did Not Operate		Bus. Code 28	Acct. Anal. Code	<input type="checkbox"/> Close Out <input type="checkbox"/> Did Not Operate		Bus. Code	Acct. Anal. Code
Change STARTING DATE from to				Change STARTING DATE from to			
Change CLOSING DATE from to				Change CLOSING DATE from to			
3 TRANSFER <input type="checkbox"/> EFT Payment(s) <input checked="" type="checkbox"/> Return(s)				Period* From 4096 To 3096			
				Account Number From To			
				Amount \$ 1,796.00 Batch 3505..02/13/00			

~~TWO ACCOUNTS — TRANSFER OF A FRACTIONAL PERIOD ERRONEOUSLY INCLUDED IN A RETURN FOR ONE ACTIVE ACCOUNT TO THE CORRECT ACCOUNT~~ 350.095

SPLIT A RETURN BETWEEN ACCOUNTS 335.080

To illustrate the following example, presume account SR KH 28-116003 filed a return for the third quarter 199~~689~~ which included amount due under account SR KH 28-869100 for the fractional period 8-12-~~9689~~ to 9-30-~~9689~~. Account SR KH 28-869100 is related to account SR KH 28-116003 and carries a starting date of 8-12-~~9689~~. The taxpayer's accountant made an error and included tax for both locations on the third quarter 199~~689~~ return under account SR KH 28-116003. The total amount of \$1,300 was reported and paid under account SR KH 28-116003. ~~State, county, and local tax was split 5 and 1 with i~~Investigation revealing \$975 to be adjusted to SR KH 28-116003 and \$325 adjusted to SR KH 28 869100. A delinquency has been established under the new account because of the erroneously reported amount.

Instructions:

Complete Sections 1 and 2: ~~In~~ Enter in Section 1, enter the account under which the fractional period was erroneously included. ~~Enter the same information in~~ In Section 2, enter of the account to which the transfer is being made. Complete Section 6 and Section 7. Adjusting the tax correctly will clear the delinquency for the third quarter 1996 under account SR-KH-28-869100 and will adjust the proper amount of tax under each account. Preparation of Form BT 523, adjusting the tax correctly, will clear the delinquency for the third quarter 1989 under account SR KH 28 869100 and will adjust the proper amount of tax under each account. If the new account were in another taxing jurisdiction, the form would allocate the local tax to the respective taxing jurisdictions as shown below. In Section 8 (Remarks or Explanation), enter appropriate comments.

COMPLIANCE POLICY AND PROCEDURES MANUAL

ORIGINAL EXAMPLE NOT AVAILABLE

ACCOUNT TRANSFER OR ADJUSTMENT FROM			ACCOUNT TRANSFER OR ADJUSTMENT TO		
	Area Code	Account Number	Sub. No.	Master	
	340600230000	SR KH 28-116003			
	Name Johnny Angel		Name Kamey Kustom Kars, Inc.		
1	Reporting Basis <input type="checkbox"/> M <input checked="" type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY <input type="checkbox"/> P		Reporting Basis <input type="checkbox"/> M <input checked="" type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY <input type="checkbox"/> P		
	<input type="checkbox"/> Close Out <input type="checkbox"/> Did Not Operate		Bus. Code 64	Acct. Anal. Code	
	Change STARTING DATE from to		Change STARTING DATE from to		
	Change CLOSING DATE from to		Change CLOSING DATE from to		
3	TRANSFER <input type="checkbox"/> EFT Payment(s) <input type="checkbox"/> Return(s)		Period* From To..... Account Number From To..... Amount \$ Batch.....		
4	Transfer Balance\$		Account Number From To.....		
5	Clear Delinquencies <input type="checkbox"/> Audit <input type="checkbox"/> FBO <input type="checkbox"/> Payment		Dated Period*		
6	PARTIAL PERIOD <input type="checkbox"/> EFT Payment(s) <input checked="" type="checkbox"/> Return(s)		As Filed Period* 3Q96 Account Number... SR KH 28-116003 Included Period* 3Q96 Account Number... SR KH 28-869100		
	Adjustment shown below. When more than one EFT payment is to be adjusted between accounts, prepare and attach separate schedule.				
7	Delinq. Established	CORRECT ALLOCATION	AS FILED	CORRECT ALLOCATION	Delinq. Cleared
	Transfer from	Acct. No. SR KH 28-116003	ACCOUNT NUMBER SR KH 28-116003	Acct. No. SR KH 28-869100	Transfer to
	b. Delinquent periods	From: 7-1-96 To: 8-11-96	\$ 1,300.00	From: 8-12-96 To: 9-30-96	b. Delinquent periods
		Total Tax \$ 975.00		Total Tax \$ 325.00	
	SEE REVERSE FOR DETAILS				
	FOR HEADQUARTERS USE ONLY				

ACCOUNT MAINTENANCE

SPLIT A RETURN BETWEEN ACCOUNTS

(Cont.) 335.080350.095

ORIGNIAEXAMPLE NOT AVAILABLE

RECAP ITEM 7B – FRONT

CORRECT ALLOCATION		Total Reported Erroneously Under	CORRECT ALLOCATION	
Acct. No. SR KH 28-116003			Acct. No. SR KH 28-869100	
From: 7-1-96	To: 8-11-96	ACCOUNT NUMBER	From: 8-12-96	To: 9-30-96
State-County Tax:	\$ 629.00	\$ 838.00	State-County Tax:	\$ 209.00
Local Tax	\$ 126.00	\$ 168.00	Local Tax	\$ 42.00
BART 001	\$	\$	BART 001	\$
BART-A 020	\$	\$	BART-A 020	\$
ACTA 010	\$	\$	ACTA 010	\$
BART-CC 021	\$	\$	BART-CC 021	\$
CCTA 024	\$	\$	CCTA 024	\$
DNCD 047	\$	\$	DNCD 047	\$
FCTA 012	\$	\$	FCTA 012	\$
FMPA 048	\$	\$	FMPA 048	\$
IMTA 029	\$	\$	IMTA 029	\$
CXHD 045	\$	\$	CXHD 045	\$
INRC 014	\$	\$	INRC 014	\$
CLPS 058	\$	\$	CLPS 058	\$
LACT 005	\$	\$	LACT 005	\$
LATC 035	\$	\$	LATC 035	\$
MCTA 034	\$	\$	MCTA 034	\$
OCTA 037	\$	\$	OCTA 037	\$
RCTC 026	\$	\$	RCTC 026	\$
STAT 023	\$ 63.00	\$ 84.00	STAT 023	\$ 21.00
SBCG 015	\$	\$	SBCG 015	\$
SBUT 053	\$	\$	SBUT 053	\$
SBER 031	\$	\$	SBER 031	\$
SDTC 013	\$	\$	SDTC 013	\$
BART-SF 022	\$	\$	BART-SF 022	\$
SFTA 027	\$	\$	SFTA 027	\$
SFPF 051	\$	\$	SFPF 051	\$
SJTA 038	\$	\$	SJTA 038	\$
SMCT 002	\$	\$	SMCT 002	\$
SMTA 018	\$	\$	SMTA 018	\$
SBAB 030	\$	\$	SBAB 030	\$
SCCT 003	\$	\$	SCCT 003	\$
SCGF 063	\$	\$	SCGF 063	\$
SCMT 004	\$	\$	SCMT 004	\$
SZPL 061	\$	\$	SZPL 040	\$
SCOS 039	\$	\$	SCOS 039	\$
STCL 059	\$	\$	STCL 059	\$
TCTU 060	\$	\$	TCTU 060	\$
SLRF 055	\$ 63.00	\$ 84.00	SLRF 055	\$ 21.00
LPSF 056	\$ 63.00	\$ 84.00	LPSF 056	\$ 21.00
ASUT 057	\$ 31.00	\$ 42.00	ASUT 057	\$ 11.00

TWO ACCOUNTS — TRANSFER OF A FRACTIONAL PERIOD ERRONEOUSLY INCLUDED IN A RETURN FOR CLOSED-OUT ACCOUNT TO THE CORRECT ACTIVE ACCOUNT 350.100

To explain and illustrate the following example, presume account SR-DH 22 696316 closed out 11-30-89 and account SR-DH 22 801234 carries a starting date of 12-1-89. The Form BT-406 on the predecessor shows 12-31-89 as the closeout date and Form BT-400 on the successor shows a starting date of 1-1-90. A 4th Quarter 89 return was filed under account SR-DH 22 123456 in the amount of \$1,313 representing \$1,000 state and county tax, \$200 local tax, \$100 FICA tax, and \$13 EQRF tax. Investigation revealed a change in the closeout date of the predecessor was which was in order with a corresponding change in the starting date of the successor required. Tax to be adjusted to the successor account for the month of December 1989 is \$338.

Instructions:

Complete Sections 1 and 2: Enter in Section 1 of the account information of the predecessor from which tax is to be transferred and note change of closeout date with "C.O." box checked. Enter the same information on the successor in Section 2 except that a change in starting date will be noted and the "C.O." box will not be checked. Complete Section 3 and the adjustment grid in Section 7b. Even though only a fractional portion of the fourth quarter is being transferred, the return itself must be placed in the successor account. Completion of Section 3 will accomplish this and completion of 7b transfers the proper amount.

4:ONE ACCOUNT--TAX FOR ONE PERIOD INCLUDED IN A RETURN FOR ANOTHER PERIOD 335.090350.110

To explain and illustrate the following example, presume that under account SR-FB 25-767891 a return was filed and paid for the second quarter 199689 in the amount of \$1,2400, representing \$1,8000 state tax, \$160200 local tax, \$4080 SDTC tax and \$2400 SDJF tax for state tax add-ons, 055, 056, and 057. The starting date of the account was 3-1-9689, but no return for the first quarter 199689 was filed. The account is delinquent for the first quarter 199689. An investigation revealed the tax for the first quarter has been included in the return for the second quarter. The amount to be adjusted to the first quarter is \$3150 representing \$2050 state tax, \$450 local tax, and \$50 for state tax add-ons 055, 056, and 057 \$25 SDTC tax, and \$25 SDJF tax.

Instructions:

Complete Section 1, check "C.O." box and note change of starting or closeout date if appropriate. Complete Section 7b; enter fractional reporting period which was erroneously included in another return, the period of the return which included the fractional period, the account number under which the return was filed and show the correct adjustment in the grid in Section 7b.

Complete Section 1;- Complete Section 6; eEnter the fractional reporting period which was included in another return, the period of the return which included the fractional period, and the account number under which the return was filed. Show the correct adjustment in Section 7.

In Section 8 (Remarks or Explanation), enter appropriate comments.

ACCOUNT MAINTENANCE

ORIGINAL EXAMPLE NOT AVAILABLE

ACCOUNT TRANSFER OR ADJUSTMENT FROM				ACCOUNT TRANSFER OR ADJUSTMENT TO				
Area Code	Account Number	Sub. No. Master		Area Code	Account Number	Sub. No. Master		
370600130000	SR FHB 25-767891							
Name Nelson Williams				Name _____				
1 Reporting Basis <input type="checkbox"/> M <input checked="" type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY <input type="checkbox"/> P <input type="checkbox"/> Close Out <input type="checkbox"/> Did Not Operate				2 Reporting Basis <input type="checkbox"/> M <input type="checkbox"/> Q <input type="checkbox"/> Y <input type="checkbox"/> FY <input type="checkbox"/> P <input type="checkbox"/> Close Out <input type="checkbox"/> Did Not Operate				
Bus. Code 24 Acct. Anal. Code _____ Change STARTING DATE from to Change CLOSING DATE from to				Bus. Code _____ Acct. Anal. Code _____ Change STARTING DATE from to Change CLOSING DATE from to				
3 TRANSFER <input type="checkbox"/> EFT Payment(s) Period* From To..... <input type="checkbox"/> Return(s) Account Number From To..... Amount \$ Batch.....								
4 Transfer Balance \$..... Account Number From To.....								
5 Clear Delinquencies <input type="checkbox"/> Audit <input type="checkbox"/> FBO <input type="checkbox"/> Payment Dated Period*								
6 PARTIAL <input type="checkbox"/> EFT Payment(s) As Filed Period* 2Q96 Account Number... SR FHB 25-767891 PERIOD <input checked="" type="checkbox"/> Return(s) Included Period* 3-1-96 to 3-31-96 Account Number... SR-FHB 25-767891 Adjustment shown below. When more than one EFT payment is to be adjusted between accounts, prepare and attach separate schedule.								
Delinq. Established Transfer from		CORRECT ALLOCATION Acct. No.		AS FILED ACCOUNT NUMBER		CORRECT ALLOCATION Acct. No.		Delinq. Cleared Transfer to
b. Delinquent periods		From: 3-1-96 To:3-31-96 Total Tax \$ 310.00		SRFHB25767891 \$ 1,240.00		From: 4-1-96 To: 6-30-96 Total Tax \$ 930.00		b. Delinquent periods
SEE REVERSE FOR DETAILS								
FOR HEADQUARTERS USE ONLY								

COMPLIANCE POLICY AND PROCEDURES MANUAL

4.ONE ACCOUNT--TAX FOR ONE PERIOD INCLUDED IN A RETURN FOR ANOTHER PERIOD(Cont.) 335.090350.110

RECAP ITEM 7B – FRONT

Total Reported
Erroneously
Under

CORRECT ALLOCATION		ACCOUNT NUMBER	CORRECT ALLOCATION	
Acct. No. SR FHB 25-767891			Acct. No.	
From: 3-1-96	To: 3-31-96		From: 4-1-96	To: 6-30-96
State-County Tax:	\$ 200.00	\$ 800.00	State-County Tax:	\$ 600.00
Local Tax	\$ 40.00	\$ 160.00	Local Tax	\$ 120.00
BART 001	\$	\$	BART 001	\$
BART-A 020	\$	\$	BART-A 020	\$
ACTA 010	\$	\$	ACTA 010	\$
BART-CC 021	\$	\$	BART-CC 021	\$
CCTA 024	\$	\$	CCTA 024	\$
DNCD 047	\$	\$	DNCD 047	\$
FCTA 012	\$	\$	FCTA 012	\$
FMPA 048	\$	\$	FMPA 048	\$
IMTA 029	\$	\$	IMTA 029	\$
CXHD 045	\$	\$	CXHD 045	\$
INRC 014	\$	\$	INRC 014	\$
CLPS 058	\$	\$	CLPS 058	\$
LACT 005	\$	\$	LACT 005	\$
LATC 035	\$	\$	LATC 035	\$
MCTA 034	\$	\$	MCTA 034	\$
OCTA 037	\$	\$	OCTA 037	\$
RCTC 026	\$	\$	RCTC 026	\$
STAT 023	\$	\$	STAT 023	\$
SBCG 015	\$	\$	SBCG 015	\$
SBUT 053	\$	\$	SBUT 053	\$
SBER 031	\$	\$	SBER 031	\$
SDTC 013	\$ 20.00	\$ 80.00	SDTC 013	\$ 60.00
BART-SF 022	\$	\$	BART-SF 022	\$
SFTA 027	\$	\$	SFTA 027	\$
SFPF 051	\$	\$	SFPF 051	\$
SJTA 038	\$	\$	SJTA 038	\$
SMCT 002	\$	\$	SMCT 002	\$
SMTA 018	\$	\$	SMTA 018	\$
SBAB 030	\$	\$	SBAB 030	\$
SCCT 003	\$	\$	SCCT 003	\$
SCGF 063	\$	\$	SCGF 063	\$
SCMT 004	\$	\$	SCMT 004	\$
SZPL 061	\$	\$	SZPL 061	\$
SCOS 039	\$	\$	SCOS 039	\$
STCL 059	\$	\$	STCL 059	\$
TCTU 060	\$	\$	TCTU 060	\$
SLRF 055	\$ 20.00	\$ 80.00	SLRF 055	\$ 60.00
LPSF 056	\$ 20.00	\$ 80.00	LPSF 056	\$ 60.00
ASUT 057	\$ 10.00	\$ 40.00	ASUT 057	\$ 30.00

ACCOUNT MAINTENANCE

4.ADJUSTMENT OF PREPAYMENTS UNSUPPORTED BY QUARTERLY RETURN(S) 335.100350.120

Prepayment periods, i.e., a ~~prepayment month within the quarter~~, which are unsupported by a quarterly return, must be treated differently on Form BOET-523 than a return from a non-prepayment account. The word "prepayment" must be entered in the particular section of Form BOET-523 being completed, next to the left-hand margin. Completion of the sections remains the same as with other accounts with this exception.

Instructions:

Complete Section 1 or Sections 1 and 2, depending on the circumstances. In Section 8 (Remarks or Explanation), enter appropriate comments. ~~Complete the appropriate section as the illustration indicates:.~~

ORIGINAL EXAMPLE NOT AVAILABLE

ACCOUNT TRANSFER OR ADJUSTMENT FROM				ACCOUNT TRANSFER OR ADJUSTMENT TO			
Area Code	Account Number	Sub. No.	Master	Area Code	Account Number	Sub. No.	Master
560200000000	SR AR 13-769396			560200000000	SR AR 15-773193		
Name Two 4 Tea, Inc.				Name Cocoa Mocha			
1	Reporting Basis	<input type="checkbox"/> M	<input checked="" type="checkbox"/> Q	<input type="checkbox"/> Y	<input type="checkbox"/> FY	<input type="checkbox"/> P	2
<input type="checkbox"/> Close Out		<input type="checkbox"/> Did Not Operate		Bus. Code	Acct. Anal. Code		
		24					
Change STARTING DATE from to				Change STARTING DATE from to			
Change CLOSING DATE from to				Change CLOSING DATE from to			
3	TRANSFER	<input type="checkbox"/> EFT Payment(s)	Period*	From	2Q96	To	2Q96 PP1
		<input type="checkbox"/> Return(s)	Account Number From	SR AR 13-769396	To	SR AR 15-775193-193...	
		<u>PrePayment</u> prepayment	Amount \$	4,310.00	Batch	4641	

The following example is to be used for transferring a quarterly return with its corresponding ~~two~~ prepayment periods and a later prepayment period ~~is~~ not supported by a quarterly return to a prepayment account:

ORIGINAL EXAMPLE NOT AVAILABLE

ACCOUNT TRANSFER OR ADJUSTMENT FROM				ACCOUNT TRANSFER OR ADJUSTMENT TO			
Area Code	Account Number	Sub. No.	Master	Area Code	Account Number	Sub. No.	Master
100600120000	SR DH 22-773311			100600120000	SR DH 41-639419		
Name Walter Little				Name Lily Bigg			
1	Reporting Basis	<input type="checkbox"/> M	<input checked="" type="checkbox"/> Q	<input type="checkbox"/> Y	<input type="checkbox"/> FY	<input type="checkbox"/> P	2
<input type="checkbox"/> Close Out		<input type="checkbox"/> Did Not Operate		Bus. Code	Acct. Anal. Code		
Change STARTING DATE from to				Change STARTING DATE from to			
Change CLOSING DATE from to				Change CLOSING DATE from to			
3	TRANSFER	<input type="checkbox"/> EFT Payment(s)	Period*	From	1Q96	To	4Q96
		<input type="checkbox"/> Return(s)	Account Number From	SR DH 22-773311	To	SR DH 22-41-639419...	
		<u>PrePayment</u>	Amount \$		Batch		

4.

4.DELINQUENCY CONTROL, REVOCATIONS AND REINSTATEMENTS 3460.000

4.OVERVIEW

340.010360.005

Taxes administered by the Board depend upon voluntary cooperation for effective and efficient management. The vast majority of taxes due are promptly and fully reported (declared) and paid.

Accounts that fail to file, pay, or comply with the law or Board requirements are considered to be delinquent. This section will describe administration of delinquency programs. Specific instructions for processes, screens, and codes for the delinquency program are contained in the IRIS Training Manuals or from the Business Integration Group in the Technology Services Division.

4.TAXPAYER BILL OF RIGHTS

360.010

~~The Taxpayer Bill of Rights became effective January 1, 1989, enacting a number of procedures designed to ensure taxpayers were given every chance to voluntarily comply with Sales and Use Tax law.~~

~~The Board has extended the Taxpayer Bill of Rights to include other sections of law that it administers.~~

4.TERMS USED IN ADMINISTRATION OF THE DELINQUENCY PROGRAM

340.020360.015

Cause Delinquency

Any delinquency established for:

- a. ~~Failure to pay a balance (cause code '9999'),~~
- b. ~~Failure to post security (cause code '8888'), or~~
- c. ~~Failure to comply with tax law requirements (cause code '7777').~~

~~Cause delinquencies are established by field offices.~~

Period code

~~A 4 digit code identifies specific reporting periods. A listing of all period codes may be found in the Business Taxes Code Book, Section 130.00. Note that the Business Taxes Code Book shows only the first two digits. The last two digits are the year portion. Thus January 1989 period code would be "5189". The Business Taxes Calendar shows full period codes and may be used as a reference.~~

Period Delinquency

~~Any delinquency established for failure to file a tax return ¹. Period delinquencies are established by the mainframe computer.~~

Period Level Date Withhold

~~A temporary halt is placed on the hearing and revocation process for a *specific tax return reporting period* delinquency. Period withholds are established with a specific expiration date. When this expiration date is reached the delinquent period re enters the hearing and revocation cycle.~~

Account Level Bankruptcy Withhold

~~A halt is placed on the hearing and revocation process on all *delinquencies*. Account level withholds may be established when an account is in bankruptcy The date an account level bankruptcy withhold is entered appears on the screen. Withholds will drop from the system in 2 years unless released earlier to protect any reporting periods which may be running into the statutes of limitation.~~

ACCOUNT MAINTENANCE

~~1~~ — ~~Period delinquency does not include prepayments. Prepayment delinquencies are CAUSE delinquencies, cause code '7777'.~~

~~Account — Level Date Withhold~~

~~— Processing a Form BT 16 or BT 400 (Reinstatement Application) will continue to generate a one month date withhold on the account.~~

~~Period — Level Permanent 523 Withhold~~

~~— A halt is placed on the hearing and revocation process on *all delinquencies* to be cleared by audit. Permanent 523 withholds may be established when delinquencies predating the permit application date will be cleared by audit. A permanent 523 withhold does not affect delinquencies occurring after the permit application date.~~

~~Transaction (TRANS) Code~~

~~— Transaction codes appear on forms BT 1048 and BT 16, and in combination with period or cause codes establish or delete delinquencies for an account. Transaction codes, along with short descriptions of their purpose(s), also appear on on-line video terminal display screens.~~

Periodic Delinquency

Any delinquency established for failure to file a tax return or a partial period return filed by the taxpayer. This does not include repayments. Periodic delinquencies are established as an automated IRIS process.

There is a special function developed for Headquarters use only which allows for the establishment of periodic delinquencies when the system did not create a delinquency. The new delinquency will only be created when a Financial Obligation already exists and a return or a delinquency for the same period does not exist and the current date is past the date shown on the Business Taxes Calendar.

Cause Delinquency

A Cause Delinquency can be established by districts for:

1. Failure to pay a balance due.
2. Failure to comply.
3. Failure to comply with SG requirements.
- 5.4. Failure to post security.
- 6.5. Failure to post additional security.
- 7.6. Failure to post replacement security.

Period Code

The 4-digit period code consists of the last month and year of the period. For example, the first quarter of 2001 would be 0301.

Periodic Withhold

A temporary halt can be placed on the citation/revocation cycle for a specific periodic delinquency. An end date is required to establish the periodic withhold. When the end date is reached, the delinquent period re-enters the hearing and revocation cycle.

TERMS USED IN ADMINISTRATION OF THE DELINQUENCY PROGRAM**(Cont.) 340.020****Cause Delinquency Withhold**

There are no Cause Delinquency withholds. If the Cause Delinquency needs to be removed from the citation/revocation cycle, the cause is simply cleared. If the cause needs to be re-entered into the citation/revocation cycle, the cause delinquency is reestablished and will enter the next cycle.

Account Level Withhold

The Account Level withhold is automatically system generated when an account is reinstated from revocation or cancellation from revocation. Automatically generated Account Level withholds can only be removed by the Account Analysis and Control Delinquency Unit and Mass Withholds cannot be manually removed. If the Financial Obligation record has been locked, then this process is restricted to specific user security levels. For example, during a natural disaster certain geographical areas could be identified for this type of withhold.

Account-Level Bankruptcy Withhold

Account level withholds will be automatically established in IRIS when a legal case is added in the legal claim case screen for an account that is in bankruptcy. A halt is placed on the citation/revocation process on all delinquencies. The date an account level bankruptcy withhold is entered displays on the screen. This account level withhold will automatically be removed when the status of bankruptcy is changed to dismissed or closed.

4.REASONS FOR REVOCATION**360.020**

~~When a person fails to comply with any of the provisions of the law under which a permit is issued, the Board may revoke the permit.~~

~~Cause for revocation may be failure to file returns and pay the tax, failure to pay a delinquent balance, failure to post the required security, failure to keep or make available proper records, or for violation of any provision of the applicable law.~~ *See also CPPM 751.020*

4. ESTABLISHING OR CLEARING DELINQUENCIES**340.030360.025**

~~On line delinquency administration will be phased in during 1990. Until all offices are brought on line, paper documents will continue to establish and clear delinquencies.~~

Cause Delinquencies

~~Field offices will establish "cause" delinquencies by submitting Forms BT 598, *Notice of Security Requirements*, or BT 1048 to Headquarters Account Reference for processing. Upon completion of all field training and performance of on line transactions at the district level, Form BT 1048 will become obsolete.~~

~~Field offices will clear "cause" delinquencies by submitting forms BT 487, *Security Receipt Advice*, BT 16, or BT 1048 until field training is completed. Thereafter, on line input should be used.~~

The delinquency screens are used to view and maintain information relating to a specific delinquency. These screens are also used to create and clear a cause delinquency for an account. Only outstanding delinquencies may be modified. System comments should always be added when creating, modifying or clearing delinquencies.

Cause Delinquencies

Establishing a Cause Delinquency – Cause Delinquencies are manually created by the district for failure to comply, failure to pay a balance due, failure to post security, etc. A Cause Delinquency cannot be created for a closed, revoked or for most bankrupt accounts (see section 754.000 for definitions of bankruptcy status). Cause Delinquencies can be established if a revocation cycle is currently in progress for the account, the account has a periodic withhold, or an active delinquency already exists for another reason. Cause Delinquencies are not affected by Mass Withholds, but are affected by Account Withholds. If a Cause Delinquency is created when an account level withhold is present, the withhold will automatically be established for the delinquency.

ACCOUNT MAINTENANCE

When establishing a Security Deposit Cause Delinquency, the process verifies that unfulfilled security deposit requirement(s) exist for the account. A delinquency cannot be established if there is not an unfulfilled security deposit requirement.

When establishing a Failure to Pay Balance Due Cause Delinquency, the system verifies that difference(s) exist for the account. Any differences that exist when the delinquency is established are linked to the delinquency. If no differences exist at that time, the system will not be able to automatically clear the delinquency when payments are made.

Clearing a Cause Delinquency - A Cause Delinquency is cleared when the specific cause has been fulfilled, when the cause or requirement for the delinquency is canceled or when the delinquency was established in error. Cause Delinquencies can be cleared automatically, as long as the system is able to determine that the reason for the delinquency has been satisfied. Otherwise, the delinquency must be cleared manually. Comments are mandatory when a Cause Delinquency is manually cleared.

When a delinquency is cleared the processing of its cycle will be stopped. If, however, it was cited as a reason on a Notice of Hearing, which also had other delinquency causes, the citation itself will not be stopped unless all the delinquencies linked to the citation are cleared or are on withhold. If the citation is stopped and is following a manually scheduled cycle, the manual delinquency will be deleted.

If the citation is stopped after the effective revocation date on the Business Taxes Calendar, but before the account shows revoked on the system, the Financial Obligation for the reinstatement fee will be deleted. If the system shows the account has been revoked, the delinquency can be cleared, but the account will not automatically be reinstated.

Periodic Delinquencies Withhold

Establishing or Removing a Periodic Withhold - A periodic withhold may be established if an account level withhold is present or if the account is in legal status. Withholds may not be placed on a periodic delinquency when an account has been revoked or closed. Automatically generated account level withholds can be removed by the Account Analysis and Control section's Delinquency Unit and Mass Withholds cannot be manually removed.

A withhold will begin on the date it is processed. If a district office creates the withhold, a withhold end date must also be entered. If no withhold end date is entered, a withhold is considered to be permanent and can be manually removed only by the Account Analysis and Control Section. The withhold reason and the withhold end date may be changed.

WITHHOLDING DELINQUENCY ACTION _____ 360.012

Establishing and Clearing Withholds

a. ~~Period Level Date Withhold~~

~~Previously a date withhold affected an entire account. The new system allows a date withhold to be selectively placed on an account for only a specific period. The withhold does not affect "cause" delinquencies. District offices will use Form BT 1048 to establish or clear a period withhold. A separate BT 1048 must be prepared for each period requiring a date withhold. Upon completion of all field training, Form BT 1048 will become obsolete.~~

~~When establishing a period withhold, the month, day and year on which the withhold is to expire must be entered on the BT 1048; this expiration date will appear on the DEL 1 video display record after the BT 1048 is processed. Place a check into the box appearing on the same line as Trans. Code 11, and enter the period code.~~

~~Clearing a period withhold is done by checking the bar appearing on the same line as Trans. Code 21, and entering the period code.~~

b. ~~Period Level Permanent 523 Withhold~~

~~The current "523" withhold process will not change. However, if an account is later identified as needing a 523 withhold for specific periods that were not included in processing the original application, the district office can request the Account Reference Unit via form STD 100 B, Mini Memo, to add a permanent 523 withhold to those periods.~~

c. ~~Account Level Bankruptcy Withhold~~

Mayest October 2001

COMPLIANCE POLICY AND PROCEDURES MANUAL

- ~~During the transition period until districts begin performing on line transactions, district offices request a bankruptcy withhold be added to or removed from an account by sending a Form STD 100-B, *Mini Memo*, to the Account Reference Unit, listing all affected account numbers.~~
- d. ~~Account Level Date Withhold~~
- ~~Processing a Form BT 16 or BT 400 (Reinstatement Application) will continue to generate a one month date withhold on the account.~~
- e. ~~Conditions Related to Withholds~~
- 1) ~~When an account withhold is in place, delinquencies will continue to accrue, but no citations or revocations will be initiated, nor any delinquency forms sent to the taxpayer.~~
 - 2) ~~When a withhold is added to an account which has been cited, the citation will be removed, but the delinquency will remain.~~
 - 3) ~~Processing of a revocation will release all withholds for an account except a permanent 523 withhold for a specific period(s), or a bankruptcy withhold.~~
 - 4) ~~Period level date withholds will not be accepted if an account level withhold is present.~~
 - 5) ~~Withholds will not be accepted by the delinquency system under the following conditions: If the delinquency reason was for "cause" (security, balance, or failure to comply). If the account is revoked, bankrupt, or inactive (i.e. closed out).~~

HEARINGS

360.020

~~Except for vendors use fuel tax weekly return items, all hearing notices, also known as "cites", are mailed by Headquarters. The hearing notices advise the taxpayer to appear at a specific time and place no fewer than 10 days after the Notice is served by placing it in the mail addressed to the person at his address as it appears on the Board's records. At a hearing, the taxpayer may show cause why a permit or license should not be revoked for the reason specified in the notice.~~

~~The responsibility for conducting the hearings is delegated to District Office Tax Administrators or their representatives.~~

~~Hearing times have been scheduled uniformly in all offices and branches designated by districts to conduct hearings, except South Lake Tahoe and San Rafael; these two offices will retain former hearing schedules.~~

~~Programming spreads hearings uniformly by terminal digit over 3 days, with 15 minute intervals beginning at 9:00 AM, ending at 11:30 AM, resuming at 1:00 PM and ending at 4:00 PM. Thus, on each day, 33 or 34 terminal digits are scheduled to appear over a total of 5.5 hours, or a total of 16.5 hours for all hearings. Total time slots available are 66. This will greatly reduce taxpayer traffic on hearing days, and will minimize adverse impact on other Board routine business.~~

~~Hearings will normally commence on Tuesdays and end on Thursdays. The Business Taxes Calendar will reflect specific dates, and will be adjusted for holidays occurring during hearing weeks. Mailing of Notices of Hearing will be made at least 10 days before the first hearing date. Revocation dates will be effective 60 days after the mailing of the Notices of Hearing.~~

~~Districts which experience problems with hearing schedules may request changes by submitting a request with justification to the Business Taxes Systems Coordinator, with a copy to the Chief of Field Operations and a copy to the Principal Compliance Supervisor.~~

~~Hearings are held at the district or branch office.~~

REASONS FOR REVOCATION

340.040

~~When a person fails to comply with any of the provisions of the law under which a permit is issued, the Board may revoke the permit.~~

ACCOUNT MAINTENANCE

Cause for revocation may be failure to file returns and pay the tax, failure to pay a delinquent balance, failure to post the required security, failure to keep or make available proper records, or for violation of any provision of the applicable law. See also CPPM 751.020

4. INITIATION OF REVOCATION ACTION

340.050360.030

~~In cases of failure to file and pay returns, revocation action is initiated routinely by Headquarters without request from the field except for use fuel vendors who are required to file weekly returns. Revocation action against use fuel vendor's for failure to file weekly returns is initiated by the district offices.~~

~~For a cause other than returns, revocation action is initiated by a district office forwarding a request to the Account Reference Unit. The request must clearly state the basis for the action. A revocation requested for failure to post security must set forth the amount of security, or additional security, demanded. Form BT 598, Notice of Security Requirements may be used to make this type of revocation request. Form BT 1048 may be used for requests based upon failure to pay balances, security and failure to comply until all field office training for the Delinquency System remote input has been completed~~

~~Also see CPPM 751.030~~

~~In cases of failure to file and pay returns, revocation action is initiated routinely by Headquarters without request from the district.~~

~~For a cause other than returns, revocation action is initiated on line by a district office. Once a "cause" delinquency has been established, the account will be entered into the citation cycle and a proceeding notice issued.~~

Hearing Notices

360.040

Forms Designed for Use With Delinquency System

- ~~— The address of the field office will be printed on the Notice of Hearing in a position to show through a double window envelope when the form is mailed to the taxpayer. If the notice is undeliverable by the U.S. Postal Service, the notice will be returned to the district or branch of control. Return addresses used will be those used for tax returns.~~
- ~~— The second page of the hearing notice will be an actual return, pre addressed with computer printed period codes and check digits. Differing only in color from regular returns, these forms are yellow. Wording and format changes have been made to clarify Board requirements.~~

Form BT-1048 — Request to Clear Delinquency Records or Withhold Revocation Action**360.050**

Failure to File Returns

- ~~— On the day following the date of hearing, the field offices shall forward to Headquarters a separate request via Form BT 1048 for each account on which revocation is to be withheld for a stated length of time. Form BT 1048 will be discontinued when all field office training for the Delinquency System remote input has been completed.~~

Other Cause for Revocation

- ~~— When the cause has not been cleared, Form BT 1048 should be prepared to clear the delinquency record when the account is not to proceed to revocation. The delinquent record will be reestablished at a later date if requested on another Form BT 1048 by the field office. The account will re enter the delinquent cycle starting with the mailing of a Notice of a Hearing. Form BT 1048 will be discontinued when all field office training for the Delinquency System remote input has been completed.~~
- ~~— For accounts which were cited for failure to file returns and pay tax, no request for withhold of revocation or cancellation of revocation action should be made if the cause has not been cleared, unless the person has demonstrated his intentions by definite action such as making a substantial partial payment. Cancellation or withhold of revocation should not be requested on the basis of a taxpayer's promise of future action.~~
- ~~— When security is posted in response to a citation, Form BT 487 is used to clear the account record. Check the box provided at the bottom of the BT 487 and process the same as a BT 1048. A BT 1048 should be~~

Mayest October 2001

COMPLIANCE POLICY AND PROCEDURES MANUAL

used when security is waived or some other arrangements are made after citation. Form BT 1048 will be discontinued when all field office training for the Delinquency System remote input has been completed.

Effective Date of Revocations **360.060**

~~Revocations are effective on the dates set forth in the Calendar of Business Tax Functions, and are effective 60 days after the date of the Notice of Hearing. If the cause of revocation is cleared in its entirety on or before the effective date of revocation, and the information is available in Headquarters, the notice will not be mailed. If the notice is mailed, the revocation will be considered inoperative upon receipt of notification from the district office on Form BT 16, Notice of Inoperative Revocation.~~

~~Also see CPPM 751.060~~

NOTICE TO APPEAR - REVOCATION PROCEEDING **340.060**

Headquarters mails Revocation Proceeding notices. The notices advise the taxpayer to appear at a specific time and place. A tax return is not included with the notice. At a proceeding, the taxpayer may show cause why a permit should not be revoked for the reason specified in the notice.

The address of the district office will be printed on the notices in a position to show through a double window envelope when the form is mailed to the taxpayer. If the notice is undeliverable by the U.S. Postal Service, the notice will be returned to the district or branch office of control. Return addresses used will be those used for tax returns.

The responsibility for conducting the proceedings is delegated to the District Administrators or their representatives. Proceeding times have been scheduled uniformly in all offices and branches designated by districts to conduct proceedings.

Revocation dates will be effective 60 days after the mailing of the Notices to Appear - Revocation Proceeding (BOE - 0431).

STOP CITATION AND REVOCATION ACTION **340.070**

Periodic Delinquencies

The on-line process is used to stop the citation and revocation cycle that is in progress. If the citation is stopped after the effective revocation date on the Business Taxes Calendar, but before the account shows revoked on the system, the Financial Obligation for the reinstatement fee will be deleted. If the system shows the account has been revoked, the delinquency can be cleared, but the account will not automatically be reinstated.

For revoked accounts, the on-line process must be used.

When the citation currently in progress is stopped, any outstanding delinquency for the account is eligible for subsequent delinquency cycle processing, including revocation. When delinquencies are stopped, they will revert back into their original cycle, based upon category.

No request for withhold of revocation or cancellation of revocation action should be made if the periodic delinquency has not been cleared unless the person has demonstrated their intentions by definite action such as making a substantial partial payment.

Cancellation or withhold of a revocation should not be requested on the basis of a taxpayer's promise of future action.

Cause Delinquencies

When the cause delinquency has not been cleared, it can be modified to clear the delinquent record when the account is not to proceed to revocation. System comments should be added.

The cause delinquency can be re-established at a later date, if warranted. See CPPM 340.040

4.Effective Date of Revocation

340.080360.060

~~Upon service of the revocation notice, all of the rights or privileges granted under the particular tax law are revoked or suspended until the license or permit is properly reinstated. Operation after revocation constitutes a misdemeanor. Taxpayers or officers of a corporation who continue operations are liable to prosecution.~~

~~Also see CPPM 751.060~~

~~Use fuel user permit revocations may be enforced by impoundment of the user's vehicles. If impoundment under Section 8706 is used as a means of enforcing revocation, the vehicle must be released when the user complies with the conditions of reinstatement and pays all user use fuel taxes, interest, and penalties due and the costs incurred for impounding or storage of the vehicles.~~

~~Revocation dates are effective 60 days from the date of Notice to Appear – Revocation Proceeding (BOE - 0431). If the cause of revocation is cleared in its entirety on or before the proceeding, and the information is available on-line, the Notice of Revocation will not be mailed. If the notice is mailed, the revocation will be considered inoperative and should be cleared on-line. See CPPM 751.130~~

4. EFFECT OF REVOCATION

360.070

~~Upon service of the Notice of Revocation , all of the rights and privileges granted under the particular tax law are revoked or suspended until the license or permit is properly reinstated. Operation during revocation constitutes a misdemeanor. Individuals who continue operations while the permit is revoked are liable to prosecution.~~

~~Also see CPPM 751.060~~

~~Use fuel user permit revocations may be enforced by impoundment of the user's vehicles. If impoundment under Section 8706 is used as a means of enforcing revocation, the vehicle must be released when the user complies with the conditions of reinstatement and pays all user use fuel taxes, interest, and penalties due and the costs incurred for impounding or storage of the vehicles.~~

4.INTERDISTRICT TRANSFER OF REVOKED ACCOUNT

340.100360.080

~~Transfer of revoked accounts between districts causes numerous problems for districts, Headquarters Registration Unit, and Headquarters Account Reference Unit. Appearance of an account on the aged revocation list may be the first constructive notice the new district receives that a revoked account has been transferred to it. Errors on documents, such as form BT 1047, cause further delays in transferring accounts receivable and delinquency information from one district to another.~~

~~Prior to interdistrict transfer, revoked accounts should be reinstated where possible. Make contact with the taxpayer to determine whether a permit is still required. Should a permit no longer be required, close the permit out. If telephone or mail contacts fail to provide evidence of operation after revocation, send Form BT 142, District Request for Investigation, to the district where the taxpayer may be operating to investigate for operation after revocation before transferring the account.~~

~~If the holder of a revoked permit is actually operating in another district, and you cannot clear the cause of revocation and reinstate the permit, the account may then be transferred. The following procedures are required:~~

- ~~1. A memorandum, over the signature of the District Principal Compliance Supervisor, will be directed to the new district's District Principal Compliance Supervisor advising of the account's revoked status.~~
- ~~2. Form BT 1047 will be prepared in accordance with Section 310.000 et seq. of the Compliance Policy and Procedures Manual.~~
 - ~~a. DO NOT SEND:
 - ~~1) any new or replacement card(s) to the taxpayer; or~~~~

COMPLIANCE POLICY AND PROCEDURES MANUAL

- 2) ~~the original BT 1047 to Headquarters Registration Unit.~~
- b. ~~DO:~~
 - 1) ~~place the word "REVOKED" in red or highlight, on the line marked "Delinquencies" in Section D.2; and,~~
 - 2) ~~staple the Principal's memorandum to the exterior of the account file folder.~~

~~Form BT 1047, with investigative material supporting the transfer and the district file folder, is sent to the new district. The receiving district, within 30 days, will be responsible for completing the transfer, or returning the account file, untransferred, to the originating district if the proposed transfer is not required. Attempted transfers not conforming to this procedure should immediately be returned, unprocessed, to the originating district.~~

~~Prior to interdistrict transfer, revoked accounts should be reinstated where possible. Make contact with the taxpayer and determine whether a permit is still required. Should a permit no longer be required, close the permit out. If telephone or mail contacts fail to provide evidence of operation after revocation, send form BOE-142, *District Request for Investigation (See CPPM 721.000)*, to the district where the taxpayer may be operating to investigate for operation after revocation before transferring the account.~~

~~If the holder of a revoked permit is actually operating in another district and the cause of revocation cannot be cleared, the account may then be transferred. Do not send a new or replacement permit to the taxpayer.~~

~~To transfer a revoked account to another district, a memorandum from the District Principal Compliance Supervisor will be directed to the receiving District Principal Compliance Supervisor advising of the account's revoked status. Send the memorandum with investigative material supporting the transfer and the district file folder, if available, to the new district.~~

~~The receiving district will be responsible for completing the transfer upon reinstatement of the permit. If the proposed transfer is found to be erroneous, the account file and investigative material will be returned to the originating district with a memorandum of explanation.~~

~~Transfers not conforming to this procedure should be immediately returned, to the originating district.~~

4.PROSECUTIONS FOR OPERATION AFTER REVOCATION **360.080**

~~When all other remedies have been exhausted and when it is apparent that voluntary compliance will not occur, the prosecution process should be initiated. See CPMG §160.000~~

Conditions of Reinstatement **360.090**

~~To reinstate a revoked account, the taxpayer must:~~

- a. ~~Clear the cause for revocation.~~
- b. ~~File all delinquent returns and pay the taxes, penalty and interest due.~~
- c. ~~Pay all delinquent balances due on the records of the Board.~~
- d. ~~With regard to sales tax and vendor use fuel tax, post required or additional security or make arrangements to do so.~~
- e. ~~Pay the reinstatement fee and complete any required forms.~~

~~If the taxpayer files bankruptcy the account will be reinstated without any of the above conditions being met. Form BT 16 will be prepared as outlined in Section 360.060. This does not restrict effort to clear delinquent periods.~~

~~The taxpayer may be requested to comply with any other provisions of the laws or regulation such as: post security or additional security, keep adequate records, or report tax liability according to prescribed rulings.~~

~~When all conditions for reinstatement are met and the reinstatement fee has been collected the permit or license will be reinstated. A fee must be collected even though the account subsequently closes out.~~

ACCOUNT MAINTENANCE

After reinstatement, should the taxpayer fail or refuse to respond to any demand for compliance with the law or regulations, revocation proceedings should again be instituted citing expressly in the show-cause notice of hearing the particular causes for which the permit is proposed to be revoked.

Also see Section 751.090

Reinstatements After Revocation — Fees **360.100**

Sellers, Single Outlet

~~Reinstatement after revocation requires a \$50.00 fee under the provisions of the sales and use tax law. Enter \$50.00 in item No. 3 of Form BT 400.~~

Consolidated Accounts

~~Reinstatement fees are \$50.00 per sub location reinstated, including any which operated after the revocation date and which were subsequently closed out. No reinstatement fee for the master location is due unless it is a selling sub location. The total amount of fees will be entered in item No. 3 of Form BT 400.~~

Users of Fuel

~~Use fuel tax law specifies a \$50.00 reinstatement fee for USERS of fuel. Enter \$50.00 in item No. 3 of Form BT 400 F.~~

Vendor

~~Vendor of fuel permit reinstatement fees are presently \$15.00. Enter \$15.00 in item No. 3 of Form BT 400 V.~~

Reinstatement — Forms Required **360.110**

~~To reinstate a revoked sales tax permit, use fuel or vendor use fuel tax permit, the use of the application Form BT 400, Form BT 400 F, or Form BT 400 V is required. If the person authorized to sign the application is out of the State, out of the country, or so incapacitated it would be impractical to attempt to obtain a signature, the reinstatement application may be accepted with the statement "Signature on File" with the reason placed on the bottom of the form. Care must be taken to verify no change of ownership has occurred.~~

Use of Form BT-404, Reinstatement Fee Action **360.115**

~~Form BT 404 is used to transmit reinstatement fees if reinstatement of an account is not possible immediately. For instance, we will presume a security deposit is required to reinstate the permit. A \$50.00 reinstatement fee arrives in the mail, but no security deposit has arrived.~~

~~Form BT 404 is prepared in duplicate and prepared in duplicate and used to transmit the \$50.00 fee pending receipt of the deposit. Upon receipt of the deposit, staple the BT 400 to the duplicate Form BT 404, and transmit both documents to Headquarters Registration (NOT to Cashiers).~~

~~Form BT 404 may also be used to transmit replacement reinstatement fees if a reinstatement fee payment is returned unpaid for any reason. **When replacement reinstatement fees are transmitted, NO Form BT 400 accompanies the BT 404.**~~

~~Last, Form BT 404 may be used to request refund of reinstatement fees erroneously paid and subsequently found not due. An example would be a reinstatement fee collected on a bankrupt account.~~

4.PAYMENTS AFTER REVOCATION **340.120360.120**

After revocation, the district should attempt to obtain cash, certified or cashier's check or money order in payment of liabilities and reinstatement fee(s). However, Government Code Section 6157 requires the State to accept personal checks if the person issuing the check furnishes proof of California residence and the check is drawn on a California banking institution. Once a check is returned without payment, ~~we are~~ the Board is no longer required to accept personal checks.

Mayest October 2001

COMPLIANCE POLICY AND PROCEDURES MANUAL

If the taxpayer insists on providing a personal or business check, or one is mailed to the district office and the taxpayer does not have a history of returned checks, the compliance supervisor may approve acceptance. ~~Guidelines for acceptance of personal checks in the field, verification of checks and placement of holds on funds should be established by the compliance supervisor.~~

When return(s) and a personal or business check needed to clear a revocation have been mailed to Headquarters, taxpayers normally should not be required to stop payment on the check and pay in certified funds. Such a delay could result in the assessment of additional penalty and interest charges. ~~See CPPM 510.110-50 If the taxpayer's prior record does not justify immediate reinstatement, Form BT-404 (Reinstatement Fee Action) is prepared to transmit and deposit the reinstatement fee until proof of payment has been obtained.~~

Inoperative Revocations

340.130360.130

~~Inoperative revocations occur because the taxpayer's action to clear the cause of revocation, although prior to the effective date of the revocation, is too late to prevent the recording of the revocation and the mailing of the notice. If the taxpayer is shown as revoked on the delinquent record, the district office will notify the taxpayer that the revocation is inoperative by use of Form BT-16, Notice of Inoperative Revocation. The duplicate copy will be sent to Headquarters Account Reference Unit with a concise statement of facts to clear the outstanding revocation from the delinquency record.~~

~~Also see CPPM 751.130~~

~~A revocation for failure to file and pay a return is considered inoperative only if the return and all taxes owing for that period are paid on or before the effective date of the revocation or the person has terminated his operations. A closeout (BT-406) will clear the revocation from the Board records. The revocation notice must be mailed to the latest address of record. If a change in business location has occurred and the notice of revocation was mailed to the former address, a revocation can only be considered inoperative if the Board received notice of the move prior to the effective date of revocation. Letters informing the Board of the change, Post Office Department Form 3573 sent to the Board, and returns with the address crossed out (if the correct address has been inserted) are all considered to be notices of a move. If the Board did not received notice of the move prior to the effective date of revocation, then the revocation is operative and the conditions of reinstatement must be met.~~

4.REVOKED ACCOUNTS CLOSED OUT IN ERROR

340.140360.140

Closeout code "1" will be used to closeout revoked accounts verified to have never operated (DID NOT OPERATE).

Closeout ~~code-reason~~ "8" signifies an account was closed out after revocation occurred, regardless of whether the closeout date occurred before or after the effective date of revocation. Closeout ~~code-reason~~ "8" is used in lieu of any other closeout ~~codes-reasons~~ on all revoked accounts and/or sublocations of a revoked account which have operated. Closeout Reason-reason code "8" is used for any sales and use tax account.

Revoked accounts will be closed out only after investigation has positively confirmed the account has ceased doing business, either through phone calls, field investigation or contact with the taxpayer. Returned mail in itself is NOT sufficient cause to close the permit as a taxpayer may simply be operating at another location.

The presence of closeout ~~reasoncode~~ "8" ~~on the Business Taxes Consolidated Information System (BTCIS) video display~~ will alert Board staff that positive confirmation of closeout after revocation was obtained, and the account should not be reinstated as closeout in error. If a period of inactivity has occurred between closeout after revocation and reopening, a new permit MUST ~~must~~ be issued. Filing of "zero sales" returns does not establish activity from date of closeout to date of reinstatement from revocation and closeout in error.

Revoked accounts closed out in error must meet all conditions of reinstatement before the account can be reinstated for the erroneous closeout.

Revoked Accounts Closed Out in Error **360.140**

Closeout code "1" will continue to be used to close out revoked accounts verified to have never operated ("DID NOT OPERATE").

Closeout code "8" signifies an account was closed out after revocation occurred, regardless of whether the closeout date occurred before or after the effective date of revocation. Closeout code "8" is used in lieu of any other closeout codes on all revoked accounts and/or sub locations of a revoked account which have operated. Reason "8" is used for any sales and use tax or use fuel tax account.

Revoked accounts will be closed out only after investigation has positively confirmed the account has ceased doing business, either through phone calls, field investigation, or contact with the taxpayer. Returned mail in itself is not sufficient cause to close the permit as a taxpayer may simply be operating at another location.

The presence of closeout code "8" on the Business Taxes Consolidated Information System (BTCIS) video display will alert Board staff that positive confirmation of close out after revocation was obtained and the account should not be reinstated as close out in error. If a period of inactivity has occurred between close out after revocation and reopening, a new permit MUST be issued ². Filing of "zero sales" returns does not establish activity from date of close out to date of reinstatement from revocation and close out in error.

Revoked accounts closed out in error must meet all conditions of reinstatement before the account can be reinstated from an erroneous closeout.

² CPPM 635.010

Revocation, Vendor Use Fuel Permits **360.150**

The district office is responsible for initiating revocation action against Vendor Use Fuel tax permits for failure of vendors to file weekly returns and pay tax. The control of delinquencies for weekly returns is the responsibility of the district and the revocation action must also originate there.

One copy of every hearing sent to a vendor use fuel tax permit holder for failure to file a weekly return must be sent to the Collection Unit with Form BT 1048, Request to Change, Add or Clear Delinquency Control Record, so that records in that unit can be marked accordingly. On the day after the date of hearing each district must forward Form BT 1048 on all accounts on which revocation is to be withheld. If no report is received and the delinquent returns have not been filed by the revocation mailing date, the account will be revoked.

Form BT 1048 will be discontinued once all field offices have received training in Delinquency System remote input.

Reinstatement After Revocation — Forms BT-400 **360.160**

When an account is reinstated after revocation the only entries made on Forms BT 400 are as follows:

Sales and Use Tax — BT 400

- Item 1. Office and date
- Item 3. Amount and receipt number (if applicable)
- Item 7. Account number
- Item 8. Owner(s)
- Item 22. Certification
- Item 22 (certification) must be completed, as information may have changed and any new data will be helpful for future reference (i.e., business and residence phone).

User Use Fuel Tax — BT 40 F

- Item 1. Office and date
- Item 3. Amount and receipt number (if applicable)

COMPLIANCE POLICY AND PROCEDURES MANUAL

Item 5. — Account number

Item 6. — Owner(s)

Item 20. — Certification

Item 20 (certification) must be completed, as information may have changed and any new data will be helpful for future reference (i.e., business and residence phone).

Vendor Use Fuel Tax — BT 400 V

Item 1. — Office and date

Item 3. — Amount and receipt number (if applicable)

Item 6. — Account number

Item 7. — Owner(s)

Item 21. — Certification

Item 22 (certification) must be completed, as information may have changed and any new data will be helpful for future reference (i.e., business and residence phone).

No copy of Form BT 400 is furnished to the Employment Development Department. Therefore, enter a large "N.C." (for "NO CHANGE") in Section 18 of Form BT 400 as shown in the following example

This signifies "no change" occurred to the Board of Equalization account record, and has no relation to Employment Development Department entries.

Reinstatement After Revocation — Miscellaneous Change — 360.170

Changes to the account record, except an interdistrict move of account, are made via remote input. Use remote Input to make any changes prior to transmittal of the "NO CHANGE" Form BT 400.

REINSTATEMENT After Revocation and Move Within District — 360.180

When a move within district is made in conjunction with a reinstatement after revocation, use remote Input to make the move prior to transmittal of the "NO CHANGE" Form BT 400.

Reinstatement After Revocation and Interdistrict Move — 360.190

Reinstatement after revocation of an account in conjunction with an interdistrict move requires Form BT 400, BT 400 F, or BT 400 V, and Form BT 1047.

Form BT 1047 is prepared per CPPM 311.000 to transfer account responsibility. Attach Form BT 1047 to BT 400, BT 400 F, or BT 400 V, and forward both through Cashiers (Forms BT 400, BT 400 F, or BT 400 V are cash transmittal documents) for processing. Because the account must first be reinstated with no change in the record and then subsequently the interdistrict move processed, the only entries made on the Form BT 400 are:

Item 1. — Office and date

Item 3. — Amount and receipt number (if applicable)

Item 7. — Account number

Item 8. — Owner(s)

Item 17. — The "Reinstatement After Revocation and Interdistrict Move (Att. BT 1047)" box must be checked.

Item 22. — Certification must be completed.

No Employment Development Department copy of Form BT 400 is required, and should be discarded.

REVOCAION PROCEDURE INFORMATION 340.150360.145

For additional procedure or general information on revocations refer to CPPM 751.000 et. seq.

MayOctober 2001

ACCOUNT MAINTENANCE

Reinstatement fees should be collected only for those accounts or sublocations of a consolidated account which remain active at the time of reinstatement. Those accounts or sublocations of a consolidated account that close out after the date of revocation but before the date of reinstatement will continue to be processed with a close out code 8 (close-out after revocation). If those accounts or sublocations of a consolidated account should reactivate at any time in the future, the reinstatement fee would be due and collectable at the time of activation.

REVOKED AUTOMOBILE DEALERS

340.160

Automobile dealers seller's permits, which have been revoked, and whose Department of Motor Vehicles (DMV) dealer licenses have been cancelled by DMV, are not to be reinstated after the Board has been notified by the DMV that the automobile dealer's DMV license has been cancelled.

4. ANNEXATION PROCEDURE

345.000

The Local Revenue Allocation Section has the responsibility of identifying the sales and use tax accounts affected by an annexation and making changes to the registration record by using street index guides and registration listings sorted by county. The results of the Local Revenue Allocation Section's determination are sent to the appropriate district office with a BOE-888 and a list of all the accounts changed. City and county governments will also receive the same information with Form Letter 26.

If the district, city or county disagrees with the determination, a response form is provided for notifying Local Revenue Allocation Section of any exceptions. No response is required if all parties agree with the determination.