

CALIFORNIA STATE BOARD OF EQUALIZATION
APPEALS DIVISION BOARD HEARING SUMMARY

In the Matter of the Petition for)
 Redetermination and Claim for Refund)
 Under the Sales and Use Tax Law of:)
 TIM FINNELL INC., dba Palm Desert Arco) Account Number SR EHC 23-845232
) Case ID's 521823, 577253
 Petitioner/Claimant)
 _____) La Quinta, Riverside County

Type of Business: Gas station
 Audit period: 07/01/05 – 12/22/08

<u>Item</u>	<u>Disputed Amount</u>
Unreported taxable sales	\$64,890
Tax as determined	\$17,965.70
Pre-D&R adjustment	- 1,013.17
Post-D&R adjustment	<u>- 9,886.36</u>
Proposed redetermination	\$ 7,066.17
Less concurred	- 2,037.17
Balance, protested	<u>\$ 5,029.00</u>
Proposed tax redetermination	\$7,066.27
Interest	<u>209.30</u>
Total tax and interest	\$7,275.57
Payments	<u>- 7,275.57¹</u>
Balance Due	<u>\$ 00.00</u>

UNRESOLVED ISSUE

Issue: Whether adjustments are warranted to the unreported taxable sales. We find no adjustment is warranted.

Petitioner operated a gas station from April 1, 1990, through December 22, 2008. The Sales and Use Tax Department (Department) found that reported taxable sales were less than the amounts recorded in the ARCO Franchise Accounting System reports and established those differences as unreported taxable sales. Petitioner argued that the understatement established by the Department was excessive, asserting that the Department should have made some adjustments to the amounts recorded

¹ Petitioner has made payments in excess of the amount proposed to be redetermined, and the Sales and Use Tax Department is processing a refund of \$11,263.82 plus interest.

