



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
TAX SOURCE GROUP MIC:007
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SACRAMENTO, CALIFORNIA 94279-0007
FAX 916-322-1716
www.boe.ca.gov

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First District, San Francisco

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Second District, Ontario/Sacramento

MICHELLE STEEL
Third District, Rolling Hills Estates

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

RAMON J. HIRSIG
Executive Director

Reference Number:

Many individuals and businesses in California make purchases from out-of-state retailers (both foreign and domestic) that would be subject to sales tax if the same items were bought in California. If your business has made out-of-state purchases without paying the California sales or use tax and has used, given away, stored, or otherwise consumed the purchases in this state, you may owe California use tax. This is true whether the purchases were made in person, over the Internet, by telephone, or by mail.

Assembly Bill x4-18 was recently enacted as part of the 2009-2010 California State Budget. This bill added section 6225 to the Revenue and Taxation Code that now requires "qualified purchasers" to register with the Board of Equalization (BOE) and report, and pay, use tax. **Use tax is not a new tax.** Only the registration requirement is new. Use tax has been a part of the Revenue and Taxation Code since the 1930s.

A "qualified purchaser" is defined as a person that meets all of the following conditions:

1. The person is not already required to be registered with the BOE.
2. The person is not a holder of a use tax direct payment permit.
3. The person receives at least \$100,000 in gross receipts from business operations per calendar year. **Note:** Gross receipts are the total of all receipts from both in-state and out-of-state business operations.
4. The person is not otherwise registered with the BOE to report use tax.

Based on income tax records you are a qualified purchaser. In the near future, the BOE will create an account for you so that you may report and pay use tax. Although the Revenue and Taxation Code authorizes the BOE to conduct an audit which may encompass a period going back eight years (longer if fraud is detected) and reserves the right to do so, once your account has been created you will be notified by mail and asked to report purchases for the years 2007, 2008, and 2009.

Please complete the "Contact Information" section on the reverse side and return it within 30 days from the date of this letter. If you have an active seller's permit or active use tax account, be sure to enter the account number in the space provided so that you are not registered again.

Please refer to the enclosed publication 123-TG, *How to Identify California Use Tax Due*, for more information regarding use tax.

Publication 112, *Purchases from Out-of-State Vendors* and publication 75, *Interest and Penalties*, provide additional information and may be viewed at our website at www.boe.ca.gov. To obtain a copy of publication 112, publication 75, and other BOE publications, you may call our Taxpayer Information Section at 800-400-7115.

If you have questions, please call -



Efile now, find out how . . . www.boe.ca.gov

Reference Number:

Please print. When finished, please mail to the address below.

CONTACT INFORMATION		
OWNERSHIP NAME		OWNERSHIP TYPE <i>(corporation, partnership, etc.)</i>
DBA	BUSINESS TELEPHONE ()	
BUSINESS ADDRESS WHERE PURCHASES ARE BEING USED. <i>(If you have more than one location, please attach a list with addresses.)</i>		
MAILING ADDRESS		
NAME OF PERSON RESPONDING TO LETTER		TITLE
SIGNATURE		DATE
BUSINESS WEBSITE ADDRESS	EMAIL ADDRESS	
BOE ACCOUNT NUMBER <i>(if any)</i>	DAYTIME TELEPHONE ()	

Mail to:
State Board of Equalization
Tax Source Group MIC:007
PO Box 942879
Sacramento, CA 94279-0007

Enclosure: Publication 123-TG, *How to Identify California Use Tax Due*

FOR BOE USE ONLY	
AREA CODE	OTHER