



State Board of Equalization

News Release

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4th District – Los Angeles

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JUDY CHU REMINDS ALL PURCHASERS THAT THE IN-STATE VOLUNTARY DISCLOSURE PROGRAM ENDS DECEMBER 31, 2007

Register Now to Take Advantage of the Three-Year Statute of Limitations

Board of Equalization (BOE) Vice-Chair Judy Chu today reminded all purchasers of tangible personal property to register before the end of the year for the “In-State Voluntary Disclosure Program”, which reduces the statute of limitations for paying use tax from eight years to three years. This program ends December 31, 2007 and the BOE will no longer be allowed to offer a three year audit period. The eight year statute will apply even in cases where taxpayers voluntarily come forward.

Use tax is imposed upon the purchaser. It generally applies to purchases from out-of-state vendors who do not collect California tax on their sales. If sales tax would apply when a particular item is purchased in California, use tax applies when a similar purchase is made from a business outside the state. While the In-State Voluntary Disclosure Program will no longer be available to qualified purchasers, the BOE encourages all purchasers who would otherwise be qualified to come forward and file.

Currently, the law allows qualified purchasers within California, who are not otherwise required to hold a seller's permit, to report and pay their use tax liability with a three-year statute of limitations (Revenue and Taxation Code section 6487.06). This code section does not apply to purchases of vehicles, vessels, or aircraft. This particular law does not apply to purchases of vehicles, vessels, or aircraft and expires on December 31, 2007. With the expiration, the statute of limitation period will lengthen to eight years.

The forms needed to register before December 31 may be obtained by calling the BOE Information Center at 800-400-7115 or by clicking on the following BOE website links:

- Voluntary Disclosure of Use Tax for In-State Consumers: <http://www.boe.ca.gov/sutax/isvdprog.htm>
- Special Notice: In-State Voluntary Disclosure Program Ends December 31, 2007:
<http://www.boe.ca.gov/news/pdf/1178.pdf>

The five-member Board of Equalization is a publicly elected tax board. The Board collects nearly \$53 billion annually in taxes and fees supporting state and local government services. The Board hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and plays a significant role in the assessment and administration of property taxes.

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