



Special Notice

In-State Voluntary Disclosure

CALIFORNIA
STATE BOARD
OF EQUALIZATION

450 N Street
Sacramento, CA 95814

BOARD MEMBERS

CAROLE MIGDEN
First District
San Francisco

BILL LEONARD
Second District
Ontario

CLAUDE PARRISH
Third District
Long Beach

JOHN CHIANG
Fourth District
Los Angeles

STEVE WESTLY
State Controller
Sacramento

INTERIM
EXECUTIVE DIRECTOR
TIMOTHY W. BOYER
Sacramento

Overview

Generally, use tax applies when a person or business in California purchases tangible merchandise from a retailer outside of this state that will be *used*, *consumed*, *given away*, or *stored* in this state. The Board of Equalization (Board) encourages purchasers to voluntarily report and pay their use tax obligations. Effective January 1, 2004, the In-State Voluntary Disclosure Program (Revenue and Taxation Code section 6487.06) allows 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.

Benefits

Some of the benefits of the In-State Voluntary Disclosure Program are:

- Limits the time the Board can make an assessment for prior taxes to three years. (Without this section, the applicable statutory period would be eight years.)
- Allows the Board to waive late filing and late payment penalties.
- Allows applicants to obtain a written opinion as to whether or not the Board would be inclined to approve a voluntary disclosure request based on circumstances presented anonymously.

Who Qualifies for the In-State Voluntary Disclosure Program?

To qualify for the In-State Voluntary Disclosure Program, you must meet the following conditions:

- You reside or are located within California, and not have previously registered with the Board;
- You have not previously filed an Individual Use Tax Return with the Board;
- You are not engaged in business in this state as a retailer, as defined in Revenue and Taxation Code section 6015;
- You have not been contacted by the Board for failure to report the use tax imposed by Revenue and Taxation Code section 6202;
- Your purchase is not of a vehicle, vessel or aircraft; and
- You voluntarily come forward to the Board.

Who Is Liable for California Use Tax?

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 you buy a particular item in California, use tax applies when you make a similar purchase from a business outside the state.

How Do You Apply?

Submit all of the following documents to your nearest Board office: BOE-38-1, *Application for In-State Voluntary Disclosure*, BOE-735, *Request for Relief from Penalty*, and BOE-400-MCU, *California Consumer Use Tax Account Application*. To obtain these forms or for more information, please visit our website at www.boe.ca.gov or phone our Information Center at 800-400-7115.