



# Special Notice

## In-State Voluntary Disclosure Program Ends December 31, 2007 Register Now to Take Advantage of the Three-Year Statute of Limitations

CALIFORNIA  
STATE BOARD  
OF EQUALIZATION

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Sacramento, CA 95814

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Board website and  
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[www.boe.ca.gov](http://www.boe.ca.gov)

Taxpayers' Rights  
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### 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. 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 expires on December 31, 2007. With the expiration of this code section, the statute of limitation period will lengthen to eight years.

### 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 have not previously registered with the Board of Equalization (BOE);
- You have not previously filed an Individual Use Tax Return with BOE;
- You, as the purchaser, 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 BOE for failure to report 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 BOE before December 31, 2007.

### Penalty Waiver

Since the In-State Voluntary Disclosure Program will no longer be available after December 31, 2007, the BOE encourages all qualified purchasers of tangible personal property to register now. The BOE may waive late filing or late payment penalties when circumstances are beyond your control. The BOE will generally recommend a waiver of penalty in cases where you can give a good reason for your failure to file which demonstrates your lack of understanding of the law and the absence of willful neglect.

### 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 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.

### Forms you need to submit

The forms that you will need to submit to your nearest BOE office are: BOE-38-I, *Application for In-State Voluntary Disclosure*, BOE-735, *Request for Relief from Penalty*, and BOE-400-CSU, *California Consumer Use Tax Account Application*. You may obtain these forms by visiting our website at [www.boe.ca.gov](http://www.boe.ca.gov), or by calling our Information Center at 800-400-7115. District office locations are also found on our website.

### For More Information

For more information on the In-State Voluntary Disclosure Program, visit our website, [www.boe.ca.gov](http://www.boe.ca.gov) and search for "voluntary disclosure of use tax."

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