State of California **Board of Equalization**

M e m o r a n d u m

130.0093.500

To: Mr. Donald J. Hennessy October 30, 1978

From: T. P. Putnam

Subject: Bad Debts Arising After Close Out
B--- Inc. SR -- XX-XXXXXX-010

~~Since t~~The Board's ~~actual~~ practice has been to allow refunds on debts which become bad after close out~~,~~. ~~I agree that this taxpayer should have the benefit of the same interpretation. I believe~~ [The] justification for this interpretation can be found in the first sentence of Section 6055, to the effect that the retailer "is relieved from liability for sales tax …" The rest of the section may be taken as describing a remedy which, though available, is not exclusive.

TPP:po

Attch: File

cc: D. F. Brady
J. H. Murray