



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
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May 15, 2012

VIA INTERNET

KRISTINE CAZADD
Executive Director

Dear Interested Party:

The Compliance Policy and Procedures Manual (CPPM) is a guide for the Board of Equalization (BOE) staff in administering tax and fee programs. It is available to the public and can be accessed from the BOE web page at <http://www.boe.ca.gov/sutax/staxmanuals.htm>.

The Sales and Use Tax Department (SUTD) is proposing to revise CPPM Section 757.065 to update the policy for filing a lien with the U.S. Coast Guard. The revision material is provided on the following page for the convenience of interested parties who may wish to submit comments or suggestions. Please feel free to publish this information on your website or otherwise distribute it to your association/members.

If you have any comments or suggestions related to the proposed CPPM revision, you may contact the BOE at CPPM.RevisionSuggestions@boe.ca.gov. Your comments or suggestions must be received by BOE no later than July 16, 2012 in order to be considered by staff. Thank you for your consideration.

Sincerely,

Susanne Buehler, Chief
Tax Policy Division
Sales and Use Tax Department

UNITED STATES COAST GUARDS LIENS

757.065

Liens filed with the United States Coast Guard (USCG) must be timely and meet the provisions contained in U.S. Code Title 46, section 31343. Based upon this section, the Notice of Claim of Lien expires three years after the date the state tax lien was established, which is reflected on the Notice of State Tax Lien in the column identified as the "Assessment" date. USCG Documentation Center will return BOE requests unrecorded if the assessment date is over three years old.

~~Under this section, the BOE is required to include a signed declaration that contains the taxpayer's name and account number, vessel name and documentation number, and the lien holder or mortgagee's names and addresses. Section 31343 also requires the BOE to mail copies of the signed declaration to all outstanding lien holders or mortgagees of a vessel.~~

Staff must determine the names and mailing addresses of all lien holders and mortgagees of a vessel before requesting a USCG lien. These names and addresses should be entered in ACMS comments. Lien holder and mortgagee information is obtained by reviewing the USCG vessel abstract on file for all vessel use tax accounts. For sales tax accounts, collection staff should contact the Centralized Collection Section (CCS) for instructions on how to order the abstracts, or related documents, from the USCG. If mailing address information on the abstract is incomplete or missing, staff should order a copy of the lien/mortgage document from the USCG. If no lien holder or mortgagee exists, staff should make a note in ACMS comments.

When requesting a USCG lien, staff will use Form BOE-426-CG, Notice of State Tax Lien for U.S. Coast Guard because it contains the declaration required under U.S. Code Title 46, as stated above. Under this section, the BOE is required to include a signed declaration that contains the taxpayer's name and account number, vessel name and documentation number, and the lien holder or mortgagee's names and addresses. The declaration and lien must be signed by the same person. Section 31343 also requires the BOE to mail copies of the signed declaration and~~SPS staff must mail a copy of~~ the lien document to each lien holder and mortgagee ~~that has been identified in the earlier email and in ACMS comments.~~ Staff must ~~also~~ enter ACMS comments when the copies have been sent.