



Special Notice

CALIFORNIA STATE
BOARD OF EQUALIZATION

450 N STREET
SACRAMENTO, CA 95814

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BOE WEBSITE AND
BOARD MEMBER CONTACT
INFORMATION:
www.boe.ca.gov

TAXPAYERS' RIGHTS
ADVOCATE:
888-324-2798

TAXPAYER INFORMATION
SECTION
800-400-7115
TDD/TTY:
800-735-2929



In-State Voluntary Disclosure

California Use Tax

Generally, use tax applies when a person or business in California purchases tangible merchandise from a retailer outside of this state who does not collect California tax on the sale and the items purchased will be used, consumed, given away, or stored in this state. In simpler terms, if sales tax would apply when you buy a particular item in California, use tax applies when you make a similar purchase from a retailer outside the state and are not charged tax. Consumers have several options available for payment of their use tax liabilities. If a consumer fails to pay their use tax liabilities, the Board of Equalization (BOE) may issue an assessment for prior taxes for an applicable statutory period that could be up to ten years.

Benefits of In-State Voluntary Disclosure

Effective January 1, 2009, the In-State Voluntary Disclosure Program (Revenue and Taxation Code section 6487.06) provides additional benefits to California purchasers who are not required to hold a seller's permit, but have a use tax liability. The benefits of the In-State Voluntary Disclosure Program include:

- Limits the time the BOE can make an assessment for prior taxes to three years. (Without this section, the applicable statutory period could be as long as ten years).
- Allows the BOE to waive late filing and late payment penalties.

Who Qualifies for the In-State Voluntary Disclosure Program?

To qualify for the In-State Voluntary Disclosure Program, a person or business must meet **all** the following conditions:

- Reside or are located within California, and have not previously registered with the BOE;
- Have not previously filed an Individual Use Tax Return with the BOE;
- Have not reported an amount for use tax on your Individual Income Tax Return with the Franchise Tax Board;
- Are not engaged in business in this state as a retailer;
- Have not been contacted by the BOE for failure to report use tax;
- The purchase is not of a vehicle, vessel, or aircraft; and
- The person or business voluntarily comes forward to the BOE.

Why Take Advantage of the In-State Voluntary Disclosure Program Benefits?

The Board is actively pursuing use tax liabilities from consumers through a variety of programs. Consumers with use tax liabilities are encouraged to take advantage of the benefits available by participation in the In-State Voluntary Disclosure Program before being contacted directly by the BOE. Once a person or business is contacted by the BOE regarding an unpaid use tax liability, that person or business is no longer eligible for participation in the In-State Voluntary Disclosure Program and will not be afforded the benefit of the three-year statute of limitations and a waiver of penalties.

How to Apply

Complete and submit **all** of the following documents listed to your nearest BOE office:

- 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*.

To obtain these forms or for more information, please visit our website at www.boe.ca.gov or phone our Taxpayer Information Section at 800-400-7115.