

STATE BOARD OF EQUALIZATION

15350 SHERMAN WAY, SUITE 250  
VAN NUYS, CALIFORNIA, 91406-4203  
PHONE 1-818-904-2335 • FAX 1-818-904-2351  
www.boe.ca.gov

Eric / Andy

CC: MEXMELL



BETTY T. YEE  
First District, San Francisco  
SEN. GEORGE RUNNER (RET.)  
Second District, Lancaster  
MICHELLE STEEL  
Third District, Orange County  
JEROME E. HORTON  
Fourth District, Los Angeles  
JOHN CHIANG  
State Controller  
CYNTHIA BRIDGES  
Executive Director

June 30, 2014

City of Pasadena  
ATTN: Michael J. Beck, City Manager  
100 N. Garfield Ave.,  
Pasadena, CA 91101

Dear City Representative:

This letter is to advise you of the Board of Equalization's (BOE) plan to visit businesses located in your city within zip code 91107 as part of the Statewide Compliance and Outreach Program (SCOP). The BOE is visiting businesses throughout the state to ensure they have all permits and licenses required for programs administered by the BOE. BOE's goal is to register unlicensed businesses so there is not an unfair advantage over those that are properly registered. This ensures the state tax system is fair for everyone.

During the visits, SCOP staff identify themselves and request to see the seller's permit, if required, which should be displayed in a visible location at all times. They also ask about other tax and fee permits or licenses a business owner may be required to hold, including city business licenses.

The visits help business owners learn more about the BOE's tax laws and regulations that apply by giving them an opportunity to ask any questions about BOE programs. The visits also allow the BOE to update registration information.

When visits to the zip code listed above are complete, the BOE will provide a report of businesses that may be operating without a valid license within that zip code. The report contains the following information for each location: *date of visit, owner/taxpayer name, dba, physical location address, mailing address, and business phone number.* This report is provided so your office may take any action it deems necessary.

If you have any questions regarding the upcoming visits, any tax and fee programs the BOE administers, or permit requirements, please visit the BOE's website at [www.boe.ca.gov](http://www.boe.ca.gov). Publication 164, *Statewide Compliance and Outreach Program*, provides additional information regarding SCOP and can also be obtained from the BOE's website. Or, you may call SCOP staff at the number listed above or contact the SCOP Supervisor in your area, Jose Roberto Medel at 1-818-901-5360.

Sincerely,

Robin Questo  
Statewide Compliance and Outreach Coordinator  
Sales and Use Tax Department

## STATEWIDE COMPLIANCE AND PROGRAM

### Board of Equalization (BOE) permit and license verification visits help educate business owners and keep our tax system fair

Most business owners know they need a state seller's permit to sell or lease merchandise in California. However, some business owners are not aware of this requirement. When businesses operate without the proper permits or licenses, they have an unfair advantage over those who follow the law.

As part of the Statewide Compliance and Outreach Program (SCOP), BOE representatives (SCOP specialists) conduct door-to-door visits to nonresidential businesses. They visit individual businesses to educate business owners regarding their tax responsibilities, to make sure the business has the required state tax and fee permits they need, and to make sure the business has a city or county business license, if one is required. In addition, they verify/update BOE account information and review business operations compared to returns filed to provide guidance on proper reporting. The visits are intended to educate business owners and help keep our tax system fair by making sure all business owners are properly permitted and licensed, and follow the law by paying the correct amount of taxes due.

### A California seller's permit may not be enough

Businesses that sell or lease merchandise, vehicles, or other goods in California must have a California seller's permit and pay sales and use tax. This is true whether the business is operated by an individual or another business entity, for example a corporation, partnership, or limited liability company. Both wholesalers and retailers must obtain a permit. The permits are free.

For some businesses, a seller's permit is not enough. They may also need to register for other state tax and fee programs. For example, cigarette retailers need a special license to sell cigarettes. For a full list of BOE administered programs, see our website at [www.boe.ca.gov/info/reg.htm](http://www.boe.ca.gov/info/reg.htm).

(over)

### BOE permit and license verification visits

When our SCOP specialists visit your business, they will:

- Verify required permits and licenses,
- Provide registration information for unregistered businesses,
- Update BOE account information for any changes,
- Educate business owners and answer questions about relevant laws, regulations, and reporting requirements,
- Perform a cursory review of business operations compared to reported amounts to provide guidance on proper reporting, and
- Provide information about owners' legal rights.

### Required registration to report use tax

California law requires a "qualified purchaser" to register with the BOE and annually report and pay use tax directly to the BOE through our eFiling system. Qualified purchasers include businesses not otherwise required to register with the BOE for sales and use tax with at least \$100,000 in annual gross receipts from business operations. Gross receipts are the total of all receipts from both in-state and out-of-state business operations. For additional information, see publication 126, *Mandatory Use Tax Registration for Service Enterprises*, available from our website.

### For more information

If you have any questions about these SCOP visits, see our website at [www.boe.ca.gov/sutax/SCOP\\_Overview.htm](http://www.boe.ca.gov/sutax/SCOP_Overview.htm). For more information about specific tax and fee programs, Board Member contact information, and a list of BOE field offices, visit [www.boe.ca.gov](http://www.boe.ca.gov), or call our Taxpayer Information Section at 1-800-400-7115 (TTY:711).

**Taxpayers' Rights Advocate:** If you would like to know more about your rights as a taxpayer or if you have not been able to resolve a problem through normal channels (for example, by speaking to a supervisor), please see publication 70, *Understanding Your Rights as a California Taxpayer*, or contact the Taxpayers' Rights Advocate Office for help at 1-916-324-2798 (or toll-free at 1-888-324-2798).

#### Board of Equalization Members (Names updated 2012)

BETTY T. YEE, First District • SEN. GEORGE RUNNER (Ret.), Second District  
MICHELLE STEEL, Third District • JEROME E. HORTON, Fourth District  
JOHN CHIANG, State Controller

Executive Director, CYNTHIA BRIDGES

