



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

IN-STATE SERVICE GROUP MIC:05  
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[www.boe.ca.gov](http://www.boe.ca.gov)

SEN. GEORGE RUNNER (Ret.)  
First District, Lancaster

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Third District, Los Angeles County

DIANE L. HARKEY  
Fourth District, Orange County

BETTY T. YEE  
State Controller

DAVID J. GAU  
Executive Director

Date

NAME

ATTN: TAX/ACCOUNTING DEPT.

ADDRESS

CITY, STATE ZIP

Reference No: REFNUM

Our records indicate that you operate a service-based business located within California which may have purchased property from out-of-state suppliers. Service businesses generally are not required to register with the California State Board of Equalization (BOE) for a sales or use tax account; however, if your business owes use tax, you may be required to register.

In an effort to help businesses comply with California's use tax law, the BOE is requesting that you review your records for any unpaid use tax, complete the steps below, and respond to this letter by providing the documents listed below by **Due Date**.

**What is use tax?**

Use tax is similar to sales tax, and generally applies to purchases of items to be used and/or consumed in California purchased from out-of-state. Generally, items subject to sales tax when purchased at a retail location in California are subject to use tax if purchased tax-free from an out-of-state retailer. The purchaser is responsible for paying the use tax.

You can find more information about use tax on our website at [www.boe.ca.gov](http://www.boe.ca.gov) - click on *Use Tax - What You Should Know* under the *Taxes & Fees* tab. You can also call the BOE Customer Service Center at 1-800-400-7115 (TTY:711). Publication 110, *California Use Tax Basics*, and publication 217, *Use Tax Guide to Reporting Out-of-State Purchases* provide more information and can be found on our website or by calling the Customer Service Center.

**How do I comply with California's use tax law?**

**Step 1: Review** your purchase records for the years **20XX**, **20XX**, and **20XX** and determine which purchases are subject to use tax.

**Step 2: Complete** the enclosed *California Use Tax Worksheet* and **SEND** the following **documents**, specific to your *California operations*, regardless of whether or not you have determined you owe any use tax:

- ☒ The completed **California Use Tax Worksheet**
- ☒ A copy of the **Purchase Journal/General Ledger** for the past year  
(If you do not have a Purchase Journal or General Ledger, please contact the representative listed below).
- ☒ A current **Asset Depreciation Schedule/Asset Listing**
- ☒ **California Income Tax Schedule R**, *Apportionment and Allocation of Income* (only provide if your business operates both inside and outside of California).

**What will happen next?**

We may contact you by phone to verify receipt of this letter or if we need additional information. We are here to assist you with questions that you may have about use tax or the requirements of this letter. If we do not receive a complete response including the documents as shown above, California law authorizes the BOE to conduct an audit. If you have any questions or need help completing the California Use Tax Worksheet or using BOE's on-line services, please call me at Work Phone, or email me at email.

[EMPLOYEE]

[TITLE]

Enclosure: *California Use Tax Worksheet with instructions* (BOE 403-CLW)