

AMENDED IN ASSEMBLY AUGUST 9, 2004

AMENDED IN SENATE APRIL 16, 2004

AMENDED IN SENATE APRIL 1, 2004

**SENATE BILL**

**No. 1559**

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**Introduced by Senator Bowen**

February 19, 2004

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An act to *amend Section 6066 of, and to add Section 6066.1 to, the Revenue and Taxation Code, relating to taxation.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1559, as amended, Bowen. ~~Streamlined sales and use tax agreement~~ *Sales and use taxes: seller's permits.*

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. Existing law requires every person who desires to engage in or conduct business as a seller to file with the board an application for a *seller's permit* for each place of business, as specified.

*This bill would modify this requirement to require a seller's permit only for a place of business at which the negotiation for transactions for the sale of tangible personal property are customarily conducted, and would declare that these changes are declaratory of existing law. This bill would also require a seller that authorizes an agent to apply for a seller's permit to submit a copy of that authorization to the board, if the board so requests.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. *Section 6066 of the Revenue and Taxation Code*  
2 *is amended to read:*

3 6066. (a) Every person desiring to engage in or conduct  
4 business as a seller within this state shall file with the board an  
5 application for a permit for each place of business *located in this*  
6 *state at which the negotiation for transactions for the sale of*  
7 *tangible personal property are customarily conducted with that*  
8 *person’s customers. Every*

9 (b) *For purposes of this section:*

10 (1) *“Negotiation” does not include any of the following*  
11 *activities:*

12 (A) *The referral of a sales order to another facility or location*  
13 *for acceptance.*

14 (B) *The referral of a sales order to another facility or location*  
15 *for credit approval.*

16 (C) *The referral of a sales order to another facility or location*  
17 *for shipment.*

18 (D) *The performance of any administrative functions.*

19 (2) *“Place of business” does not include a facility or location*  
20 *at which the business activities of that person are solely limited to*  
21 *any or all of the following activities:*

22 (A) *The display of products.*

23 (B) *The maintenance of a sample room.*

24 (C) *The processing or acceptance of returned merchandise.*

25 (D) *The provision of electronic media or other means of*  
26 *communication that are made available to customers to contact*  
27 *out-of-state sales representatives.*

28 (c) *Every application for a permit shall be made upon a form*  
29 *prescribed by the board and shall set forth the name under which*  
30 *the applicant transacts or intends to transact business, the location*  
31 *of his—the applicant’s place or places of business, and such other*  
32 *information as the board may require. An application for a permit*  
33 *shall be authenticated in a form or pursuant to methods as may be*  
34 *prescribed by the board. The application shall state that the*  
35 *applicant will actively engage in or conduct business as a seller of*  
36 *tangible personal property.*

37 ~~(b)~~



1 (d) (1) An application filed pursuant to this section may be  
2 filed using electronic media as prescribed by the board.

3 ~~(e)~~

4 (2) Electronic media includes, but is not limited to, computer  
5 modem, magnetic media, optical disk, facsimile machine, or  
6 telephone.

7 *SEC. 2.* Section 6066.1 is added to the Revenue and Taxation  
8 Code, to read:

9 6066.1. Upon request by the board, a seller that authorized an  
10 agent to apply for a seller's permit shall submit a copy of that  
11 authorization to the board.

12 *SEC. 3. The Legislature finds and declares that the*  
13 *amendments made by this act to Section 6066 of the Revenue and*  
14 *Taxation Code do not constitute a change in, but are declaratory*  
15 *of, existing law.*

