
Introduced by Senator Simitian

February 22, 2005

An act to add Sections 6452.2 and 6471.1 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 801, as introduced, Simitian. Sales and use taxes: prepayments: returns.

The Sales and Use Tax Law, which is administered by the State Board of Equalization, 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. That law generally requires a sales and use tax return, with a remittance of the taxes owed, to be filed with the board on a quarterly basis. That law provides that, under specified circumstances, the board may require any person whose sales and use tax liability exceeds a specified amount to prepay that tax liability.

This bill would authorize a person that has only one retail location in this state that generates an estimated monthly tax liability of less than \$17,000 to elect to file a sales and use tax return on a yearly basis and to make quarterly prepayments, as specified.

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 6452.2 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 6452.2. (a) Notwithstanding Section 6452, a retailer that
- 4 qualifies for the election authorized under Section 6471.1, shall,

1 no later than one month following the close of each calendar
2 year, file a return for that calendar year with the board in the
3 form as prescribed by the board. Returns shall be authenticated in
4 a form or pursuant to methods as may be prescribed by the board.

5 (b) For purposes of the sales tax, a return shall be filed by
6 every retailer that is liable for the sales tax under this part. For
7 purposes of the use tax, a return shall be filed by every retailer
8 engaged in business in this state that has not paid the use tax due
9 to a retailer required to collect the tax.

10 (c) Any retailer who fails or refuses to furnish any return
11 required to be made, or who fails or refuses to furnish a
12 supplemental return or other data required by the board, is guilty
13 of a misdemeanor punishable as provided in Section 7153.

14 SEC. 2. Section 6471.1 is added to the Revenue and Taxation
15 Code, to read:

16 6471.1. (a) Notwithstanding Section 6451, an eligible retailer
17 that was engaged in the same business during the entire
18 preceding calendar year, or a person who is a successor to a
19 business that was in operation during the entire preceding
20 calendar year, may elect to make quarterly prepayments of the
21 taxes imposed by this part on or before the last day of the month
22 following each calendar quarter. The quarterly prepayments shall
23 be in an amount equal to the amount of gross receipts that were
24 subject to the taxes imposed by this part for that same calendar
25 quarter in the prior calendar year multiplied by the state and local
26 tax rate in effect during the calendar quarter for which the
27 prepayment is made.

28 (b) A retailer is eligible to make the election authorized by
29 subdivision (a) if that retailer meets both of the following
30 conditions:

31 (1) The retailer's estimated measure of liability under this part
32 averages not less than one thousand four hundred dollars
33 (\$1,400) and not more than sixteen thousand nine hundred and
34 ninety-nine dollars (\$16,999) per month.

35 (2) The retailer has only one business location in this state
36 that is engaged in making retail sales of tangible personal
37 property.

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