

AMENDED IN ASSEMBLY APRIL 15, 2010

AMENDED IN ASSEMBLY APRIL 5, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2556

Introduced by Assembly Member Fuller

February 19, 2010

An act to amend Section 6593.5 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2556, as amended, Fuller. State Board of Equalization: administration: interest waiver: foreign purchases.

The Sales and Use Tax Law imposes a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. That law exempts from use tax, the storage, use, or the consumption of the first \$800 of tangible personal property that is purchased in a foreign ~~county~~ *country* and hand-carried into this state within a 30- day period. That law requires the payment of interest at a specified rate on a failure to timely pay taxes, from the date on which those amounts became due and payable to the state until the date of payment. That law authorizes the State Board of Equalization, in its discretion, to relieve all or any part of interest imposed under specified circumstances.

This bill would allow the *members of the board, meeting as a public body*, to relieve, *for a taxpayer, as described*, all or any part of the interest imposed on the failure to timely pay use tax on the storage, use,

or other consumption of tangible personal property, where the board discovered the nonpayment as a result of obtaining information with respect to the liability from *the* United States Customs Service, if the tax is remitted within 90 days of notification by the board.

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 6593.5 of the Revenue and Taxation
 2 Code is amended to read:
 3 6593.5. (a) The board, in its discretion, may relieve all or any
 4 part of the interest imposed on a person by this part under the
 5 following circumstances:
 6 (1) Where the failure to pay tax is due in whole or in part to an
 7 unreasonable error or delay by an employee of the board acting in
 8 his or her official capacity.
 9 (2) Where failure to pay use tax on a vehicle or vessel registered
 10 with the Department of Motor Vehicles was the direct result of an
 11 error by the Department of Motor Vehicles in calculating the use
 12 tax.
 13 (3) (A) Where use tax is remitted to the board within 90 days
 14 of the board notifying ~~the taxpayer~~ *a person* of a nonpayment of
 15 use tax, which notification is made as a result of the board
 16 obtaining information with respect to the liability from the United
 17 States Customs Service.
 18 (B) *This paragraph shall only apply to a person whose gross*
 19 *receipts from business operations is less than two hundred fifty*
 20 *thousand dollars (\$250,000), or if the person has no business*
 21 *operations, to a person whose gross adjusted income is less than*
 22 *two hundred fifty thousand dollars (\$250,000).*
 23 (C) *For purposes of this paragraph, “board” means the*
 24 *members of the State Board of Equalization meeting as a public*
 25 *body.*
 26 (b) For purposes of this section, an error or delay shall be
 27 deemed to have occurred only if no significant aspect of the error
 28 or delay is attributable to an act of, or a failure to act by, the
 29 taxpayer.
 30 (c) Any person seeking relief under this section shall file with
 31 the board a statement under penalty of perjury setting forth the

- 1 facts on which the claim for relief is based and any other
- 2 information which the board may require.
- 3 (d) The board may grant relief only for interest imposed on tax
- 4 liabilities that arise during taxable periods commencing on or after
- 5 July 1, 1999.

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