

**ASSEMBLY BILL**

**No. 1307**

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**Introduced by Assembly Member Skinner**

February 18, 2011

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An act to add Section 6070.5 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1307, as introduced, Skinner. State Board of Equalization: seller's permits: refusal to issue.

The Sales and Use Tax Law provides that every person desiring to engage in or conduct business as a seller shall apply to the State Board of Equalization for a permit. That law requires a person selling tangible personal property for storage, use, or other consumption in this state to register with, and to obtain a seller's permit or certification of registration-use tax from, the State Board of Equalization. The Sales and Use Tax Law requires a seller whose permit has been previously suspended or revoked to pay the board a fee of \$100 for the renewal or issuance of a permit.

This bill would authorize the board to refuse to issue a seller's permit to any person submitting an application for a permit if the person desiring to engage in or conduct business as a seller within this state has an outstanding final liability with the board for any amount due, as specified. The bill would also authorize the board, if the person submitting an application for a seller's permit has entered into an installment payment agreement and fails to comply with its terms, to seek revocation of that seller's permit. The bill would additionally require the board to provide written notice to any person denied a permit

and would allow such a person to request reconsideration of the denial, in accordance with specified procedures.

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 6070.5 is added to the Revenue and  
2 Taxation Code, to read:

3 6070.5. (a) The board may refuse to issue a permit to any  
4 person submitting an application for a permit as required in Section  
5 6066 if the person desiring to engage in or conduct business as a  
6 seller within this state has an outstanding final liability with the  
7 board for any amount due under this part.

8 (b) In addition to the provisions of subdivision (a), the board  
9 may also refuse to issue a permit if the person desiring to engage  
10 in or conduct business as a seller within this state is not a natural  
11 person or individual and any person controlling the person desiring  
12 to engage in or conduct business as a seller within this state has  
13 an outstanding final liability with the board as provided in  
14 subdivision (a). For the purposes of this section, “controlling” has  
15 the same meaning as defined in Section 22971 of the Business and  
16 Professions Code.

17 (c) For purposes of this section, a liability will not be deemed  
18 to be outstanding if the person has entered into an installment  
19 payment agreement pursuant to Section 6832 for any liability and  
20 is in full compliance with the terms of the installment payment  
21 agreement.

22 (d) If the person submitting an application for a seller’s permit  
23 has entered into an installment payment agreement as provided in  
24 subdivision (c) and fails to comply with the terms of the installment  
25 payment agreement, the board may seek revocation of the seller’s  
26 permit obtained by the person pursuant to this section.

27 (e) (1) Whenever any person desiring to engage in or conduct  
28 business as a seller within this state is denied a permit pursuant to  
29 this section, the board shall give to the person written notice of  
30 the denial. The notice of the denial may be served personally, by  
31 mail, or by other means deemed appropriate by the board. If served  
32 by mail, the notice shall be placed in a sealed envelope, with  
33 postage paid, addressed to the person at the address as it appears

1 in the records of the board. The giving of notice shall be deemed  
2 complete at the time of deposit of the notice at the United States  
3 Postal Service, or a mailbox, subpost office, substation or mail  
4 chute or other facility regularly maintained or provided by the  
5 United States Postal Service, without extension of time for any  
6 reason. In lieu of mailing, a notice may be served personally by  
7 delivering to the person to be served and service shall be deemed  
8 complete at the time of the delivery. Delivery of notice by other  
9 means deemed appropriate by the board may include, but is not  
10 limited to, electronic transmission. Personal service or delivery by  
11 other means deemed appropriate by the board to a corporation may  
12 be made by delivery of a notice to any person listed on the  
13 application as an officer.

14 (2) Any person who is denied a seller's permit pursuant to this  
15 section may request reconsideration of the board's denial of the  
16 permit. This request must be submitted in writing within 30 days  
17 of the date of the notice of denial. Timely submission of a written  
18 request for reconsideration will afford the person a hearing in a  
19 manner that is consistent with a hearing provided for by Section  
20 6070. If a request for reconsideration is not filed within the 30-day  
21 period, the denial becomes final at the end of the 30-day period.