

AMENDED IN ASSEMBLY APRIL 10, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2059

Introduced by Assembly ~~Member~~ Members Achadjian and Gorell

February 23, 2012

An act to amend Section 6225 of, *and to add Section 6225.1 to*, the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2059, as amended, Achadjian. Sales and use tax: qualified purchaser.

Existing law provides that a return, showing specified purchases by a qualified purchaser that were subject to the use tax during the preceding year and that have not been paid to a specified retailer, must be filed, along with a remittance of the amount of tax due, with the State Board of Equalization on or before April 15. Existing law further provides that a qualified purchaser is a specified person that receives at least \$100,000 in gross receipts from business operations per calendar year.

The bill would require the board to create a use tax table that shows the estimated amount of use tax due according to a qualified person's adjusted gross income. This bill would allow a qualified purchaser to satisfy its use tax liability by remitting the estimated amount of use tax, as shown in that table, on or before April 15. This bill would also increase the threshold amount of gross receipts from business operations per calendar year from \$100,000 to \$500,000. *The bill would authorize the board to grant a reasonable extension of time for filing a use tax return, as specified, and to grant a reasonable extension of time for the payment of use tax when it determines that good cause exists. This bill*

would authorize the board to grant an extension for filing a use tax return if an extension is granted for filing a return for tax imposed under the Personal Income Tax Law and the Corporation Tax Law, as provided.

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 6225 of the Revenue and Taxation Code
2 is amended to read:
3 6225. (a) In order to facilitate the collection of use tax imposed
4 by this part, a qualified purchaser shall register with the board on
5 a form prescribed by the board and shall set forth the name under
6 which the qualified purchaser transacts or intends to transact
7 business, the location of the qualified purchaser's place or places
8 of business, and other information as the board may require.
9 (b) (1) Article 1 (commencing with Section 6451) of Chapter
10 5 of this part shall apply to a qualified purchaser, except that a
11 return showing the total sales price of the tangible personal property
12 purchased by the qualified purchaser, the storage, use, or other
13 consumption of which became subject to the use tax during the
14 preceding calendar year, and which was not paid to a retailer
15 required to collect the tax or which was not paid to a retailer the
16 qualified purchaser reasonably believed was required to collect
17 the tax, shall be filed, together with a remittance of the amount of
18 the tax due, with the board on or before April 15.
19 (2) As an alternative to filing a return and remittance described
20 in subdivision (b), a qualified purchaser may satisfy its use tax
21 liability for the preceding calendar year by remitting to the board
22 on or before April 15 the amount of use tax calculated pursuant to
23 subdivision (e).
24 (c) A "qualified purchaser" means a person that meets all of the
25 following conditions:
26 (1) The person is not required to hold a seller's permit pursuant
27 to this part.
28 (2) The person is not required to be registered pursuant to
29 Section 6226.
30 (3) The person is not a holder of a use tax direct payment permit
31 as described in Section 7051.3.

(4) The person receives at least five hundred thousand dollars (\$500,000) in gross receipts from business operations per calendar year.

(5) The person is not otherwise registered with the board to report use tax.

(d) This section shall not apply to the purchase of a vehicle, vessel, or aircraft as defined in Article 1 (commencing with Section 6271) of Chapter 3.5 of this part.

(e) (1) The board shall annually calculate the estimated amount of use tax due under this section according to a person's adjusted gross income and make available to qualified purchasers those amounts in the form of a use tax table as part of the instructions provided to qualified purchasers.

(2) When a qualified person remits its use tax liability in the amount set forth in the table specified in ~~subdivision (e)~~ paragraph (1), in accordance with the instructions provided by the board, the board shall be precluded from making any determination against that person for an underpayment of use tax.

SEC. 2. Section 6225.1 is added to the Revenue and Taxation Code, to read:

6225.1. (a) For purposes of administering Section 6225, the board may grant a reasonable extension of time for filing a return in the manner and form it determines.

(1) For a qualified purchaser subject to the tax imposed by Part 10 (commencing with Section 17001), except for a qualified purchaser residing or traveling abroad, an extension of time shall not be granted for more than six months. For a qualified purchaser residing or traveling abroad, a return shall be filed no later than the 15th day of the sixth month following the close of the taxable year, unless the requirements for an extension have been fulfilled on or before that date.

(2) For a qualified purchaser subject to the tax imposed by Part 11 (commencing with Section 23001), an extension or extensions shall not, including in the aggregate, be more than seven months from the date that a return is due.

(b) An extension of time granted pursuant to subdivision (a) is not an extension of time for payment of the tax required to be paid on or before the date that the return is due. Penalties and interest shall be imposed, as provided by law, without regard to an extension granted under this section.

- 1 (c) A reasonable extension for payment of tax required by
2 Section 6225 may be granted by the board whenever good cause
3 exists, as determined by the board.
- 4 (d) The board shall grant an extension for filing a return
5 pursuant to Section 6225 for the use tax imposed by this chapter
6 if an extension is granted for filing a return for taxes imposed by
7 Part 10 (commencing with Section 17001) or Part 11 (commencing
8 with Section 23001).