



RINA Alert

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New law that requires certain purchasers to register to report and pay use tax!

The Sales and Use Tax Law requires a person conducting business as a seller of tangible personal property in this state to obtain a permit from the State Board of Equalization for each place of business and also requires a person selling tangible personal property for storage, use, or other consumption in this state to register with the State Board of Equalization.

Beginning in September 2009 through December 31, 2009, the BOE will mail notices to potential qualified purchasers informing them that they will be automatically registered with the BOE unless they can prove otherwise that they are not a qualified purchaser under Revenue and Taxation Code section 6225.

Who is a "qualified purchaser?"

A "qualified purchaser" means a person that meets all of the following conditions:

- The person receives at least \$100,000 in gross receipts from business operations per calendar year. **Note: Gross receipts is the total of all receipts from both in-state and out-of-state business operations.**
- The person is not required to hold a seller's permit or certificate of registration for use tax (under section [6226 of the Revenue and Taxation Code](#)).
- The person is not a holder of a use tax direct payment permit as described in [section 7051.3 of the Revenue and Taxation Code](#).
- The person is not otherwise registered with the BOE to report use tax.

A "person" is defined in section [6005 of the Revenue and Taxation Code](#).

A "qualified purchaser" must register for a use tax account by completing the BOE-404-A, *Use Tax Registration*, and mailing it to the BOE:

Board of Equalization
Tax Source Group, MIC: 007
PO Box 942879
Sacramento, Ca 94279-0007

Once registered you will be assigned an account number.

If you received a notice from the BOE notifying you that you are being registered as a qualified purchaser. You still need to mail in the Use Tax Registration form enclosed with the letter?

If I did not have not received your notice yet and you are a qualified purchaser, you still must register for a use tax account completing the [BOE-404-A, Use Tax Registration](#), and mailing it to:

Board of Equalization
Tax Source Group MIC: 007
PO Box 942879
Sacramento, CA 94279-0007.

To determine the sales and use tax rates in your area take a look at [Publication 71, California City and County Sales and Use Tax Rates](#), which provides individual rates for all cities and counties throughout California. You may download a copy of [publication 71](#), or order a copy by calling our Taxpayer Information Section at 800-400-7115.

If you are already registered to report and pay sales tax with the BOE then you are not considered a qualified purchaser.

You must also register as a qualified purchaser under Revenue and Taxation Code section 6225?

There is no fee to register

To learn more about whether you qualify as a Qualified Purchaser contact your RINA representative.

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