

BUSINESSES MUST FILE USE TAX RETURNS BY APRIL 15TH

The BOE will be sending letters to businesses soon.

A recent law change requires many businesses that do not currently hold a seller's permit to register with the BOE, and report and pay, by April 15, any use tax due from purchases made in the proceeding year.

Taxpayers who must register will be required to file a Form BOE-401-A, **State, Local, and District Sales Tax and Use Tax Return**, or a BOE-401-EZ, **Short Form – Sales and Use Tax Return**, even if they owe zero tax.

Who Must Register?

A Business That:

- Is not required to hold a seller's permit with the BOE
- Is not required to be registered, and is not otherwise registered with the BOE
- Is not a holder of a use tax direct payment permit
- Receives at least \$100,000 in gross receipts per year from business operations.

The new law applies to purchases made during 2009 calendar year. Returns to report use tax on 2009 untaxed purchases are due by April 15, 2010.

Registering

The BOE will begin sending letters to taxpayers, informing them of the new registration requirement, over the next few months. They are reviewing IRS data from 2007 returns, and they will send letters to taxpayers with at least \$100,000 in business operations worldwide will be required to register with the BOE.

Gross receipts from business operations are defined as "all receipts" of the business operation. Gross receipts include all income, whether the income is from out-of-state operations.

This means that many tax professionals will be required to register, even if they are not required to pay any use tax. Furthermore, taxpayers who are required to register with the BOE will not be permitted to report and pay their use tax on their FTB returns (such as Forms 540, 100, or 100S). These taxpayers will be required to file a separate use tax return with the BOE.