



The State Board of Equalization's Statewide Compliance & Outreach Program

**Coming Soon to Visit
Your Business**

**Find Out Why Now!
Presented by The Tax Office, Inc.**

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The Statewide Compliance and Outreach Program

Since 2008 the SCOP has visited more than 369,000 businesses statewide to verify that retailers are registered with the Board of Equalization and to ensure that noncompliant businesses do not have an unfair advantage over registered businesses that are reporting their sales and use tax and/or fees to the BOE.

The Board of Equalization collects more than **\$53.7 billion dollars** annually in taxes and fees supporting state and local government services. According to the BOE, under-reporting and non-compliance are responsible for more than **\$2 billion** dollars in uncollected tax.

On May 13, 2013, a press release from the BOE announced that the SCOP would begin sending correspondence to retailers notifying them about upcoming visits from Statewide Compliance and Outreach Program (SCOP) teams.

Eight different SCOP teams located statewide (Oakland, Sacramento, San Jose, Van Nuys, Norwalk, Irvine, Riverside, and Ventura) will conduct door-to-door, in-person visits in the zip code areas they cover.¹

The BOE is mailing letters to 9,943 business owners in the following zip codes: Bakersfield (93301), Baldwin Park (91706), Boulder Creek (95006), Cambria (93428), Carpinteria (93013 and 93014), Culver City (90230 and 90231), North Hollywood (91601), San Jose (95134 and 95136), San Juan Capistrano (92675 and 92691), Sutter Creek (95685), and Volcano (95689).

The Statewide Compliance and Outreach Program was designed for the following reasons:

1. Educate business owners regarding their tax responsibilities.
2. Advise business owners when they need a seller's permit.
3. Explain to owners how to report and remit their taxes and fees due.
4. Verify and update the Board of Equalization account information.

¹ Appendix A

5. Review business operations compared to sales and use tax returns filed to provide guidance on proper reporting.

If the SCOP specialist finds any errors, you will be advised to file an amended return or if you have overpaid your taxes, you will be advised to file a claim for refund. In some cases, you may be referred for an audit.

The Process

The SCOP team intends to visit all businesses throughout the state based on zip codes. All storefronts and other known business locations in each area will be visited by a SCOP specialist. If you already have a seller's permit, you should receive or have already received a letter notifying you of a visit to your area. Visits should begin within two weeks from the date of the letter, depending upon the length of visits to other areas. The SCOP specialists will be trying to finish work in one area before starting work in another area.

When the SCOP specialist comes to your business, he or she will:

- Identify themselves and show identification.
- Verify the existence of a seller's permit, fee permits, and any other business licenses/permits that may be required.²
- Review your licenses/permits to confirm that the information is correct.
- Provide guidance on reporting your sales and use taxes properly.
- Provide information and assistance on your sales and use tax responsibilities.
- Answer any questions you may have.

Should you not have a seller's permit you will be required to register for one. The SCOP team member will provide information on how to apply using e-registration for the quickest way to rectify the situation. You will be asked to register within one (1) week.

If you sell or lease merchandise you must have a California seller's permit. It must be prominently displayed at your place of business. You may also need a permit or license for other tax and fee programs, i.e. tobacco sales. You should also be

² Appendix B

aware that a seller's permit is not the same as a business license. They are two separate forms.

California also requires a "qualified purchaser" to register with the Board of Equalization to annually report and pay use tax directly. A "qualified purchaser" includes any business not otherwise required to register with the BOE for sales and use tax with at least \$100,000 in annual gross receipts from business operations.

Penalties and Assessments

Should you not obtain a permit and file over-due returns a "Compliance Assessment" or bill may be issued based upon the information gathered by the SCOP during and/or after the visit. A 10% penalty on the taxes due for failing to file a return by its due date will be applied. You could also be charged an additional 50% penalty if it is determined that you knowingly failed to obtain a permit to evade tax. In addition to these penalties, you may also be charged with a misdemeanor citation for operating without a seller's permit or with a revoked permit under section 6071 of the Revenue and Taxation Code.

If advised to file and amended return and you fail to do so within the allotted time period, an estimated billing could be assessed based on the information gathered by the SCOP specialist. Or worse, your business could be referred for an audit. On the other hand, even if you **do** send in your amended return, further BOE activity, such as an audit, could still take place.

Your Rights

As a California taxpayer you have specific rights. The Board of Equalization employees must honor and uphold them each and every time they interact with you. You have the right to...

- Courteous and prompt service
- Fair treatment
- Confidentiality
- Information and assistance, and
- To address the elected Board of Equalization members

If you believe an SCOP specialist was unprofessional or violated your rights, you may file a complaint by calling or writing your local BOE SCOP office. Be certain

to explain how the SCOP specialist was unprofessional or inconsiderate in conducting the permit and license verification. If you have not been able to resolve a problem through normal channels you may contact the BOE's taxpayer's rights advocate office.

About Us

Northern California's Most Reliable Tax, Bookkeeping and Business Advisors

Since 1986, The Tax Office, Inc. has been the "go to" tax, accounting and bookkeeping for hundreds of people and businesses throughout Northern California. Let us help you solve your tax, accounting, business consulting, or bookkeeping puzzle.

Among the issues we help our clients address are:

- How to pay the least possible amount of Federal and State taxes.
- Preparing the ever-growing pile of complicated tax forms.
- Protecting you (and your wallet) by fighting the IRS and other Government agency tax audits.
- Keeping the books of your business up to date with QuickBooks, Intacct, Xero, and our talented staff of bookkeepers.
- Interpreting the numbers of your financial situation to pinpoint ways to improve the profitability and performance of your business.



Appendix A

Statewide Compliance & Outreach Program Contact Information

Team 1 - Oakland District Office (CH)

1515 Clay Street, Suite 303, Oakland, CA 94612-1432

510-286-1052 • FAX 510-622-4060

Counties of Alameda, Contra Costa, Del Norte, Humboldt, Marin, Mendocino, San Francisco, San Mateo, and Sonoma.

Team 2 - Sacramento District Office (KH)

3321 Power Inn Road, Suite 210, Sacramento, CA 95826-3889

916-227-6618 • FAX 916-227-9444

Counties of Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Glenn, Lake, Lassen, Madera, Mariposa, Merced, Modoc, Mono, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Stanislaus, Sutter, Tehama, Trinity, Tuolumne, Yolo, and Yuba.

Team 3 - San Jose District Office (GH)

250 South Second Street, San Jose, CA 95113-2706

408-938-7776 • FAX 408-277-8233

Counties of Fresno, Inyo, Kern, Kings, Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Clara, Santa Cruz, and Tulare.

Team 4 - Van Nuys District Office (AC)

15350 Sherman Way, Suite 250, Van Nuys, CA 91406-4203

818-904-2335 • FAX 818-904-2351

County of Ventura and most of Los Angeles County: Cities of Agoura Hills, Alhambra, Arcadia, Azusa, Baldwin Park, Bradbury, Burbank, Calabasas, Claremont, Covina, Diamond Bar, Duarte, El Monte, Glendale, Glendora, Industry, Irwindale, La Canada Flintridge, La Habra Heights, Hidden Hills, La Puente, La Verne, Lancaster, Los Angeles ([Zip Codes](#)), Malibu, Monrovia, Northridge, Palmdale, Pasadena, Pomona, Rosemead, San Dimas, San Fernando, San Gabriel, San Marino, Santa Clarita, Sierra Madre, South El Monte, South Pasadena, Temple City, Walnut, West Covina, and Westlake Village.

Team 5 - Norwalk District Office (AA)

12440 E. Imperial Hwy, Suite 200, Norwalk, CA 90650-8397

562-466-1627 • FAX 562-466-1648

Part of Los Angeles County: Cities of Artesia, Avalon, Bell, Bellflower, Bell Gardens, Beverly Hills, Carson, Cerritos, City Terrace, Commerce, Compton,

Cudahy, Culver City, Downey, El Segundo, Gardena, Harbor City, Hawaiian Gardens, Hawthorne, Hermosa Beach, Huntington Park, Inglewood, La Mirada, Lakewood, Lawndale, Lomita, Long Beach, Los Angeles ([Zip Codes](#)) , Lynwood, Los Nietos, Manhattan Beach, Marina del Rey, Maywood, Montebello, Monterey Park, Norwalk, Paramount, Pacific Palisades, Palos Verdes Estates, Pico Rivera, Playa del Rey, Rancho Palos Verdes, Redondo Beach, Rolling Hills, Rolling Hills Estates, Santa Fe Springs, Santa Monica, Signal Hill, South Gate, Torrance, Venice, Vernon, Walnut Park, West Hollywood, Whittier, and Wilmington.

Team 6 - Irvine District Office (EA)

16715 Von Karman Avenue Suite 200, Irvine, CA 92606-4918

949-223-5447 • FAX 949-724-2923

Counties of Orange and San Bernardino.

Team 7 - Riverside District Office (EH)

3737 Main Street, Suite 1000, Riverside, CA 92501-3395

951-682-3668 • FAX 951-680-6734

Counties of Imperial, Riverside, and San Diego.

[Map of SCOP Teams](#)

Appendix B

Special Licenses, Taxes, and Fees

Alcohol Beverage Tax

California Tire Tax

Childhood Lead Poisoning Prevention

Cigarette & Tobacco Products Licensing Program

Cigarette & Tobacco Products Tax

Cigarette Tax Stamp

Covered Electronic Waste Recycling

Diesel Fuel

Emergency Telephone Users Surcharge

Energy Resources (electrical) Surcharge

Fire Prevention Fee

Hazardous Waste Activity Fee

Hazardous Waste Disposal Fee

Hazardous Waste Environmental Fee

Hazardous Waste Facility Fee

Hazardous Waste Generator Fee

Hazardous Waste Management Fee (Solid Waste & Wood Waste)

Jet Fuel Tax

Marine Invasive Species (ballast water) Fee

Motor Vehicle Fuel Tax

Natural Gas Surcharge

Occupational Lead Poisoning Prevention Fee

Oil Spill Prevention Response & Administration Fee

Tax On Insurers

Underground Storage Tank Maintenance Fee

Water Rights Fee

International Fuel Tax Agreement

Diesel Fuel Tax

Interstate User Diesel Fuel Tax

Use Fuel Tax