

M e m o r a n d u m**410.0203**

To: Mr. P. K. Taylor

Date: May 14, 1987

From: Gary J. Jugum

Subject: Definition of Owner for Purposes of Registration

This is in response to your memorandum of March 9, 1987. You have raised certain questions with respect to the registration of limited partnerships under the Sales and Use Tax Law.

California has adopted the California Revised Limited Partnership Act with an operative date of July 1, 1984. We have reviewed the Act, together with the relevant sections of the Sales and Use Tax Law, which are sections 6005, 6066 and 7051.

First, we are in agreement with your analysis that limited partnerships are not to be registered in the partnership name. Corporations Code section 15612 sets forth certain requirements with respect to naming limited partnerships. The name of the limited partnership is a "dba" and should be listed as such on the seller's permit.

Second, the names of all general partners should be listed on the application for seller's permit as owners. At the time of initial registration and of each required reregistration, a list of all limited partners should be obtained for file information.

Third, following registration, a new permit should be issued each time there is a change in the general partners of a limited partnership. No new permit need be issued where there is a change in limited partners only. There should be reregistration where there is a change in the general partners, notwithstanding the fact that the limited partnership agreement might permit the business of the partnership to be continued by the remaining general partner or partners, as contemplated by Corporations Code section 15681. In other words, we should apply the same rule for limited partnerships that we follow for general partnerships--reregistration is required in all cases where there is a change in the general partners. Annotation 410.0220, dated November 21, 1955, will be deleted from the Business Taxes Law Guide. That annotation reflects the rule in effect prior to codification of the law of limited partnerships.

GJJ:sr

cc: Mr. Donald J. Hennessy
Mr. E.L. Sorensen, Jr.
Mr. David H. Levine