

Important Notice—Personal Liability for Corporate and Limited Liability Company Sales and Use Taxes

Did you know as a corporate director, officer, member, manager, or other person having control or supervision of the filing of returns or payments of taxes, you may become personally liable for any unpaid sales and use taxes, interest, and penalties?

[Section 6829](#) of the Revenue and Taxation Code provides that the California Department of Tax and Fee Administration (CDTFA) may pursue collection action against certain corporate or limited liability company personnel for any unpaid corporate sales and use tax liability. Section 6829 states in part:

- a. Upon termination, dissolution, or abandonment of a corporate business or limited liability company, any officer, member, manager, or other person having control or supervision of, or who is charged with the responsibility for the filing of returns or the payment of tax, or who is under a duty to act for the corporation or limited liability company in complying with any requirement of this part, shall be personally liable for any unpaid taxes and interest and penalties on those taxes, if such officer, member, manager, or other person willfully fails to pay or to cause to be paid any taxes due from the corporation or limited liability company pursuant to this part.
- b. The officer, member, manager, or other person shall be liable only for taxes which became due during the period they had the control, supervision, responsibility, or duty to act for the corporation or limited liability company described in subdivision (a), plus interest and penalties on those taxes.
- c. Personal liability may be imposed pursuant to this section, only if the CDTFA can establish that the corporation or limited liability company had included tax reimbursement in the selling price of, or added tax reimbursement to the selling price of, tangible personal property sold in the conduct of its business, or when it can be established that the corporation or limited liability company consumed tangible personal property and failed to pay the tax to the seller or to report and pay use tax.

For more information please see [Regulation 1702.5](#), *Responsible Person Liability*, or contact your local [CDTFA office](#).