



STATE BOARD OF EQUALIZATION

November 12, 1964

Messrs. R--- S. S--- and
L--- C. B---
B--- M--- P---
XXX --- ---
--- ---, CA XXXXX

Gentlemen:

This is to inform you of the position we have taken with respect to your petition for redetermination of sales tax. At the hearing, we gave you 30 days in which to contact the trustee in bankruptcy to see if moneys would be forthcoming from that source in satisfaction of the remaining sales tax liability. Since we have not heard from you, we assume that you have not been successful. We regret that we must recommend to the board that your petition be denied.

As explained at the hearing, you did not communicate with us after incorporating your business on July 21, 1951, and obtain a seller's permit in the name of the corporation. Indeed, on November 14, 1961, you certified on an application for a seller's permit that you were doing business as a partnership. For this reason, we required a security deposit of \$1,200, which was insufficient to cover the sales tax liability of your business. As was pointed out by Mr. R--- at the hearing, if you had told our representative at this time that you were a corporation the board would have required a security deposit of \$3,500. Accordingly, under a well-known doctrine of law called estoppel in pais you are now estopped from asserting a corporate character and we will look for you to pay the remainder of the tax liability outstanding.

Very truly yours,

John H. Knowles
Associate Tax Counsel

JHK:o'b

cc: Hollywood – Subdistrict Administrator
Attached are two copies of the report of hearing officer dated September 25, 1964, which has been approved. The hearing was held in Hollywood on August 24, 1964.