



STATE BOARD OF EQUALIZATION

LEGAL DIVISION (MIC:82)
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Executive Director

August 25, 1993

Mr. S--- O---
Controller
C--- S--- Federal Credit Union
XXXX --- Boulevard
---, CA XXXXX

Dear Mr. O---:

In a letter dated February 16, 1993, I responded to your request for assistance in obtaining a refund of California sales taxes paid to vendors by the C--- S--- Federal Credit Union. In my letter, I stated:

"The amounts that were erroneously paid to the credit union vendors can be voluntarily returned to the credit union by the vendors. The vendors can then credit the amounts refunded to the credit union on the vendors' state tax returns if the amounts were previously reported."

Vendors may deduct sales tax reimbursement collected and then returned by them to their customers from their tax returns only if the collection and return of these amounts occur within the same quarterly period. If the vendors have previously reported amounts collected from their customers on sales tax returns filed, the vendors must submit a claim for refund to the Board rather than deduct the amounts from a subsequent return.

Generally, the vendor has three years after the return reporting the sales tax reimbursement collected was required to be filed to claim a refund of the amounts erroneously collected. (California Revenue and Taxation Code section 6902.)

Very truly yours,

Thomas Cooke
Tax Counsel

TC:plh

cc: Audit Evaluation & Planning - MIC:40