STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)

(916) 445-1516

GEORGE R. REILLY
First District, San Francisco

IRIS SANKEY
Second District, San Di

WILLIAM M. BENNETi
Third District, San Rafael

RICHARD NEVINS
Fourth District, Pasadena

KENNETH CORY
Controller, Sacramento

DOUGLAS D. BELL
Executive Secretary

August 10, 1978

No. 78/140

TO COUNTY ASSESSORS:·

MANDATORY AUDITS: OUT-OF-STATE TRAVEL

County assessors are permitted under Section 470 of the California Revenue
and Taxation Code to request "a person" to bring a true copy of business
records relevant to the amount, cost, and value of all property that he
owns, claims, possesses, or controls within the county to the "person's"
principal place of business, principal location, or principal address in
California, or at a place mutually agreeable to the assessor and the
person.

Under Section 1506 of the California Corporations Code, county assessors
are permitted to request "a domestic or foreign corporation" to bring to
California records relevant to the amount, cost, and value of all prop-
erty subject to local assessment that it owns, possesses, or controls
within the county. They may be brought to the corporation's principal
office in California, or at a place mutually acceptable to the assessor
and the corporation.

We believe the above sections provide the assessor with sufficient
statutory authority to require that foreign and out-of-state domestic
taxpayers bring their records to California for audit purposes. A review
of the audit work papers from prior out-of-state audits will reveal accounts
suitable for processing in this manner. Accounts involving extension
records may not be suited to this treatment. A proper screening and
identification process should reduce travel expenses related to the audit
program.

Please refer any questions to Bud Florence at (916) 445-4982.

Sincerely,

Walter R. Senini
Assistant Executive Secretary
Property Tax Department.

WRS:ce