



STATE OF CALIFORNIA

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August 10, 1978

TO COUNTY ASSESSORS:

No. 78/140

MANADATORY 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 property 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

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