

# CROWN LABEL COMPANY

3410 W. MAYWOOD AVE.

SANTA ANA, CA 92704



(714) 557-3830

## SALES TAX RULES AND REGULATIONS RESALE CERTIFICATES

To our Customers:

In compliance with Sales and Use Tax Laws, it is necessary to have a customer statement on file if you claim Resale Tax Exemption. We are currently updating all of our customers files by requesting a current Resale Certificate. **Any customer without a current Certificate on file will be charged Sales Tax Effective January 1, 1997.** The State Board of Equalization has taken a tough stance on Sales Tax audits. The following is a quote from the State to Graphic Arts Suppliers/Dealers:

"It is important that you clearly understand the law as it applies to the sale of items such as artwork, film, sensitized plates, chemicals, proofing materials, cleaning solutions, various equipment and supplies. When you sell these items, you may not accept blanket certificates of resale. These are taxable transactions and you will be responsible for Retailer's Occupation Tax (State and Local) on your gross receipts from sales. You must collect the Sales and use Tax on these transactions from your customers. The State Board of Equalization has, in the past, viewed sales of these items as sales for the use and continues to take that view.

If your customer contends that specific items are for resale, and that he is registered with the state to collect tax on these items; then he may exempt himself from paying a double tax on those items. Your customer must specify those items that he is collecting tax on and remitting to the State.

As you have been aware, failure to collect tax on these items pursuant to statute, in addition to subjecting you to civil penalties could result in criminal penalties as well. The Department expects your compliance in the future"

SALES TAX EXEMPTION PERMIT NUMBER \_\_\_\_\_

Please list those **specific items of resale:** \_\_\_\_\_

COMPANY NAME & ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

COUNTY: \_\_\_\_\_

AUTHORIZED SIGNATURE: \_\_\_\_\_

PRINTED NAME & TITLE: \_\_\_\_\_

PHONE: \_\_\_\_\_

DATE: \_\_\_\_\_