

BILLING AND REFUND NOTICE

STATE OF CALIFORNIA
BOARD OF EQUALIZATION

P.O. BOX 942879 SACRAMENTO, CALIFORNIA 94279-0001
RIVERSIDE DISTRICT (951) 680-6400



FOR BOE USE ONLY		
RE	PM	
EFFECTIVE DATE OF PAYMENT		
MO	DAY	YEAR



Account: SR EH

Express Login Code:

Notice ID:	November 22, 2013
Amount Due	1,875,169.28
Amount enclosed	_____
Additional charges are due if not paid by 11/30/13 (See instructions below)	
3	

**** Notice of Determination ****

You are hereby notified of an amount due from you as shown below. Please visit our website at www.boe.ca.gov to download publications 17 and 70 to help you better understand our appeals procedures and your rights.

Sales and Use Taxes	TAX	Interest	Penalty	Total
SALES TAX REGULAR				

DETERMINATION ISSUED 11/22/13
As determined by Audit
For the Period 04/01/10-03/31/13

COPY

Revenue	1,542,062.94			1,542,062.94
Interest 08/01/10-11/30/13		178,900.00		178,900.00
Penalty			154,206.34	154,206.34
Subtotal	1,542,062.94	178,900.00	154,206.34	1,875,169.28

AMOUNT-DUE

1,875,169.28

Additional interest will accrue in accordance with the Revenue and Taxation Code section 6591 on the unpaid TAX at the rate of 0.500 % per month. Interest of 7,710.31 will accrue if the TAX is not paid on or before 11/30/13.

A 10% penalty has been added for negligence in accordance with Revenue and Taxation Code section 6478 or 6484.

Additional penalty of \$ 154,206.29 is due if not paid by 12/22/13.

Liability disclosed by audit.

Upon termination of a business, corporate officers or other person responsible for the filing of returns or the payment of tax who willfully fail to pay the taxes collected or use tax due, will be held personally liable for any TAXES as well as interest and penalties on the TAXES, originally owed by KIRK NEGRETE INC under the provisions specified in section 6829 of the Revenue and Taxation Code.

Payments can be made online by going to www.boe.ca.gov and selecting the Make a Payment tab.

If you are paying by check, write your account number and Notice ID, shown above, on the check and include a copy of this notice with your payment. Keep the original notice for your records.



RIVERSIDE DISTRICT

(951) 680-6400

Account: SR EH

** Notice of Determination ** Page 2	Notice ID: [REDACTED]		November 22, 2013		3
Sales and Use Taxes SALES TAX REGULAR	TAX	Interest	Penalty	Total	

Information concerning Determinations

The person against whom a determination is made or any person directly interested may petition for a redetermination with the Board of Equalization within 30 days from the date shown at the top of this notice. A petition must be in writing and state the specific grounds upon which it is founded. Anyone submitting a petition should be prepared to submit documentary evidence to support the specific grounds upon request. If a hearing is desired, it should be requested in the petition. The request should specify whether an appeals conference with a staff counsel or supervising tax auditor at the nearest district or a hearing before the Board in Sacramento is desired. A 10 day notice of the time and place of the hearing will be given.

The filing of a petition will not prevent the accrual of interest. However, the application of additional penalty referred to above would be deferred until 30 days after the date of a notice of redetermination. Prompt payment of undisputed portions of the liability should be made. This will prevent accrual of additional interest thereon and will not in any way affect the protested portions.

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State Board of Equalization - Sales and Use Tax Department

REPORT OF FIELD AUDIT

Account No: SR EH [REDACTED]
Firm Name: [REDACTED]
Owner: [REDACTED]
Owner Type: Corporation
Business Address: [REDACTED]
Mailing Address: [REDACTED]

Case Id: [REDACTED]
Lead Auditor: [REDACTED]
Supervisor: [REDACTED]
Board Office: Riverside Office
Audit Report Date: September 20, 2013
Business Code/SIC: 50
Account Status: Active
Tax Area Code: 360060310000

LIABILITY (OR CREDIT) DISCLOSED BY EXAMINATION OF TAXPAYER'S RECORDS

Examination Period: 4/01/10 to 3/31/13	Tax	Interest to 11/30/13	Penalty	Total
Total Disclosed by Examination	1,542,062.94	178,900.00	154,206.34	1,875,169.28
Balance as of 11/30/13**	\$1,542,062.94	\$178,900.00	\$154,206.34	\$1,875,169.28

**If multiple billings have occurred, the audit liability may not equal the sum of the billings

A 10% penalty for negligence has been added.

TAXABLE MEASURE DISCLOSED BY EXAMINATION OF TAXPAYER'S RECORDS

	State, Local County and STTI	1% State Increase	1/4% State Increase	Total District
1 UNDERSTATED TAXABLE SALES BASED ON MARKUP OF COST	15,487,816	3,743,987	1,335,100	23,656,088
2 DIFFERENCE BETWEEN RECORDED AND REPORTED TAXABLE SALES	3,015,405	2,440,924	19,028	4,605,729
3 EX-TAX PURCHASES OF EQUIPMENT PARTS FROM OUT-OF-STATE RETAILERS	42,776	22,551	4,617	42,776
4 EX-TAX PURCHASE OF RADIAL FABRICATOR FROM OUT-OF-STATE UNREGISTERED RETAILER SUBJECT TO USE TAX	24,000	24,000	0	24,000
5 COST OF TAX-PAID PURCHASES RESOLD CREDIT ON REBAR STEEL SOLD	-132,759	-132,759	0	-132,759
	\$18,437,238	\$6,098,703	\$1,358,745	\$28,195,834



State Board of Equalization - Sales and Use Tax Department

REPORT OF FIELD AUDIT - REAUDIT

Account No: [Redacted]
Firm Name: [Redacted]
Owner: [Redacted]
Owner Type: Corporation
Business Address: [Redacted]
Mailing Address: [Redacted]

Case Id: [Redacted]
Lead Auditor: [Redacted]
Supervisor: [Redacted]
Board Office: Riverside Office
Audit Report Date: May 5, 2016
Business Code/SIC: NAICS: 444110
Account Status: [Redacted]
Tax Area Code: [Redacted]

Report Mailed to the following Additional Addresses.

JESSE W. MCCLELLAN
 508 GIBSON DR STE 120
 ROSEVILLE, CA 95678-5797

LIABILITY (OR CREDIT) DISCLOSED BY EXAMINATION OF TAXPAYER'S RECORDS

Examination Period: 4/01/10 to 3/31/13	Tax	Interest to 6/30/16	Penalty	Total
Total Disclosed by Examination				
Debit or Credit Adjustments				
Payments applied as of 5/23/16				
Balance as of 6/30/16**	\$0.00	\$0.00	\$0.00	\$0.00

**If multiple billings have occurred, the audit liability may not equal the sum of the billings

TAXABLE MEASURE DISCLOSED BY EXAMINATION OF TAXPAYER'S RECORDS

	State, Local County and STTI	1% State Increase	1/4% State Increase	LACT (District)
1 -UNDERSTATED TAXABLE SALES BASED ON MARKUP OF COST	0	0	0	0
2 DIFFERENCE BETWEEN RECORDED AND REPORTED TAXABLE SALES	0	0	0	0
3 EX-TAX PURCHASES OF EQUIPMENT PARTS FROM OUT-OF-STATE RETAILERS	0	0	0	0
4 EX-TAX PURCHASE OF RADIAL FABRICATOR FROM OUT-OF-STATE UNREGISTERED RETAILER SUBJECT TO USE TAX	0	0	0	0
5 COST OF TAX-PAID PURCHASES RESOLD CREDIT ON REBAR STEEL SOLD	0	0	0	0
	\$0	\$0	\$0	\$0