



SCHEDULE
[REDACTED]
[REDACTED]
08/20/10

REF	A	B	C	D	E	F	G	H
						(C+D+E)		
				2005	2006	TOTAL		
1								
2	<FITR>	Gross Receipts (Ex Tax)		1,561,545	2,292,423	3,853,968		
3								
4	<414M>	Total Sales		813,402	799,621	1,613,023		
5	<414M>	Less: Sales Tax Included		47,653	48,962	96,615		
6	(L4-L5)	Total Sales (Ex Tax)		765,749	750,659	1,516,408		
7								
8	(L2-L6)	Differences		795,796	1,541,764	2,337,560		

Comment:

Large differences between Gross Receipts(ex tax) reported on income tax returns and Total Sales(ex tax) reported on sales tax returns. Taxpayer has reported more to IRS than the Board of Equalization and the difference will be assessed in the audit.

REF
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

SACRAMENTO DISTRICT OFFICE
3321 POWER INN ROAD, STE 210
SACRAMENTO, CA 95826-3889
916-227-6700 • FAX 916-227-6746
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco

SEN. GEORGE RUNNER (RET.)
Second District, Lancaster

MICHELLE STEEL
Third District, Rolling Hills Estates

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

KRISTINE CAZADD
Executive Director

March 16, 2012



IN REPLY REFER TO:



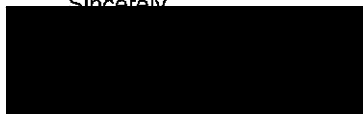
Dear Taxpayer:

We have recently completed the *Report of Examination of Records* resulting from our audit of your firm's records and accounts. You will be pleased to know that this report recommends acceptance of the tax returns that you have filed for the permit number referenced above.

Please note, although we have applied commonly accepted auditing procedures during the course of your audit, the auditor may not have examined all of your transactions. There may still be transactions that you are not reporting correctly. If you have any questions as to the application of tax to a particular product or transaction, please contact your auditor in writing and he/she will provide you with a written response.

We appreciate the courtesy and cooperation extended to our auditor during the audit. If you have any questions regarding this recommendation, please contact us at the above address.

Sincerely,



District Principal Auditor

Enclosures

When you have been unable to resolve a matter through the normal appeals process or for information on your rights, you may contact the Taxpayers' Rights Advocate Office toll-free at 888-324-2798.