

**RESOLUTION**

**INTERGOVERNMENTAL  
RELATIONS**

**WHEREAS**, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

**WHEREAS**, California's Revenue and Taxation Code (RTC) and its Uniform Commercial Code (UCC) assert that a sale of goods is complete at the place at which a buyer inspects and accepts bought goods, so that the sale of a good, negotiated by an in-state sales office, that is shipped from out-of-state to an in-state buyer should be considered complete at the time and place that the in-state buyer inspects and accepts ordered goods; and

**WHEREAS**, the Taxation Department of the State Board of Equalization does not currently allow sales taxes to be paid directly by situs to the places at which goods ordered from out of state are inspected and accepted, despite the instructions governing the definition of a sale in the UCC and RTC; and

**WHEREAS**, sales taxes are to be paid to the district in which a sale is completed, and taxes on sales of goods delivered from an out-of-state location to an in-state purchaser are currently paid into a county pool, of which the City of Los Angeles receives approximately 32%; and

**WHEREAS**, if sales taxes were to be paid directly to the City of Los Angeles, and not into a county pool, the City of Los Angeles would collect a full 100% of those taxes; and

**WHEREAS**, the City of Los Angeles has contracted with MBIA Muniservices Company to handle all issues relating to sales and use taxes and MBIA Muniservices is scheduled to have a hearing (Case ID: LTR04-009) before the State Board of Equalization on December 13, 2005; and

**WHEREAS**, the City of Los Angeles currently has pending one-hundred-eighteen similar cases that involve substantial sums, a rough estimate of the recovery of the claims on these cases being 9.2 million dollars, thus making the principles involved in this particular case important.

**NOW, THEREFORE, BE IT RESOLVED**, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2005-2006 State Legislative Program SUPPORT of MBIA briefs filed in Case ID No. LTR 04-0009 and its oral arguments to the Board of Equalization in its December 13, 2005 hearing that seek to allow sales taxes to be collected by situs in cases where the sale of an out-of-state good is negotiated by an in-state sales office and that good is delivered directly from out-of-state to the in-state purchaser.

PRESENTED BY: \_\_\_\_\_

Bernard Parks  
Councilmember, 8<sup>th</sup> District

SECONDED BY: \_\_\_\_\_

DEC 12 2005