

Date: April 27, 2005

Memo To: Chapter Treasurers

From: State Office

Subject: State Sales Tax Process

As I am sure you are all aware, there are several functions that the state office accomplishes with the help of the Chapter Treasurers. One current project is the collection of data for the preparation of the CNPS tax return each spring. Your help in this area is vital to the proper reporting of our financial data and to the filing of our CNPS income tax return (form 990). Another very important collaboration of the Chapters and the State Office is the collecting and paying of sales tax.

Each chapter has various merchandise and plant sales that involve the application and collection of state and county sales taxes. Incidentally, almost every county in the State of California has a different sales tax rate. In order to compile all the information necessary to pay our fair share of the tax due, the state office sends out a Quarterly Sales Tax Report. Every quarter the Chapter Treasurers must return this report with a payment to the CNPS State Office. The State Office compiles all the information collected from the Chapters and creates a master report that combines all the information into one report. In order for the Society to pay the State Board of Equalization the amount it correctly owes, the chapter sales, as well as the state office sales, are added together to accurately reflect the total sales. Copies of previous tax reports are available at the State Office.

Taxes of any kind are necessary burdens of doing business. The State Board of Equalization's website emphasizes the importance of these payments and the consequences of non-compliance. All of us at the State Office appreciate the importance of our Chapter Treasurers' efforts and we welcome any opportunity to discuss this process with you. Please feel free to call at any time to ask questions, express concerns, or offer suggestions on improving this process.

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