

## Important Notice—Personal Liability for Corporate and Limited Liability Company Sales and Use Taxes

Did you know as a corporate director, officer, member, manager, partner, or other person having control or supervision of the filing of returns or payments of taxes, you may become personally liable for any unpaid sales and use taxes, interest, and penalties?

The California Department of Tax and Fee Administration (CDTFA) may pursue collection action against certain corporate, partner, or limited liability company personnel for any unpaid corporate sales and use tax liability. Revenue and Taxation Code [section 6829](#) states in part:

- a. Upon the termination, dissolution, or abandonment of the business of a corporation, partnership, limited partnership, limited liability partnership, or limited liability company, any officer, member, manager, partner, or other person having control or supervision of, or who is charged with the responsibility for the filing of returns or the payment of tax, or who is under a duty to act for the corporation, partnership, limited partnership, limited liability partnership, or limited liability company in complying with any requirement of (the Sales and Use Tax Law), shall, notwithstanding any provision in the Corporations Code to the contrary, be personally liable for any unpaid taxes and interest and penalties on those taxes, if the officer, member, manager, partner, or other person willfully fails to pay or to cause to be paid any taxes due from the corporation, partnership, limited partnership, limited liability partnership, or limited liability company pursuant to (the Sales and Use Tax Law).
- b. The officer, member, manager, partner, or other person shall be liable only for taxes that became due during the period they had the control, supervision, responsibility, or duty to act for the corporation, partnership, limited partnership, limited liability partnership, or limited liability company described in subdivision (a), plus interest and penalties on those taxes.
- c. Personal liability may be imposed pursuant to this section, only if the Department (CDTFA) can establish that the corporation, partnership, limited partnership, limited liability partnership, or limited liability company had included tax reimbursement in the selling price of, or added tax reimbursement to the selling price of, tangible personal property sold in the conduct of its business, or when it can be established that the corporation, partnership, limited partnership, limited liability partnership, or limited liability company consumed tangible personal property and failed to pay the tax to the seller or to report and pay use tax.

For more information, please see [Regulation 1702.5](#), *Responsible Person Liability*, or contact your local [CDTFA office](#).