

**STATE BOARD OF EQUALIZATION**

1020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 942879, SACRAMENTO, CALIFORNIA 94279-0001)
(916) 445-3723

February 5, 1991

Ms. I--- K. T---
Law Offices of
T--- & W---, Ltd.
XX West --- Street, Suite XXX
---, --- XXXXX

L---, Inc.
SS -- XX-XXXXXX

Dear Ms. T---:

This is in response to your letter of November 27, 1990. We apologize for the extended delay in our reply.

We understand that L---, Inc. ("L---") is an Illinois corporation that has been in the leasing business for approximately 14 years. On March 15, 1990, L--- executed an assignment for the benefit of creditors to B--- L. W---, as Assignee ("Assignee") for all of its assets of every kind, nature and description. The Assignee was given full power and authority to sell or dispose of said assets at the best price possible and distribute the proceeds, if any, among the creditors of L---, as well as wind down the business of L---.

The Assignee's duties and responsibilities under the assignment in question are to liquidate the corporation and dispose of its assets at the best price possible and distribute the proceeds, if any, among the creditors of L---. A copy of the Assignment, dated March 15, 1990, was provided to us with your letter. A copy of a letter dated March 30, 1990, which was also sent to all known creditors of L---, Inc., was attached to your letter. To effectuate the Assignment, the Assignee is supervising the preparation of sales tax and personal property tax returns which are filed in over 43 jurisdictions.

You have sought confirmation of our advice to you, by telephone, that an assignee for the benefit of creditors does not have personal liability under the California Sales and Use Tax Law for sales and use taxes arising as a result of the continuing operation of the business and the ultimate sale of the business assets. We can confirm that advice. While an assignee for the benefit of creditors, like a trustee in bankruptcy, is a "person" under California Revenue and Taxation Code Section 6005, and while an assignee and a trustee in bankruptcy may be a retailer under Revenue

and Taxation Code section 6019, both an assignee and a trustee act in representative capacity and have no personal liability. Any tax liability is the liability of the debtor estate only.

We trust that since our conversation last year our Out-of-State District office completed the registration of this account, and was able to assist you in filing appropriate returns in this state.

Very truly yours,

Gary J. Jugum
Assistant Chief Counsel

GJJ:sr

cc: Out-of-State District Administrator