



State of Utah

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## Utah State Tax Commission

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*Executive Director*

January 16, 2015

Name  
Address  
City, State Zip

### **RE: Verification of Sales and Use Tax**

Letter ID: SP2150000

Dear Name:

The Auditing Division of the Utah State Tax Commission is currently conducting a self-review project on solar panel installers. A self-review project consists of all businesses in a selected industry reviewing their own books and records for potential tax liabilities. Self-reviews are designed to help you become familiar with the tax laws that relate to your business, and assist you in future compliance to help you avoid penalties and interest.

It appears you are in the business of installing solar panels, or providing similar services, in Utah. While the installation services are nontaxable when installing tangible personal property to real property, sales and use tax is imposed on the purchase of the materials that are converted to real property. Installers are considered the final consumers of the materials, and must pay the tax on their purchases. If the seller of the materials did not collect the sales tax, the purchaser must report and pay use tax. The tax rate is based on the location where the material is delivered.

#### **What you should do:**

Read the enclosed **Examples** sheet. It lists some common types of purchases made by solar panel installers that are subject to sales and use tax.

To perform the self-review, follow the **Instructions** included in this packet. The enclosed **Checklist & Questionnaire** outlines the forms you will need to complete and submit. It is important you return the completed forms in the envelope provided, along with your payment of computed tax and interest, if applicable, by **February 17, 2015**.

Please note, all self-reviews are subject to verification by auditors. Any tax self-reported and paid as part of this self-review will be subject only to interest, and the review period will be limited to three years. However, if you do not respond to this notice, we may contact you to schedule an audit. If no sales and use tax returns have been filed, the normal three-year statute of limitations does not apply and the Tax Commission may assess tax, interest, and penalty for an unlimited period.

Name  
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Interest has been calculated to **February 17, 2015**. If payment is made before that date, you may reduce the interest amount accordingly. See the enclosed **Instructions**. If payment is made after **February 17, 2015**, you must adjust the interest and pay the proper amount, or additional interest and a late payment penalty may be assessed on any deficiency.

If a careful review of your records shows Utah use tax was correctly reported for all cases where the seller did not charge you tax on a taxable purchase, complete the **Summary**, including Section D, indicating why you do not owe tax, and sign and date it. Return your response by email to [selfreview@utah.gov](mailto:selfreview@utah.gov), or by mail in the envelope provided, by **February 17, 2015**.

***If you have questions or need additional time:***

Email us at [selfreview@utah.gov](mailto:selfreview@utah.gov) or contact one of the following from 8:00 a.m. to 5:00 p.m., Monday through Friday:

Matthew Duke	(801) 297-4670
Stephen Peterson	(801) 297-4758
Jim Thompson	(801) 297-4647

Additional information to help you complete this self-review can be found on our website at [tax.utah.gov/selfreview/solar](http://tax.utah.gov/selfreview/solar). You may also read related tax references in Title 59 Chapter 12 of the Utah Code, Administrative Rules R865-19S-58 and R865-21U-6, and Publication 42, found on our website at <http://tax.utah.gov/>.

Thank you for your prompt attention and cooperation regarding this matter.

Respectfully,



Michael Christensen  
Tax Audit Manager

Enclosures