

170.0079**Memorandum**

To: Mr. P. K. Taylor Date: December 10, 1985

From: Donald J. Hennessy

Subject: Security Demanded of a General Partner Common to
Three Different Limited Partnerships

Your memorandum of November 4, 1985 relays to us the following question from our Santa Rosa District Office.

“Even though a general partner is the only named taxpayer on three different seller’s permits, in his capacity as general partner on each of the permits he represents different limited partnerships. May the Board demand the maximum of \$10,000 from each account pursuant to Revenue and Taxation Code Section 6701?”

Our answer is yes. The Board may demand the maximum \$10,000 security from each limited partnership pursuant to Revenue and Taxation Code Section 6701. Such section states that the Board, whenever it deems it necessary to ensure compliance, may require any “person” to post security in the maximum amount of \$10,000. Each limited partnership is a different “person” within Revenue and Taxation Code Section 6005, notwithstanding that the general partner may be the same in different limited partnerships, and each limited partnership may be required to post \$10,000 security. This result is not changed by the method the Board staff chooses to identify the limited partnership on the face of the seller’s permit. Such permit is issued to the “person” of the limited partnership not to the general partner.

DJH:rar

cc: R. L. Dick