CDTFA

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

YOUR CALIFORNIA SELLER'S PERMIT

Your Rights and Responsibilities Under the Sales and Use Tax Law

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

A Message from the Director

It is a pleasure to welcome you to the company of more than one million businesses that are registered with the California Department of Tax and Fee Administration (CDTFA). As a seller, you will be reporting taxes to us on a regular basis and may have questions regarding your responsibilities under the Sales and Use Tax Law.

Our website, *www.cdtfa.ca.gov*, contains a wealth of information and is a valuable resource for any questions you may have. You will find a variety of services there, including our electronic tax return filing services. For more information, see *How do I pay the taxes that are due?*. Our team members are also available to assist you and can be reached by calling our Customer Service Center at 1-800-400-7115 (TTY:711) or by visiting your local CDTFA office. See the *For More Information* page for details.

We wish you success with your business and encourage you to contact us if you need assistance. We also welcome your suggestions for improving our services.

Sincerely,

Trista Gonzalez
Director
California Department of
Tax and Fee Administration

The mission of CDTFA is to make life better for Californians by fairly and efficiently collecting the revenue that supports our essential public services.

CONTENTS

Please note: This publication summarizes the law and applicable regulations in effect when the publication was written. However, changes in the law or in regulations may have occurred since that time. If there is a conflict between the information in this publication and the law or regulations, decisions will be based on the law or regulations and not on this publication.

OBTAINING A SELLER'S PERMIT

Who must get a seller's permit?

You must get a seller's permit if you:

- Are engaged in business in California, and
- Intend to sell or lease tangible personal property that would ordinarily be subject to sales tax if sold at retail.

The requirement to get a seller's permit applies to:

- Corporations
- Individuals
- Limited Liability Companies (LLCs)
- Limited Liability Partnerships (LLPs)
- Limited Partnerships (LPs)
- Partnerships
- Married Co-ownerships
- Registered Domestic Partnerships
- Organizations
- Trusts
- Estates
- Joint Ventures
- Receiverships/Fiduciaries
- Local, State, or Federal Governments

Both wholesalers and retailers must apply for a permit.

If you do not hold a seller's permit and plan to make sales during temporary periods, such as Christmas tree sales or rummage sales, you must apply for a temporary seller's permit. Such permits are normally issued to selling operations lasting no longer than 30 days at one location. Additional information is available on our website at *https://cdtfa.ca.gov/taxes-and-fees/faqseller.htm*, or you may contact our Customer Service Center at 1-800-400-7115 (TTY:711), Monday through Friday, 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.

What does "engaged in business" mean?

You are engaged in business in California, even if you are located out of state, if you:

- Maintain, occupy, or use, directly or indirectly, or through a subsidiary or agent, a permanent or temporary office, place of distribution, sales or sample room, warehouse or storage place, or other physical place of business in California, or
- Have a representative, agent, salesperson, canvasser, independent contractor, solicitor, or any other person operating in California on your behalf, including a person operating in California under your authority or under the authority of your subsidiary, for the purpose of selling, delivering, installing, assembling, taking orders for tangible personal property, or otherwise establishing or maintaining a market for your products, or
- Receive rental payments from the lease of personal property that is located in California, such as leases of machinery, equipment, and furniture (for more on leases, see publication 46, *Leasing Tangible Personal Property*), or
- Own or lease real property or tangible personal property located in California such as machinery, equipment, furniture, or a computer server, or
- Exceed $500,000 total combined sales of tangible personal property in California by you and all people related to you during the preceding or current calendar year. A person is related to you if your relationship is as described in Internal Revenue Code section 267(b) and the related regulations.

For more information about California state, local, and district use tax collection requirements, see *Use Tax Collection Requirements Based on Sales into California Due to the Wayfair Decision*.

There are other activities that may qualify a selling operation as being engaged in business in California. Due to the various rules that apply, you should contact our Customer Service Center for assistance at 1-800-400-7115 (TTY:711) to find out if you must obtain a permit.

What is meant by "generally subject to sales tax?”

In general, retail sales of tangible personal property in California are subject to sales tax. Examples of tangible personal property include such items as furniture, household goods, hot food products, toys, antiques, or clothing.

In addition, some service and labor costs are taxable if they are part of the sale of tangible personal property. For example, if you make a ring for a specific customer, you are creating tangible personal property. Therefore, the total amount you charge for the ring, including the charge for labor, would be taxable. This would also be the case if the customer provided the materials for making the ring.

However, labor costs for making repairs, such as resetting a diamond, are not taxable since they do not result in the creation of tangible personal property. You are only repairing or reconditioning existing property.

Labor charges to install or apply property that has been sold is not ordinarily subject to sales tax. The labor charge should be stated separately on the bill. For more information, see publication 108, *Labor Charges.*

For more information on key tax issues relevant to your business industry, please visit our Industry Tax Guides webpage.

We encourage you to call our Customer Service Center at 1-800-400-7115 (TTY:711) for information on what is taxable for your business. You may also order a publication designed for your type of business or request copies of regulations that explain the law in more detail.

How do I apply for a permit?

You can register online for a permit, license, or account by visiting our Permits and Licenses webpage. Online registration is also available in our CDTFA offices. Please contact our Customer Service Center for assistance at 1-800-400-7115 (TTY:711).

If I apply for a permit, what information do I need to provide?

Depending on the type of permit, license, or account for which you are applying, specific information will be required in the online registration process. The following is a checklist of information that you may need before you begin:

- Social security number (corporate officers excluded).
- Driver's license or state identification number. Other forms of acceptable identifications may include but are not limited to U.S. passport, U.S. military ID, consular identification card, or visa (E-2).
- Email address (contact and business).
- Federal Employer Identification Number (FEIN).
- State Employer Identification Number (SEIN).
- For corporations: corporate name, corporate number, and the state of incorporation.
- Name, address, and phone number of partners, corporate officers, members, or managers.
- Names and telephone numbers of personal references.
- Name and address of suppliers.

- North American Industry Classification System (NAICS) code.
- Standard Industrial Classification (SIC).
- Name and address of your bank.
- Name and account number of the merchant credit card processor.
- Name, address, and phone number of the person who maintains your books and records.

Is information regarding my account private?

Your records are generally covered by state laws that protect your privacy. However, under certain circumstances we may release to the public the information printed on your seller's permit, account start date and closeout date, and names of business owners or partners. We may also share your information with certain state and federal agencies, local governments, and private firms authorized to represent them. When you sell a business, we can give the buyer or other involved parties information regarding your outstanding tax liability. With your written permission, we can release information regarding your account to your accountant, attorney, or any other person you choose.

Do I need more than one permit?

If you have more than one place of business (located at a different address), you may obtain a separate permit for each location. Generally, it is possible to obtain a consolidated permit for multiple business locations. At the time you apply for a permit, be sure to provide information for all business locations so we can issue the correct type of permit.

Do I need a permit if I only keep stocks of merchandise in California?

You are not required to hold a seller's permit if all of your sales are made exclusively in interstate or foreign commerce. If you make sales both in and outside of California, at least one permit must be held when you maintain stocks of merchandise in this state. You are also required to hold permits for warehouses or other places in California where merchandise is stored for delivery or to fulfill sales. This is true even if merchandise is used to fulfill your sales made outside California.

Is there a fee charged for a seller's permit?

No. The permit is free. However, we may require a security deposit under certain circumstances, such as when it is mandated by law, if your permit is revoked, or if you have a history of nonpayment.

If I am no longer in business, can I keep my seller's permit?

No. Your permit is valid only if you are actively engaged in business as a seller. If you are no longer conducting business as a seller, you should contact us immediately to cancel your permit. For more information, see *Buying, Selling, or Discontinuing a Business*. We will cancel your permit if we find that you are no longer engaged in business as a seller.

Should I tell CDTFA if I change my business, mailing, or email address?

Yes. This can be done by using your online services profile created during registration. Online services is a convenient, fast, and free way to update your records.

If the ownership of my business changes, do I need to let you know?

Yes. You must notify us directly of any changes in ownership of your business. As explained in *Buying, Selling, or Discontinuing a Business*, if ownership records are not kept current, previous owners are generally liable for taxes, interest, and penalties owed by the business after the transfer.

Incorporating a business or forming a partnership or limited liability company is considered a change of ownership and must be reported. You must notify us directly of any ownership changes. Publishing this information in a newspaper or reporting it to another state agency is not enough notice to us.

In addition, if you add or drop a partner, you should notify us immediately. Notifying us promptly could help limit the personal liability of the departing partner for tax, penalty, and interest charges owed by the business after the partner's departure.

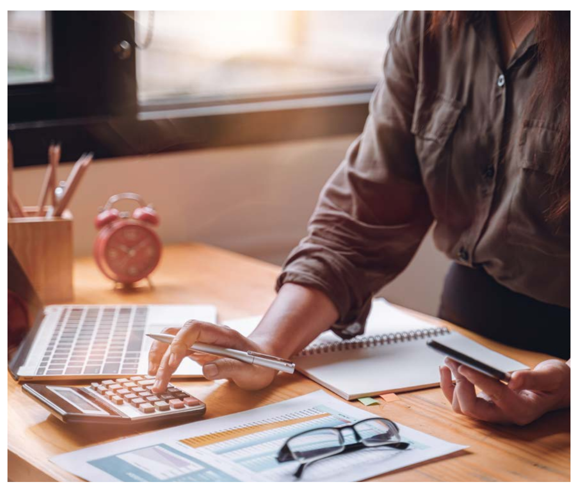
If my spouse or registered domestic partner and I have a seller's permit and we divorce or legally separate and the business is awarded to the other party, should I notify CDTFA?

Yes. This is considered the same as a change of ownership and should be reported. A legal separation or divorce decree awarding the business to one person, without written notification to us, is not enough notice. You should let us know in writing that you are no longer involved in the operation of the business. You can visit our website to get the address for a CDTFA office where you can send your written notice, or you can send your written notice to: CDTFA, P.O. Box 242879, Sacramento, CA, 94279.

Is my seller's permit the same as a business license?

No. You should contact your local business license department to obtain a separate business license.

Should I be registered to pay other taxes or fees?



See *Should I be registered under any other CDTFA-administered tax programs?* for information on some of the other tax and fee programs we administer. You should also check with other state, federal, and local taxing and licensing authorities about any registration requirements they may have. For example, you may need to contact the Franchise Tax Board or the Employment Development Department. The Governor's Office of Business and Economic Development (GO-Biz) offers extensive information on state, local, and federal permit requirements at *www.calgold.ca.gov*. For information regarding how your out-of-state corporation can qualify to do business in California, you may visit the Secretary of State's website. Also, see California's Tax Service Center for information regarding the minimum franchise tax for corporations.

Are my business records subject to audit?

Yes. We may audit your records to determine whether you have paid the correct amount of tax. See *Keeping Records* for information on the types of records you must keep and for how long. The audit may determine that you owe tax, that you are entitled to a refund, or that you have paid the correct amount. In general, we may audit your records in three-year intervals, at the time you close out your permit, or in connection with an audit on another permit you hold. We may start an audit based on information received from outside sources.

What are my obligations as a permit holder?

As a permit holder, you are required to:

- Report and pay sales and use taxes.
- Keep adequate records.

By using your Online Registration account, you should notify us if you:

- Change your business or mailing address.
- Change the ownership of your business.
- Sell your business.
- Buy another business.
- Discontinue your business.

You should also notify us if you change the email address your business uses to communicate electronically with us.

APPLYING TAX TO YOUR SALES AND PURCHASES

As a retailer, you are required to pay sales and use taxes and file tax returns. This chapter provides a general overview of those responsibilities. See Reporting Taxes *for a description of how to file your sales and use tax returns. It is also best to get tax advice in writing.*

What is taxable?

As noted in *Obtaining a Seller's Permit*, retail sales of tangible personal property in California are generally subject to sales tax. Examples of tangible personal property include such items as furniture, household goods, toys, antiques, clothing, and so on. In addition, service and labor costs are subject to sales tax if they are part of the sale of tangible personal property.

Sometimes, retailers must pay use tax rather than sales tax. The most common example of a purchase subject to the use tax is a purchase of an item from an out-of-state retailer for use in California. Out-of-state retailers who are engaged in business in this state are required to collect the use tax, whenever applicable, from the consumer at the time of the sale. For more information, see *When is a purchase subject to use tax?*.

The sales and use tax rates are the same.

Some sales and purchases are exempt from sales and use tax. Examples of exempt sales include, but are not limited to, sales of certain food products for human consumption, sales to the U.S. government, and sales of prescription medicines. For more information on exempt sales, see publication 61, *Sales and Use Taxes: Tax Expenditures*.

Who is responsible for paying sales tax to CDTFA?

As a seller, you are responsible for paying the correct amount of sales tax to us. If you do not pay the correct amount, the additional tax plus applicable penalty and interest will be charged.

Can I collect sales tax from my customers?

Yes. Although you are required to pay and report sales tax to us, you may be reimbursed by your customer for tax you owe on a sale. For example, if you are required to pay $1.75 in sales tax on a sale, you may pass that cost on to your customer, if it is agreed to as part of the sale. The customer agrees to pay the addition of sales tax reimbursement if:

- You list a separate amount for sales tax reimbursement on your receipts or invoices,
- You post a sign in a place that is visible to customers stating that sales tax reimbursement will be added to all prices of taxable merchandise, or make a similar statement on price tags, advertising material, and other printed material directed to the customer, or
- The sales agreement specifically calls for the addition of sales tax reimbursement.

If you include sales tax reimbursement in your prices, rather than listing it separately on your invoices or receipts, you must inform the buyer that tax is included. You can post this information at your premises in a location that is visible to customers, or you can include it on a price tag or in an advertisement. Use one of the following statements:

- "All prices of taxable items include sales tax reimbursement computed to the nearest mill."
- "The price of this item includes sales tax reimbursement computed to the nearest mill."

For more information, see Regulation 1700, *Reimbursement for Sales Tax*.

What tax rate do I use?

The sales and use tax rate varies statewide. You can find the local sales and use tax rates on our California City & County Sales & Use Tax Rates webpage. The statewide base rate is 7.25 percent as of January 1, 2017. However, the rate is higher in locations (special taxing jurisdictions) where voters have approved additional district taxes. Many of these districts encompass an entire countywide area, but some districts are limited to a single city. District taxes may be used for special services such as transportation or libraries, or they may be used to support general services.

Examples:

- In Napa County, the tax rate is 7.75 percent. This rate reflects the statewide base rate of 7.25 percent plus 0.50 percent for the Napa Valley Transportation Authority tax. The 7.75 percent tax rate applies countywide and some cities in Napa County may have a higher rate.
- In the city of Williams, located in Colusa County, the tax rate is 8.25 percent. This rate reflects the 7.25 percent statewide base rate plus 0.50 percent for the City of Williams Transactions and Use Tax and 0.50 percent for the Colusa County Emergency Medical Ground Transport Transactions and Use Tax. The 8.25 percent rate applies only within the city limits of Williams.

More than three-fourths of all businesses in the state are located in, or do business in, a special taxing jurisdiction.

How do I know if I am required to report and pay the district tax for special taxing jurisdictions described above?

As a seller, you must report and pay the district sales tax (called a transactions tax) or use tax on your taxable sales and leases if you:

- Have a business location or are engaged in business within the district,
- Lease tangible personal property that is used in the district, or
- Sell or lease vehicles, undocumented vessels, or aircraft that will be registered or licensed in the district.

You are engaged in business in a district if you are a retailer who:

- Owns or leases real or tangible personal property, including a server, in the district, or
- Maintains, occupies, or uses an office, place of distribution, sales or sample room or place, warehouse or storage place, or other place of business in the district, even if it used temporarily, indirectly, or through an agent or subsidiary, or
- Has any representative, agent, salesperson, canvasser, independent contractor, solicitor, or any other person operating in the district on the retailer's behalf, including a person operating under the authority of the retailer or its subsidiary, for the purpose of making sales or deliveries, installing or assembling, or taking orders for any tangible personal property, or
- Receives rentals from a lease of tangible personal property located in the district, or
- Sells or leases vehicles, undocumented vessels, or aircraft which will be registered or licensed in the district, or
- Has total combined sales of tangible personal property in California or for delivery in California by you and all people related to you exceeding $500,000 in the preceding or current calendar year.

For more information about California state, local, and district use tax collection requirements, see *Use Tax Collection Requirements Based on Sales into California Due to the Wayfair Decision.*

There are some differences between the rules that apply to the payment of taxes in special districts and the payment of sales and use taxes in general. You should refer to publication 44, *District Taxes*, for more information.

If your sales or leases are not subject to a special district tax, you should report tax at the statewide base rate, which is currently 7.25 percent.

How can I find out where special taxing jurisdictions are located?

- You can go to our website at *www.cdtfa.ca.gov* and click on *Tax & Fee Rates.*
- You can call our Customer Service Center at 1-800-400-7115 (TTY:711) during normal business hours and speak to a representative.

What if I collect too much tax from my customer?

If you collect more than the amount of tax due (excess tax reimbursement), you must either return the excess tax reimbursement amount to the customer or pay the tax to us. When you pay the excess tax reimbursement to us, you also need to report the excess tax collected on your sales and use tax return. If you do not return the excess tax, we may bill you. For more information, see Regulation 1700, *Reimbursement for Sales Tax*.

Are barters and exchanges taxable?

Yes. Barters or exchanges are sales or purchases under the Sales and Use Tax Law. Tax normally applies to the fair market value of the property or services received.

For example, assume that you are a retailer of electronic equipment and owe $500 for dental care. In place of cash, you provide a television set from your inventory as full payment for the dental bill. The transaction is considered a taxable sale of the television set, and you must report and pay tax based on the $500.

Are trade-ins taxable?

Yes. The value of a trade-in is considered taxable. For example, if you sold a car for $20,000 and accepted a trade-in valued at $4,000 as partial payment, tax would be based on the $20,000 selling price. When computing sales tax, you cannot deduct the value of the trade-in from the sales price of the car being sold.

Are delivery and handling charges taxable?

Delivery charges

If you have property delivered directly to your customer using a common carrier, the U.S. Postal Service, or an independent contractor, tax does not apply to the delivery charges if the charges are separately stated in the contract for sale or invoice. If the delivery charges are not stated separately, they are taxable.

> *Example*: You sell a refrigerator and have it delivered by an independent contract carrier. On the invoice, you show a $750 charge for the refrigerator plus a separately stated $50 charge for delivery (the amount the carrier charged you). Since the delivery charge is stated separately, tax applies only to the charge for the refrigerator ($750). If the invoice had shown a single charge of $800, tax would apply to the entire amount.

If you charge more for delivery than your actual costs, the added amount is subject to tax. In the example above, if you had charged your customer $60 for delivery, but your actual delivery cost was $50 (the amount the independent contract carrier charged you), tax would apply to the additional $10 charge.

If you use your own vehicle to make the delivery, tax generally applies to the delivery charges whether or not those charges are separately stated on the invoice Tax does not apply to delivery charges using your own vehicle if the transportation charges are separately stated, the transportation charges are for transportation from the retailer's place of business or other point from which the shipment is made directly to the purchaser, and the transportation occurs after the sale of property is made to the purchaser.

Example: You sell a refrigerator and deliver it to your customer using your own vehicle. On the invoice, you show a $750 charge for the refrigerator plus a separately stated $50 charge for delivery. Tax applies both to the delivery charge and the charge for the refrigerator.

Handling charges

Handling charges are generally taxable.

Combined charges

If you charge a single amount for delivery and handling (for example, the invoice shows a single amount for "postage and handling" or "shipping and handling"), the portion of the charge that represents handling is generally taxable, while the portion that represents delivery may or may not be taxable. For more information, see publication 100, *Shipping and Delivery Charges*.

It is important to use terms such as "delivery," "shipping," or "postage" on the invoice to represent the delivery charges. A separately stated charge that says only "handling," for example, is not considered a delivery charge, and the entire handling charge is taxable even if postage or shipment charges are indicated on the package.

For more information on delivery charges, or information on how tax may apply to a specific transaction, please call our Customer Service Center at 1-800-400-7115 (TTY:711). You can also see Regulation 1628, *Transportation Charges*, or publication 100, *Shipping and Delivery Charges*.

I make drop shipments on behalf of out-of-state retailers. Am I liable for sales tax?

If you make drop shipments to California customers for out-of-state retailers, you are not liable for tax on your sales to the out-of-state retailer if that retailer holds a valid California seller's permit or a California Certificate of Registration-Use Tax. The out-of-state retailer is liable for tax on the sale to the California customer.

However, you will owe tax if the out-of-state retailer does not hold either type of permit and the retail sale of the property is subject to California sales or use tax. The retail selling price of the item would be either of the following:

- The amount the out-of-state retailer charged the California customer.
- The amount you charged the out-of-state retailer plus a markup of 10 percent.

If the California customer is purchasing the property for resale, you are not liable for tax if you keep in your records a valid California resale certificate from the customer. For more information, see publication 121, *Drop Shipments*.

If I accept foreign currency as payment, how do I figure tax?

Tax is measured in United States dollars based on the conversion rate of the foreign currency as of the date of the sale.

Where can I get more information?

We encourage you to take advantage of our other resources, such as our website, classes, forms, and publications. Multilingual translations of certain publications are also available. See *For More Information*.

REPORTING TAXES

What is a sales and use tax return?

A sales and use tax return is used by seller's permit holders to report their sales and pay their sales and use taxes to us. Permit holders are required to file a tax return. Based on the types of deductions claimed, some businesses may qualify to use the shorter return online or CDTFA-401-EZ, *Short Form—Sales and Use Tax Return*.

When do I file my tax return?

When you obtain your seller's permit, you will be instructed to file your tax return on a monthly, quarterly, quarterly prepay, fiscal annual, or annual reporting basis.

Your tax return is due after the close of each reporting period. For example, if your period closes on June 30, your tax return and payment is due on July 31, the last day of the following month. If the due date falls on a Saturday, Sunday, or legal holiday, returns are due the following business day.

You must file your tax return and pay the tax due by the return due date. Failure to receive a return or reminder from us does not excuse you from the requirement to file.

What happens if I file a late tax return or my tax payment is overdue?

If you file a late return or make a late tax payment, you are responsible for interest and penalty charges. If you pay your full tax liability on time but do not file your return on time, you are still responsible for a penalty for filing a late return. For more information, see publication 75, *Interest, Penalties, and Collection Cost Recovery Fee*.

Under limited circumstances, we may allow more time (up to one month) for filing a return. If we grant more time and the return is filed and paid within that time, you will owe interest on the payment but will not be required to pay a penalty. If you are unable to file your return on time, you should submit a request for an *Extension of Time to File a Tax Return* online.

If I don't owe taxes, do I still file a return?

Yes. Even if you owe no taxes for the reporting period, have no sales for the period, or all your sales are nontaxable, you must still file a return.

What types of sales are included under gross sales?

The law requires that you report any sale of tangible personal property, whether or not you have been paid for the tangible personal property. Normally, payment for your sales will be in the form of money, such as cash and credit card sales. However, there may be times when you will receive other forms of payment, such as exchanges of property, and the fair market value of those payments must be reported.

Do not include receipts for the following sales under total sales:

- California Lottery sales (scratchers, lotto tickets, and so on)
- Money order service charges
- Sales of gift certificates (see *Please note* below)
- Electronic waste (eWaste) fee charges

Please note: Although you do not include the sale of a gift certificate under your total sales, you do report the sale that occurs when you accept the certificate for a taxable sale of merchandise or property. The sale must be reported for the reporting period in which the sale occurred.

As mentioned in the previous chapter, you must report a sale for the tax reporting period in which the sale occurs, even if you receive payment in a different period. For example, you sold an item in June for $500 and allowed the customer to take possession of it immediately on credit. Since the sale took place in June, you must report the $500 sale for June, regardless of when you receive the full payment for the sale.

When is a purchase subject to use tax?

A purchase may be subject to use tax for a number of reasons. The most common reasons are:

- You purchased property from a reseller and provided them with a resale certificate. As explained in *Using a Resale Certificate*, if you use a resale certificate to purchase merchandise that you intend to resell, your supplier will not collect sales tax reimbursement. However, if you use the merchandise for another purpose before you resell it, you are liable for use tax at the time of that use. Using merchandise for display or demonstration purposes before resale is generally not considered a use that is subject to use tax.
- You used property purchased from an out-of-state retailer. In general, if you purchase equipment or merchandise from an out-of-state retailer without paying California tax and use the property for a purpose other than for resale, the purchase is subject to use tax and must be reported.

Use tax may also apply to leases. For information on leases, see publication 46, *Leasing Tangible Personal Property in California*.

How do I report a use tax liability?

Individuals

You can either pay once a year when you file your California state income taxes or make payments directly to us after each purchase by using online registration on our website at *www.cdtfa.ca.gov*.

If you buy a vehicle or vessel from someone who is not a California dealer, you are generally required to pay use tax to the Department of Motor Vehicles (DMV) upon registration for the use of the property in this state. For more information, see publication 52, *Vehicles and Vessels: Use Tax*.

Businesses

Business owners that have a California sales or use tax permit are required to report use tax related to their business purchases with their returns.

A "qualified purchaser" must register with us and annually report and pay use tax directly to us, as required by Revenue and Taxation Code (RTC) section 6225. If you are not required to hold a seller's permit and are not currently registered with us for use tax purposes, you may be required to register as a "qualified purchaser."

Prior to January 1, 2024, a "qualified purchaser" was defined as a person that received at least $100,000 in gross receipts from their business operations per year and was not otherwise required to be registered with us. Gross receipts are the total of all receipts from both in-state and out-of-state business operations.

Beginning January 1, 2024, Assembly Bill 1097 (Stats. 2023, ch. 355) revised the definition of a "qualified purchaser" to eliminate the requirement that the person receives at least $100,000 in gross receipts per calendar year from business operations. It instead requires that the person makes more than $10,000 in purchases subject to use tax (excluding vehicles, vessels, or aircraft) per calendar year if the use tax imposed on those purchases has not otherwise been paid to a retailer engaged in business in this state or authorized to collect the tax. This change is effective from January 1, 2024, through December 31, 2028.

On January 1, 2029, that definition of a "qualified purchaser" will revert to the person receiving at least $100,000 in gross receipts per calendar year from business operations.

You can register on our website by selecting *Register Online* under *Register for a Permit*, and then select *Register a New Business Activity*. Once you have registered, you may pay any use tax due after filing your return. If you need help with your online registration, please call our Customer Service Center at 1-800-400-7115 (TTY:711) or visit your local CDTFA office. For additional information, see publication 126, *Mandatory Use Tax Registration for Service Enterprises*.

Purchases from out-of-state retailers

Some out-of-state retailers hold a *Certificate of Registration—Use Tax* and will collect and report California use tax on their taxable sales to customers in this state. If you paid California use tax to such a retailer, you are not required to report the tax. That retailer must provide you with a receipt showing, among other things, the amount of use tax collected. You should keep a copy of the receipt showing you paid the use tax.

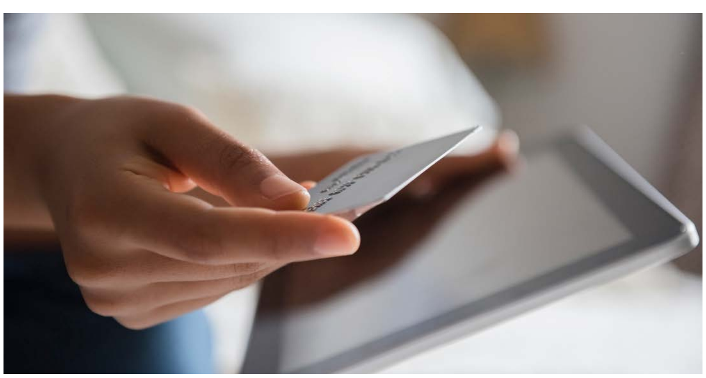
If you properly paid another state's sales or use tax on the merchandise and declared the amount of the purchase on your return, you can deduct the amount of tax paid to the other state on your return (up to the amount of the California tax due). However, if you resell the property, you cannot claim the credit.

How do I pay the taxes that are due?

There are several easy and convenient payment options available to pay your taxes. They are:

- Directly from your bank account. After you file your tax return online, you can choose to have the funds transferred directly from your account to ours by supplying your bank routing number and bank account number. Payments can be held for any banking day you select up to the due date of the tax return or prepayment.
- Credit card or debit card. You can make electronic payments to you CDTFA account either through bank debit or with a credit card. We accept the following credit cards: American Express®, Discover®, MasterCard®, and Visa®. Instructions for charging your payment are available on our website by selecting *How Do I...* and then selecting *Make a Payment*.
- Paper check or money order. After you file your tax return online, you can choose to print out a payment voucher to mail with your check. Please do not send cash through the mail. Make your check or money order payable to the California Department of Tax and Fee Administration and write your account number on the memo line. Hand-delivered payments must reach our offices on or before the due date. Payments sent through the mail must be postmarked on or before the due date.
- Electronic funds transfer (EFT). EFT payments are currently required for businesses that pay an average of $10,000 per month for sales and use taxes. Other businesses can make EFT payments on a voluntary basis. For more information on EFT payments, visit our website and select *How Do I...* and then select *Make a Payment*.

Regardless of how you pay, you must file your return and make your payment on time.



Can I round to the nearest dollar?

Yes. You may round to the nearest whole dollar on your tax return. An amount of less than 50 cents would be rounded to the next lowest dollar, and an amount of 50 cents or more would be rounded to the next highest dollar. For example, $127.49 would be rounded as $127.00, and $127.50 would be rounded as $128.00.

Sales suppression software programs and devices

It is a crime for anyone to knowingly sell, purchase, install, transfer, or possess software programs or devices that are used to hide or remove sales and to falsify records.

Using these devices gives an unfair competitive advantage over business owners who comply with the law and pay their fair share of taxes and fees. Violators could face up to three years in county jail, fines of up to $10,000, and will be required to pay all illegally withheld taxes, plus penalties, including applicable interest and fees.

What happens if I do not file a tax return?

In July 2022, we implemented a new automated billing process for taxpayers that do not file timely returns. You will receive a reminder to file before and after the due date of the return. The reminders may be in the form of an email, a notice, a text message, or a phone call. If you still do not file your return, you will receive a statement of the proposed amount to be billed before receiving a bill and then an actual bill for the amount we determine you owe. We may also revoke your seller's permit, an action which will prevent you from legally operating your business. If we revoke your permit and you continue to operate your business as provided by RTC section 6701, you may be guilty of a misdemeanor that is punishable by a fine of $1,000 to $5,000, imprisonment for up to one year, or both, as provided by RTC section 7153.

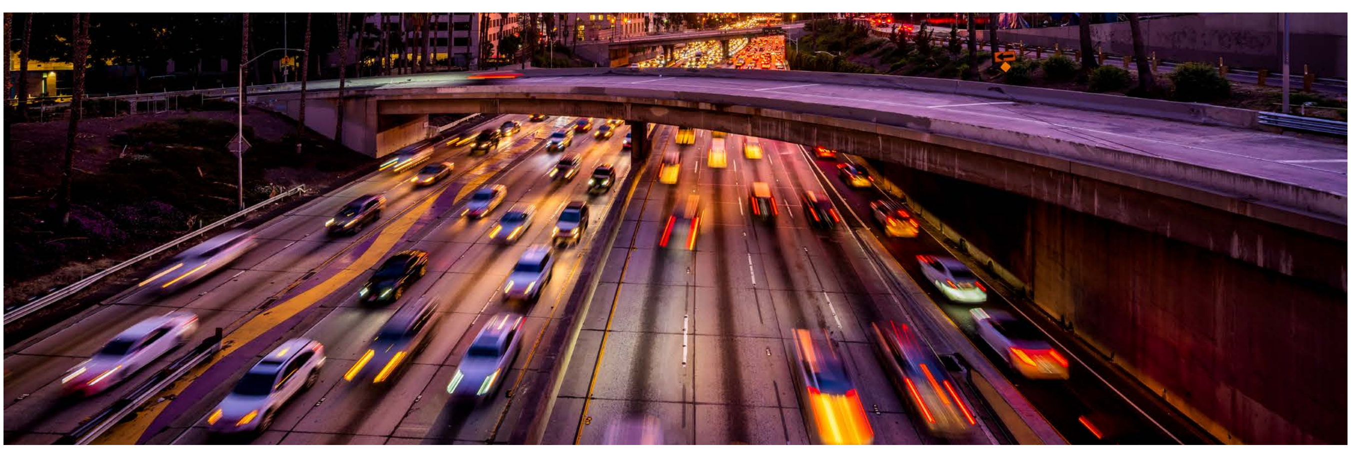
You can file your return online at any time. If you cannot pay the amount due, you can request a payment plan using your Online Services profile. If you do not have a username and password, you can sign up now to register for an Online Services profile.

What are prepayment accounts?

We require businesses with average taxable sales of $17,000 or more per month to make tax prepayments. We will notify you in writing if this requirement applies to you. Please do not make prepayments without our written authorization.

If I sell or distribute fuels, are there additional requirements for reporting or payment of sales tax?

If you are a wholesaler or supplier of certain fuels, you must collect a prepayment of a portion of the sales tax at certain points in the fuel distribution process. You must also report and pay the amounts you collect on Motor Vehicle Fuel Pre-Collection returns. If you are a retailer or other seller of fuel who has prepaid sales tax to your suppliers, you can reimburse yourself by claiming a credit for the prepaid tax when you file your sales tax returns. For more information, see publication 82, *Prepaid Sales Tax and Sales of Fuel,* or call our Customer Service Center at 1-800-400-7115 (TTY:711).



If a customer pays after the tax reporting period, or pays in installments, when is the tax due?

Tax is due for the period in which the sale takes place—when a customer takes possession of, or title to, an item. This is true whether you receive payment at that time (in cash, for example) or at a later date (such as credit sales). Accordingly, you must report credit or charge sales for the period in which they occur, regardless of when you receive payment.

Lease payments, however, are treated differently. They are generally reported for the period in which you receive them, regardless of when the taxable lease began. You would not report any unpaid lease balances due. (Different rules apply to leases of trucks, aircraft, and other mobile transportation equipment.)

For detailed information on leases, see Regulation 1660, *Leases of Tangible Personal Property—In General,* or Regulation 1661, *Leases of Mobile Transportation Equipment*. You may also see publication 46, *Leasing Tangible Personal Property in California*. This information is also available by calling our Customer Service Center at 1-800-400-7115 (TTY:711).

I report taxes annually. If I close or sell my business, when do I report taxes?

You are required to file a final tax return when closing your business. If you close your business between January 1 and March 31, you must file your final sales and use tax return by April 30. If you close between April 1 and June 30, the filing date is July 31. If you close between July 1 and September 30, the filing date is October 31. If you close between October 1 and December 31, the filing date is January 31.

At the time you close or sell your business, you should contact our nearest CDTFA office. You must file a final sales and use tax return, which should include your sales of fixtures and equipment. For more information, see publication 74, *Closing Out Your Account*.

Where can I get help in completing a tax return?

Help is available on our website, by telephone, and in person at our CDTFA offices. On our website, help is available through an online tutorial of our Basic Sales and Use Tax AND Tax Return Preparation (combined) class, which is also available in our offices throughout the state. The class takes you step-by-step through completing a return.

Frequently asked questions (FAQs), publications, laws, and regulations are also available on our website. You can enter a topic in the search field at the top of the screen and access a variety of information sources. You may also call or visit one of our CDTFA offices or call our Customer Service Center at 1-800-400-7115 (TTY:711) for assistance. Our team members will explain how to complete the tax return correctly. Although we cannot prepare the return for you or review your records to determine what amount to report, we will be glad to explain what information is required and how to enter it.

My accountant prepares my tax returns. Can my accountant file my return for me?

Yes. Your accountant can be registered online with their own Online Services profile to file your return for you.

ONLINE SERVICES

CDTFA is committed to providing online services for all taxpayers. Visit our Online Services—Overview webpage for more information. We currently offer the following online services:

Register for a Permit, License, or Account

- You can register online for a permit, license, or account for sales and use tax and most of the Special Tax and Fee programs.

Renew Your License

- Cigarette and tobacco products
- International Fuel Tax Agreement (IFTA)
- Use fuel tax (annual flat rate decal)

File a Return

- We offer convenient online filing services for eligible accounts. The following programs do not have a return filing obligation with us:
  - Childhood Lead Poisoning Prevention Fee
  - Marine Invasive Species Fee
  - Tax on Insurers
  - Water Rights Fee

Online Payment Options

- Pay direct from your bank account (ACH)
- Credit card payments—sales and use tax returns and prepayments, special taxes returns, accounts receivable, audit payments, and fee payments for nearly all tax and fee programs.
- Electronic funds transfer (EFT)—payments can be initiated online or by telephone.

Online Relief Requests

- Declaration of timely mailing
- Extension of time to file a tax/fee return
- Relief from penalty or interest
- Relief from penalty and interest due to disaster
- Relief of the collection cost recovery fee
- Relief from interest due to an unreasonable error or delay by CDTFA or DMV

Cigarette Tax Stamp Program

- Licensed cigarette distributors may order cigarette tax stamps and check the status of their orders online.

Permit/License Verification

- Verify if a seller's permit number included on a resale certificate is valid
- Verify if a cigarette/tobacco license is valid
- Verify if a vendor of covered electronic devices (CEDs) is registered to collect and remit the electronic waste fee
- Verify if an Underground Storage Tank Maintenance Fee account is valid

Payment Plan

- Request a payment plan if you cannot pay your total past due amount

Additional CDTFA Online Services

- Make electronic payments to your CDTFA account either through bank debit or with a credit card.
- View your payment history.
- Find CDTFA office locations, addresses, and telephone numbers..

BUYING, SELLING, OR DISCONTINUING A BUSINESS

Whenever you buy, sell, or discontinue a business, you will need to contact us. If you are buying a business, you may need to obtain a seller's permit, license, or special tax and fee account. If you are selling or discontinuing a business, you will need to close out your account. If the business in question is a corporation or limited liability company, please read the last paragraph in this chapter in addition to the information below.

What do I need to do if I am buying a business?

To protect yourself from having to pay any taxes, fees, surcharges, and assessments (taxes) owed by the business you are buying, you should request a tax and fee clearance from us. To complete the tax and fee clearance request online, visit our Online Services webpage and select the *Request a Tax and Fee Clearance*, which is under *Limited Access Functions.* Alternatively, you can submit a written request for a tax and fee clearance to your local CDTFA office.

The following is a list of information to include in your written request for a tax and fee clearance:

- The name, address, telephone number, and email address of the purchaser.
- The name, address, telephone number, and email address of the seller.
- The business address. List every location you are purchasing. If you are purchasing all locations of the business, simply note that in the request instead of listing every address.
- A copy of the bill of sale or purchase agreement with the purchase price.
- The name of the escrow company and escrow number, if applicable.
- The date the business was purchased.

If you do not obtain a tax and fee clearance before you buy the business and the previous owner left amounts unpaid, you could be required to pay the unpaid amounts, including interest and penalties that are due (up to the purchase price for the business, which includes any assumption of debt). For more information, see Revenue and Taxation Code section 55191 or Regulation 1702, *Successor's Liability.*

After receiving your written request for a tax and fee clearance, we will determine whether the business you are buying owes any amounts. If any money is owed, we will notify the current owner to pay the amount due, or we will advise you of an amount to withhold from the purchase price to cover the potential liability. This amount must be paid to us before we can issue CDTFA-471, *Certificate of Payment.*

If the business you are buying has more than one location and you are buying all of the locations, you need only one clearance. However, if you are buying one or more locations—but not all of them—you should request a tax and fee clearance for each location.

If you are buying a business through an escrow company, you should make sure that the company requests the tax and fee clearance on your behalf. It is important to remember that if there is an amount owed by the current owner and escrow closes without CDTFA-471, you may owe unpaid amounts due, as noted above.

Am I required to set money aside to cover unpaid amounts owed by the previous owner?

Yes. If we do not issue CDTFA-471, you must withhold enough of the purchase price of the business to cover any amount owed to us by the former owner until they produce:

- A receipt from us showing all amounts have been paid, or
- CDTFA-471, stating that no amount is due.

If we have provided you with CDTFA-417 for the business, you are no longer legally required to set aside funds to cover the unpaid amount.

Do I need to apply for a new seller's permit if I buy another business?

Yes. A new permit would be required to show you as the current owner. You will need to provide the same information required of all seller's permit applicants. For more information, see *Obtaining a Seller's Permit*.

Do I need to tell CDTFA I am closing or selling my business?

Yes. You must notify us in writing if you intend to sell or close your business. For instructions on how to notify us, see publication 74, *Closing Out Your Account*.

We will close out your account and cancel your seller's permit. If you provided a cash or interest-bearing security deposit to us when we issued your seller's permit, the entire deposit or any unused portion will be returned to you depending on whether any amounts remain to be paid. For this reason, it is important that we have your current mailing address on file.

If you do not notify us when you sell your stock of goods, you may be liable for any amounts due including interest and penalties incurred by the purchaser or successor. For more information, see Regulation 1699, *Permits.*

Please note: It is a misdemeanor to use your seller's permit if you are no longer actively engaged in business.

If I withdraw from a partnership, should I notify CDTFA?

Yes. You should notify us whenever a partner is added or dropped. Notifying us promptly could help limit the personal responsibility of partners for taxes, penalties, and interest charges that are incurred after the partnership change. You should let us know of the change by writing to the CDTFA office that handles your account. Publishing this information in a newspaper or notifying another state agency is not enough notice to us.

If I withdraw from a business, leaving my spouse or registered domestic partner as sole owner, should I notify CDTFA?

If your name is on the seller's permit with your spouse or registered domestic partner and you withdraw from ownership of the business, you should let us know of the change in writing. A legal separation or divorce decree awarding the business to one person, without written notification to us, is not sufficient notice. The person who remains and operates the business must obtain a new seller's permit.

The following information applies to corporations and limited liability companies:

Under certain circumstances, responsible individuals may be liable for tax, penalty, and interest owed by corporations, limited liability companies, and limited liability corporations. For more information, see Regulations 1702.5, *Responsible Person Liability,* and 1702.6, *Suspended Corporations.*

USING A RESALE CERTIFICATE

Why are resale certificates required?

If you purchase tangible personal property for resale, the transaction is not subject to sales or use tax if the sale is properly documented. As a result, your supplier will ask you to provide a resale certificate as proof that the property was purchased for resale.

What information must a resale certificate include?

The certificate may be in any form, such as a note, letter, or memorandum. However, the certificate must contain:

- The name and address of the purchaser.
- The number of the seller's permit held by the purchaser (if the purchaser is not required to have a seller's permit, see note below).
- A description of the property to be purchased.
- A statement that the described property is being purchased for resale. The certificate must contain words that state the property "will be resold" or is "for resale." The use of words such as "nontaxable" or "exempt" or similar terms is not acceptable.
- The date of the document.
- The signature of the purchaser or someone authorized to act on their behalf.

We do not require a specific resale certificate form. However, you may download and use CDTFA-230, *General Resale Certificate,* from our website or obtain a copy through our Customer Service Center. For more information, see Regulation 1668, *Sales for Resale*, which contains a sample resale certificate for use by auto body repair and paint businesses.

Some businesses are not required to hold a seller's permit (for example, a business may not make any sales in this state, or it may sell property whose retail sale is not subject to sales tax). If you are selling to a purchaser who is not required to hold a seller's permit but who wishes to make a purchase using a resale certificate, the purchaser must indicate on the certificate that they do not hold a seller's permit and why a permit is not required.

What are my responsibilities as a buyer using a resale certificate?

You should not use a resale certificate if there is any question that you will resell the property. If you are purchasing a combination of items where some are for resale and others are taxable (for personal use, for example), you must clearly indicate to the vendor which items are being purchased for resale.

There may be times when you are not sure whether the items you are purchasing are for resale or for personal use. In such cases, we recommend that you pay sales tax reimbursement or use tax to your supplier. If, at a later date, you resell an item before making use of it, you can take a deduction on the tax return on which you report the sale under *Cost of Tax-Paid Purchases Resold Prior to Use*.

Do I need to submit a resale certificate each time I make a purchase?

No. If you make several purchases from one vendor, you may file one resale certificate with that vendor to keep on file. If purchase orders are used, in the part of the resale certificate where you describe the property being purchased, you may enter "see purchase order." When you make purchases from that vendor, you must then clearly indicate on the purchase order which items are being purchased for resale (by using the words "for resale"). We assume that items not marked for resale are being sold to you at retail and are, therefore, subject to tax.

What are my responsibilities as a seller accepting a resale certificate?

As a seller, you should always note the general nature of the purchaser's business. If the nature of the business is such that the property purchased would not normally be resold by the purchaser, you should question the use of the certificate.

For example, a resale certificate describing the business as a service station should not be accepted for the purchase of a sofa or a similar item not regularly sold by service stations. If the purchaser insists that the item is to be resold, you should ask for a resale certificate stating that the specific property is being purchased for resale in the regular course of business. If the purchaser is unwilling to provide one, you should consider the sale taxable.

You should not accept the certificate if you know or have reason to believe the property is being purchased for a purpose other than resale.

You are required to take a resale certificate in a timely fashion. That is, it must be taken:

- Before you bill the purchaser for the property,
- At any time within your normal billing and payment cycle, or
- At any time prior to delivery of the property to the purchaser.

You must keep resale certificates you accept from others to show that a sale was for resale and therefore not subject to tax.

For more information on making sales for resale, see publication 103, *Sales for Resale.*

Can I find out if a seller's permit number is current?

Yes. If another seller has given you a resale certificate to make a purchase for resale, you can visit our website or call our Customer Service Center at 1-800-400-7115 (TTY:711) to verify the seller's permit number. For more information, see the *Internet* section of the *For More Information* page.

Are there any penalties for the illegal use of a resale certificate?

Yes. If you give a resale certificate to purchase property that you know at the time will not be resold in the regular course of business, you will be liable for:

- The amount of tax that would be due had the certificate not been used, and
- Interest on the tax due (computed from the time the property was purchased).

In addition, you may have your seller's permit revoked and may be required to pay one or both of the following:

- A penalty of 10 percent of the tax or $500, whichever is greater, for each purchase made for personal gain or to evade payment of tax.
- A 25 percent penalty for fraud or intent to evade the tax.

It is a misdemeanor to issue a resale certificate to a seller to evade payment of tax. Each offense is punishable by a fine of $1,000 to $5,000, imprisonment for up to one year in the county jail, or both.

KEEPING RECORDS

Because you are required to pay the correct amount of tax and account for your business purchases and sales, it is essential that you keep adequate records. For more information on keeping records, see Regulation 1698, Records, *and publication 116,* Sales and Use Tax Records. *In addition, publications prepared for specific types of businesses include information on recordkeeping.*

The following information applies to the sales and use tax programs and other CDTFA tax programs. Other government agencies may have different recordkeeping requirements.

Am I required to keep business records?

Yes. You are required to keep business records so that representatives from our agency may:

- Verify the accuracy of sales and use tax returns.
- Determine if tax is due if a return has not been filed.

If you do not keep accurate records, we may consider this evidence of negligence or intent to evade the tax and could result in penalties.

What types of records do I keep?

You must keep records that are necessary to determine the correct tax liability under the Sales and Use Tax Law, such as:

- The normal books of account (books of account can include information stored on computers).
- Documents of original entry (for example, bills, receipts, invoices, job orders, contracts, or other documents) supporting the entries in the books of account.
- All schedules or working papers used to prepare your tax returns.

What should my records show?

Your records must show all of the following:

- Gross receipts from all sales or leases of tangible personal property—even sales or leases you may consider to be exempt from tax.
- All deductions claimed in filing returns.
- The total purchase price of all tangible personal property purchased for sale, consumption, or lease.

How long do I keep my business records?

You should keep required sales and use tax records for at least *four years* unless we give you specific, written authorization to destroy them sooner. However, there may be instances where you would need to keep records for a longer period. For example, you must keep records longer than four years in the following circumstances:

- If you are being audited, you should retain all records that cover the audit period until the audit is complete, even if that means you should keep them longer than four years.
- If you have a dispute with us about how much tax you owe, you should retain the related records until that dispute is resolved. For instance, if you appeal the results of an audit or another determination, or you file a claim for a refund, you should keep your records while that matter is pending.

Should I keep resale or exemption certificates that I have accepted?

Yes. You need to keep the certificates to document claimed nontaxable sales. If you do not keep these records, you may be required to pay tax, interest, and penalty charges if you cannot otherwise prove a sale was not taxable.

Copies of CDTFA-230, *California Resale Certificate,* are available on our website and from our Customer Service Center at 1-800-400-7115 (TTY:711).

Should I be registered under any other CDTFA-administered tax programs?

In addition to the state's sales and use taxes, we administer a number of other taxes and fees. Publication 51, *Doing Business in California—What You Need to Know*, provides a listing of all CDTFA-administered tax and fee programs.

The list on the next page includes some of the other tax and fee programs we administer. You can register for most special taxes and fees programs using online registration. Programs for which you can register online are identified by an asterisk (*) below. For further information on a particular program, please visit our website or contact:

Special Taxes and Fees

California Department of Tax and Fee Administration, MIC:88 PO Box 942879
Sacramento, CA 94279-0088
Telephone: 1-800-400-7115 (TTY: 711)
Fax: 1-916-445-6122

- Aircraft Jet Fuel Tax*
- Alcoholic Beverage Tax*
- California Electronic Cigarette Excise Tax*
- California Tire Fee*
- Cannabis Taxes*
- Childhood Lead Poisoning Prevention Fee
- Cigarette and Tobacco Products Licensing Program*
- Cigarette and Tobacco Products Tax*
- Covered Battery-Embedded (CBE) Waste Recycling Fee*
- Covered Electronic Waste Recycling Fee*
- Diesel Fuel Tax*
- Emergency Telephone Users Surcharge*
- Energy Resources Surcharge*
- Firearm and Ammunition Product Sellers*
- Hazardous Waste Disposal Fee (ended June 30, 2022)
- Hazardous Waste Environmental Fee*
- Hazardous Waste Facility Fee
- Hazardous Waste Generation and Handling Fee*

- Integrated Waste Management Fee (Solid Waste & Wood Waste)
- Lead-Acid Battery Fee*
- Lithium Extraction Excise Tax
- Lumber Products Assessment Fee*
- Marine Invasive Species (Ballast Water) Fee
- Motor Vehicle Fuel Tax*
- Natural Gas Surcharge*
- Occupational Lead Poisoning Prevention Fee*
- Oil Spill Response, Prevention, and Administration Fees*
- Prepaid Mobile Telephony Services (MTS) Surcharge*
- Timber Yield Tax*
- Underground Storage Tank Maintenance Fee*
- Water Rights Fee

Motor Carrier Office

California Department of Tax and Fee Administration, MIC:65 PO Box 942879
Sacramento, CA 94279-0065
Telephone: 1-800-400-7115 (TTY:711)

- Diesel Fuel Tax (Exempt Bus Operators & Govt. Entities)*
- International Fuel Tax Agreement (IFTA)*
- Interstate User Diesel Fuel Tax (DI)*
- Use Fuel Tax*

FOR MORE INFORMATION

For additional information or assistance, please take advantage of the resources listed below.

CUSTOMER SERVICE CENTER
1-800-400-7115 (TTY:711)

Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays. In addition to English, assistance is available in other languages.

OFFICES

Please visit our website at *www.cdtfa.ca.gov/office-locations.htm* for a complete listing of our office locations.

INTERNET

www.cdtfa.ca.gov

You can visit our website for additional information—such as laws, regulations, forms, publications, industry guides, and policy manuals—that will help you understand how the law applies to your business.

You can also verify seller's permit numbers and certain CDTFA licenses or accounts using our Online Services and selecting *Verify a Permit, License, or Account*.

Our publications are available on our website at *www.cdtfa.ca.gov/formspubs/all-forms-and-publications.htm*.

We also provide multilingual versions of many of our resources on our webpage, *www.cdtfa.ca.gov/languages.htm*, including publications, industry guides, forms, videos, and seminars.

Another good resource, especially for starting businesses, is the California Tax Service Center at *www.taxes.ca.gov*.

TAX INFORMATION BULLETIN

We publish a quarterly Tax Information Bulletin (TIB). It includes articles on the application of laws and regulations to specific types of transactions and special tax and fee programs, announcements regarding new and revised publications, information on any new or revised legislation affecting our taxpayers, and other areas of interest. You can find current TIBs on our website at *www.cdtfa.ca.gov/taxes-and-fees/tax-bulletins.htm*.

You can sign up for our CDTFA Updates email list at *www.cdtfa.ca.gov/subscribe/* to receive a monthly email with the latest news about and changes to the taxes and fees we administer.

FREE CLASSES, SEMINARS, AND TUTORIALS

We offer free online seminars and video tutorials for help using our Online Services system, including how to file your return. Some classes are offered in multiple languages. If you would like further information on specific classes, please call your local office.

WRITTEN TAX ADVICE

For your protection, it is best to get tax advice in writing. You may be relieved of tax, penalty, or interest charges due on a transaction if we determine we provided incorrect written advice regarding the transaction which you reasonably relied on and did not pay the correct amount of tax. For this relief to apply, a request for advice must:

- Be in writing,
- Identify the taxpayer to whom the advice applies, and
- Fully describe the facts and circumstances of the transaction.

For written advice on general tax and fee information, you may email your request at *www.cdtfa.ca.gov/email* or you may send your request to the addresses below.

For written advice on general sales and use tax information, including the California Lumber Products Assessment or Prepaid Mobile Telephony Services (MTS) Surcharge, send your request to:

Audit and Information Section, MIC:44
California Department of Tax and Fee Administration
P.O. Box 942879
Sacramento, CA 94279-0044

For written advice on special taxes and fee programs or use fuel tax questions, send your request to:

Program Administration Branch, MIC:31
California Department of Tax and Fee Administration
P.O. Box 942879
Sacramento, CA 94279-0031

TAXPAYERS' RIGHTS ADVOCATE

If you would like to know more about your rights as a taxpayer or if you have not been able to resolve a problem through normal channels (for example, by speaking to a supervisor), see publication 70, *Understanding Your Rights as a California Taxpayer*, or contact the Taxpayers' Rights Advocate Office for help at 1-888-324-2798. Their fax number is 1-916-323-3319.

If you prefer, you can write to:

Taxpayers' Rights Advocate, MIC:70
California Department of Tax and Fee Administration
P.O. Box 942879
Sacramento, CA 94279-0070

PUBLICATION 73 | JANUARY 2026

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
MAILING ADDRESS: P.O. BOX 942879 • SACRAMENTO, CA 94279-0001