

Regulations

Sales and Use Taxes

[Regulation 1502](#), *Computers, Programs, and Data Processing*, was amended to clarify that the term “program” includes subdivisions such as routines and similar programming building blocks, and ensure that the definition is consistent and in harmony with the statutory provisions pertaining to “computer programs,” “custom computer programs,” and “existing prewritten programs.”

Title 18, California Code of Regulations, section 1502; effective June 11, 2009

[Regulation 1506](#), *Miscellaneous Service Enterprises*, and [Regulation 1524](#), *Manufacturers of Personal Property*, were both amended. Regulation 1524 was amended to clarify how tax applies to charges for altering new and used items in general, and clarify when a person providing an alteration service is the retailer of supplies and materials furnished in connection with the alteration of a used item. Regulation 1506 was amended to clarify how tax applies to a cleaner’s charges for the alteration of new and used items, cleaning and dyeing garments, and renting or selling miscellaneous items; and to clarify the circumstances that require cleaners to hold seller’s permits.

Title 18, California Code of Regulations, sections 1506 and 1524; effective April 10, 2009

[Regulation 1532](#), *Teleproduction or Other Postproduction Service Equipment*, [Regulation 1533.1](#), *Farm Equipment and Machinery*, [Regulation 1533.2](#), *Diesel Fuel Used in Farming Activities or Food Processing*, Regulation 1534, *Timber Harvesting Equipment and Machinery*, and [Regulation 1535](#), *Racehorse Breeding Stock*, were amended to clarify that the partial exemptions from sales and use tax provided by Revenue and Taxation Code sections 6378, 6356.5, 6357.1, 6356.6, and 6358.5 extend to the additional one-percent sales and use tax applicable April 1, 2009.

Title 18, California Code of Regulations, sections 1532, 1533.1, 1533.2, 1534, and 1535; effective June 4, 2009

[Regulation 1574](#), *Vending Machine Operators*, was amended in order to incorporate the current tax rates into the table vending machine operators use to compute their taxable sales.

Title 18, California Code of Regulations, section 1574; effective September 24, 2008

[Regulation 1591](#), *Medicines and Medical Devices*, and [Regulation 1602](#), *Food Products*, were amended to clarify that dietary supplements and adjuncts furnished to a patient as part of a medically supervised weight loss program to treat obesity qualify as medicines.

Title 18, California Code of Regulations, sections 1591 and 1602; effective December 14, 2008

[Regulation 1591](#), *Medicines and Medical Devices*, was amended to clarify that “permanently implanted articles” include interdependent internal and external components that operate together as one device in and on the person in whom the device is implanted and to clarify that an ear implant includes the ear implant’s interdependent internal and external components.

Title 18, California Code of Regulations, section 1591; effective May 29, 2009

[Regulation 1599](#), *Coins and Bullion*, was amended to increase the threshold amount for bulk sales of coins and bullion to \$1,500 for sales on or after January 1, 2009.

Title 18, California Code of Regulations, section 1599; effective September 24, 2008

[Regulation 1602.5](#), *Reporting Methods for Grocers*, was amended to eliminate the requirement that grocers get BOE approval before using an electronic scanning method to determine the amount of their sales of exempt food products and to remove language urging grocers to seek BOE approval prior to using the modified purchase-ratio and the cost plus markup methods for reporting tax.

Title 18, California Code of Regulations, section 1602.5; effective December 31, 2008

[Regulation 1620](#), *Interstate and Foreign Commerce*, was amended to reinstate the 12-month test for determining whether a vehicle, vessel, or aircraft purchased outside of California was purchased for use in California.

Title 18, California Code of Regulations, section 1620; effective February 5, 2009

[Regulation 1702.5](#), *Responsible Person Liability*, was amended to incorporate the statute of limitations for issuing deficiency determinations to corporate officers or other responsible persons, which was added to Revenue and Taxation Code section 6829 by Assembly Bill 1895, Chapter 24, Statutes 2008.

Title 18, California Code of Regulations, section 1702.5; effective January 2, 2009

[Regulation 1705](#), *Relief from Liability*, was amended to clarify that franchisees can rely on written advice requested by their franchisors for relief from taxes, penalties, and interest under certain circumstances.

Title 18, California Code of Regulations, section 1705, effective April 10, 2009

[Regulation 1807](#), *Process for Reviewing Local Tax Reallocation Inquiries*, and [Regulation 1828](#), *Process for Reviewing Transactions and Use Tax Distributions*, were amended in their entirety. Amended Regulation 1807, *Petitions for Reallocation of Local Tax*, and amended Regulation 1828, *Petitions for Distribution or Redistribution of Transaction and Use Tax*, were adopted to provide a more comprehensive process for the review of petitions for local tax reallocation and petitions for district tax distribution or redistribution, to restructure the request for extension process, and to provide earlier notification to substantially affected jurisdictions.

Title 18, California Code of Regulations, sections 1807 and 1828; effective September 10, 2008