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California Board of Equalization Issues Guidance For Out-of-State Retailers with Nexus

The California State Board of Equalization (BOE) today announced that a special notice clarifying the obligations of out-of-state retailers to register with the BOE, and to collect use tax on sales made to California residents, has been posted on the BOE website, www.boe.ca.gov.

In addition to posting the special notice, letters will be sent to potential out-of-state registrants along with a questionnaire that will help them determine whether they need to register with the BOE to collect and pay California use tax on their in-state sales.

California Governor Jerry Brown signed budget trailer bill ABx1 28 into law on June 28, 2011. The law requires large out-of-state retailers, who previously did not have to collect and pay use tax on sales to California customers, to register with the BOE and collect use tax. The new provisions of the law added by ABx1 28 were effective immediately upon signing.

The Special Notice can be found here: <http://www.boe.ca.gov/news/pdf/1284.pdf>

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$48 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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