



State Board of Equalization

News Release

Chairman Jerome E. Horton

4th District – Los Angeles

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For Immediate Release
November 22, 2013

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BOE Action Simplifies Pricing for Mobile Food Truck Items

Sacramento – The California State Board of Equalization (BOE) acted to make pricing of food sold from mobile food trucks more business and customer-friendly. The Board Members’ unanimous vote at their November 19, 2013 meeting will change a regulation to presume that sales tax is included in the listed price of the food.

Right now, food truck operators must post signs stating that tax is included in the listed price. Many do not, and are then required to pay the tax rate that applies to their listed prices. This can result in confusion on the amount owed, as operators may sell food from several locations with different tax rates in any given day.

“The Board took this action to simplify signage for permit holders and assist them in complying with the law and paying the sales tax that is owed,” said BOE Chairman Jerome E. Horton. “This is how many food truck operators are running their business so we want to make sure our regulations are consistent with these types of businesses that are becoming more popular in Los Angeles, and throughout our state.”

This new regulation will allow food truck operators to charge the same price no matter where they are, and later calculate how much tax they owe for the locations where the sales are made. The BOE has created a convenient, [online mapping tool](#) where truck operators can enter the address where they are parked to know the tax rate they should report to BOE for sales made in that area. Paying the correct tax rate is important, as the sales tax supports many vital services such as public education, law enforcement and highways.

Given the proliferation of mobile food trucks, the hope is to simplify and streamline business practices for vendors, and make it clear to their customers that the price they are paying includes tax. The BOE will reach out to mobile food businesses and consumers in multiple languages to inform them of this change.

Following this vote by the Board, the regulation will continue through the rulemaking process. It is expected to become effective July 1, 2014.

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Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization's Legislative Committee Chairman. He is the first to serve on the Board of Equalization with over 21 years of experience at the BOE. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The Board of Equalization collects \$52.5 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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