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BOE Serves up Simpler Sales Tax Regulation for Food Trucks

Sacramento – Tired of digging in your pockets for change when it comes to buying from your favorite food truck? Well, the next time you step up for that bacon-encrusted, grilled-cheese sandwich, you might not have to thanks to a newly amended regulation from the California State Board of Equalization (BOE).

“I am grateful for the support of staff and my colleagues for this regulatory change that will help make a complex system a little simpler for food truck owners and their customers,” said BOE Vice Chair Michelle Steel. “California needs small businesses such as these for our economy to grow. It’s our job to make sure the hard-working residents of our state have the freedom and opportunity to succeed.”

The BOE was out amongst the sights and smells today at two food truck events speaking to owners about a newly amended regulation that helps operators speed up the point-of-sale process with customers, saving them time in line.

“Food trucks are a growing trend, and the culinary creations that come out of them are truly a treat,” said BOE Chairman Jerome E. Horton. “That’s why we wanted to help streamline one portion of the ever-growing food truck business by simplifying the way mobile food vendors handle sales tax. This way, they can focus on what they do best – serve great-tasting food, and maybe even shorten our time in line.”

There is a lot of amazing foods being served out of food trucks today. The last thing food truck owners and customers want to be focused on is taxes.

Adopted unanimously by the Board at its March 25, 2014 meeting, the newly amended regulation saves food truck operators the hassle of charging their customers a different sales tax rate as they drive from city to city. Starting July 1, 2014, the newly amended regulation will presume sales tax is included in the price of taxable items if the retailer hasn’t added it separately.

The Board approved this amendment with the hope of simplifying the business practices of owners in the ever-expanding food truck segment, while simplifying the sales process for the public.

Mobile food vendors who want to learn more about doing business in the state of California can check out our [Industry Guide](#) and [Mobile Food Vendors Tax Guide](#), which is available in multiple [languages](#), and our [Guide for Caterers](#). They can also view the [Special Notice](#) on the amended sales tax regulation. Food truck operators also have access to our [online tax rate lookup tool](#) that allows them to enter the addresses of where they did that day’s business and find the applicable sales tax rates.

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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.

Elected to the Board of Equalization in 2006 and re-elected in 2010, Michelle Steel serves as Southern California's elected taxpayer advocate. In December 2007, Steel discovered the Board of Equalization had delayed the return of millions of dollars in security deposits owed to California businesses. Procedures were changed due to Steel's decisive leadership. Following her investigation, the tax agency refunded tax security deposits to over 5,500 small businesses. To date, over \$100 million in security deposits have been returned to taxpayers.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects \$56 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.

This was a BOE-sponsored activity that was open to the public and conducted pursuant to the Bagley-Keene Open Meeting Act.

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