



Special Notice

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Use Tax Requirements Changed July 1 for Purchases of Vehicles, Vessels, and Aircraft

On July 1, 2007, California use tax requirements changed for vehicles, vessels, and aircraft purchased outside this state and brought into California. Please share this information with your customers who request out-of-state delivery.

When does a buyer owe use tax on an out-of-state purchase of a vehicle, vessel, or aircraft?

As of July 1, 2007, buyers of vehicles, vessels, and aircraft generally owe California use tax when they

- Buy a vehicle, vessel, or aircraft outside California, **and**
- Bring it into this state within 90 days

Are there exceptions?

Yes. The buyer generally will *not* owe use tax if the vehicle, vessel, or aircraft is used outside California more than one-half of the time in the first six months after it is brought into this state.

What changed July 1?

For purchases between October 2, 2004 and June 30, 2007, use tax was generally due if the buyer brought the vehicle, vessel, or aircraft into California within 12 months of purchase. For purchases on or after July 1, 2007, use tax is generally due if the buyer brought the vehicle, vessel, or aircraft into California within 90 days of purchase.

Who collects the tax?

The Department of Motor Vehicles collects the use tax at the time of registration on vehicles and undocumented vessels. Our Consumer Use Tax Section collects the use tax on vessels documented with the United States Coast Guard and aircraft, which are usually registered with the Federal Aviation Administration.

What's the reason for the change?

In 2004, Senate Bill 1100 temporarily amended Revenue and Taxation Code section 6248. That temporary change expired on June 30, 2007.

For more information

Information on use tax due on purchases of vehicles, vessels, and aircraft is found on our website at <http://www.boe.ca.gov/sutax/faqscont.htm>. For any questions regarding use tax or this notice, please call our Information Center at 800-400-7115 (TDD/TTY: 800-735-2929). Staff are available weekdays from 8:00 a.m. to 5:00 p.m. Pacific time, except state holidays.

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