

Do You Need a California Seller's Permit?

When you sell or lease merchandise, vehicles, or other tangible personal property in California, even temporarily, you are generally required to register with our agency, the Board of Equalization (BOE), and to pay sales tax on your taxable sales. When you register, we will issue you a seller's permit. Sometimes people incorrectly refer to a seller's permit as a resale number or resale permit. A seller's permit is a state license that allows you to sell items at the wholesale or retail level and to issue resale certificates to suppliers. Issuing a resale certificate allows you to buy items you will sell in your business operations without paying amounts for tax to your suppliers.

Generally, if you make three or more sales in a 12-month period you are required to hold a seller's permit. This applies even if your sales are made through Internet auction houses, such as eBay and uBid, or websites that offer online classified advertisements (online advertisers) such as Craigslist. For additional information, please see [publication 177](#), *Internet Auction Sales and Purchases*, available at www.boe.ca.gov or call our Taxpayer Information Section at 800-400-7115.

People who hold garage sales generally are not required to hold seller's permits unless they hold more than two garage sales in a 12-month period or are required to hold a seller's permit for being engaged in the business of selling merchandise, goods or items (tangible personal property). Please see [Regulation 1595](#), *Occasional Sales—Sale of A Business—Business Reorganization*.

Making sales of merchandise, goods or other items in California without first getting a seller's permit violates the law and subjects you to fines and penalties. California law requires a seller's permit be held for warehouse locations when: the retailer has one or more sales offices in this state, the sale is negotiated out of state, and the order is filled from the retailer's in-state stock of goods at the warehouse. However, you are not required to hold a seller's permit if all your sales are made exclusively in interstate or foreign commerce, and you make no sales in this state.

Websites

A retailer with a computer server located in California on which a website resides may not be required to have a seller's permit unless the retailer has a proprietary interest in the server and the activities at that location otherwise qualify for a seller's permit. You may need to obtain other licenses, permits, or documents to operate your business (see reverse). Please note that a California seller's permit does not grant you any other rights, privileges, or status under local, state, or U.S. law.

Sales and Use TAX FACTS

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For additional information you may download regulations, forms and publications from our website or you may call our Taxpayer Information Section to talk to a Board of Equalization representative.

BOE website and Board Member contact information:

www.boe.ca.gov

Taxpayer Information Section
800-400-7115
TDD/TTY 800-735-2929

Taxpayers' Rights Advocate
888-324-2798



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Obligations of seller's permit holders

When you hold a seller's permit, you must file sales and use tax returns and pay any sales or use tax due on your sales and purchases. You must report and pay sales tax on each taxable sale. At the time you make the sale, you may collect from your customer an amount equal to the tax you will owe. As a registered seller, you will need to take the time to learn how to properly apply the sales and use tax law in your business operations. You also must keep adequate records that document your sales and purchases. Our classes and publications can help you learn to meet your obligations and help ensure that you don't pay more or less tax than you owe.

Note: You should not obtain a seller's permit just to take advantage of the opportunity to issue resale certificates to your suppliers. Issuing a resale certificate to avoid paying tax on items you will use rather than sell is against the law and may result in fines and penalties. It is a misdemeanor to issue a resale certificate if at the time of purchase you do not intend to resell the merchandise.

You must notify the BOE if you intend to sell or close your business. If you are not making sales, your permit may be canceled. For more information, please see [Regulation 1699](#), *Permits*, and [publication 74](#), *Closing Out Your Seller's Permit*.

Applying for a seller's permit

You may obtain a seller's permit application, [BOE-400-SPA](#), *California Seller's Permit Application for Individuals/Partnerships/Corporations/Organizations (Regular or Temporary)*, from www.boe.ca.gov or our Taxpayer Information Section can fax or mail the application to you by calling 800-400-7115. Please be sure to fully complete the application, sign it, and mail it to us along with copies of any requested documents. You may also apply in person at any of our [field offices](#), locations are available at www.boe.ca.gov. You will need to provide information about your business, including bank account details and estimated income. You must also provide information about yourself and copies of your driver license and social security card (or substitute documents, as explained on the application). If you purchased your business, you'll need to provide the previous owner's name and seller's permit number. To make sure you won't have to pay any tax, interest or penalties owed by the previous owner, you should request in writing, a tax clearance from us 60 days prior to your purchase. There is no charge for a seller's permit. However, depending on your type of business and expected taxable sales, we may ask you for a security deposit. If you apply by mail, you'll usually get your permit within 7 to 14 days. If you apply in person, the field office may be able to issue your permit the same day.

Temporary permits

If you make sales of a temporary nature such as Christmas tree sales or sales of fireworks, you may apply for a temporary seller's permit by completing the [BOE-400-SPA](#). Temporary permits are issued to those whose sales activity will last no longer than 90 days.

Additional requirements for your business

In addition to registering for a seller's permit, you may need to register for one of the other taxes and fees we administer (call the BOE for help). The state and federal governments have additional requirements for businesses. You must file income tax returns with the California Franchise Tax Board and the U.S. Internal Revenue Service (IRS). Certain businesses are required to obtain permits from the California Department of Consumer Affairs and state and local environmental agencies. If you have employees, you are required to register as an

employer with the California Employment Development Department and the IRS and to pay payroll withholding taxes. You will probably need to obtain a business license or other permits from the county or city where you operate. California's Environmental Protection Agency (CalEPA) offers extensive local, state, and federal business permit information at a special site on the Internet: www.calgold.ca.gov. Chambers of commerce, economic development organizations, and other business organizations are other good sources of information. Often the business licensing department of a city or county can assist you, too. Some counties and cities publish special guides for small businesses, available free or at a low cost.

For more information

For more information regarding seller's permits, please see [publication 73](#), *Your California Seller's Permit*. BOE regulations and publications are available at www.boe.ca.gov or by contacting our Taxpayer Information Section at 800-400-7115. For a complete list of other BOE-administered taxes and fees, please see [publication 51](#), *Guide to Board of Equalization Services*.

Forms

[BOE-400-SPA](#), *California Seller's Permit Application for Individuals/Partnerships/Corporations/Organizations (Regular or Temporary)*

Regulations

- [1595](#) *Occasional Sales—Sale of A Business—Business Reorganization*
- [1699](#) *Permits*

Publications

- [51](#) *Guide to Board of Equalization Services*
- [73](#) *Your California Seller's Permit*
- [74](#) *Closing Out Your Seller's Permit*
- [177](#) *Internet Auction Sales and Purchases*

Note: This publication summarizes the law and applicable regulations in effect when the publication was written, as noted on the cover. However, changes in the law or in regulations may have occurred since that time. If there is a conflict between the text in this publication and the law, decisions will be based on the law and not on this publication.