District Taxes (Sales and Use Taxes)

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PREFACE

Most businesses in California are located or do business in special tax districts. This publication is designed as a guide to the application of district tax to your sales and purchases.

The first section presents an overview of district taxes using a question and answer format. Subsequent sections cover the specific application of the tax to place of sale, sales across district lines, construction contractors, and leases.

If you need information about tax rates in specific areas, please select, *California City and County Sales and Use Tax Rates*.

As an additional resource, we offer an online mapping tool to determine the current sales and use tax rate for a specific address. Be sure the address information you input is the address you intended. The tax rate given will reflect the current rate of tax for the address that you enter. To find a tax rate, please select, *Find a Sales and Use Tax Rate by Address*.

Additionally, some cities have developed a database of addresses to help retailers and consumers identify addresses located within special taxing jurisdictions for district tax rates. In cooperation with these cities, we are providing links to their address databases located on our website at California City and County Sales and Use Tax Rates. If you have questions about the addresses, please contact the cities directly.

If you cannot find the information you are looking for in this publication, please call our Customer Service Center at 1-800-400-7115. Customer service representatives are available to answer your questions weekdays between 8:00 a.m. and 5:00 p.m. (Pacific time), except state holidays.

This publication complements publication 73, *Your California Seller's Permit,* which includes general information about obtaining a permit; using a resale certificate; collecting and reporting sales and use taxes; buying, selling, or discontinuing a business; and keeping records. Please also refer to our website or the For More Information section for the complete list of BOE regulations and publications referenced in this publication.

We welcome your ideas on improving this or any other BOE publication. Please send your suggestions to:

Audit and Information Section, MIC:44
State Board of Equalization
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To contact your Board Member, see *www.boe.ca.gov/members/board.htm*.

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, the decision will be based on the law and not on this publication.

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DISTRICT TAXES—AN OVERVIEW

Introduction to district taxes

What is a district?

A "district" is a local jurisdiction that, under enabling statutes in various codes, may impose transactions (sales) and use taxes within its borders. Voter approved district taxes may be levied on a countywide basis and within incorporated city limits. A city district tax rate applies only to addresses within the incorporated city limits. Additionally, more than one district tax may be in effect in a given location.

What are district taxes?

District taxes are either transactions (sales) or use taxes. The Revenue and Taxation Code provides that transactions (sales) taxes are due from retailers on their sales of tangible personal property, and use taxes are due from purchasers for their use of tangible personal property in the district. "Use" is defined as the use, storage, or other consumption of tangible personal property. In this publication, we will refer to such taxes generally as "district" taxes and designate them as either "transactions (sales)" or "use" taxes only when necessary.

Who is responsible for reporting and paying district taxes?

Since transactions (sales) taxes are imposed on the sale of tangible personal property in a district, you are responsible for reporting and paying transactions (sales) tax if you are a retailer located in a district. If you have more than one business location, your liability for district tax will depend on the location at which you conduct principal negotiations for your sales. For more information about the application of tax to sales by businesses with multiple locations or with no fixed location, please see Retailers with multiple locations.

Since district *use* taxes are imposed on the storage, use or other consumption of tangible personal property in a district, you may be responsible for collecting and reporting district use tax if:

- You are a retailer "engaged in business" within a district (see next section).
- You lease, store, or consume tangible personal property in a district.

What does "engaged in business" mean?

You are "engaged in business" in a district if you are a retailer who:

- Maintains, occupies, or uses any type of office, sales room, warehouse, or other place of business in the district, even if it is used temporarily, indirectly, or through an agent or subsidiary.
- Has any kind of representative operating in the district for the purposes of making sales or deliveries, installing or assembling tangible personal property, or taking orders.
- Receives rentals from a lease of tangible personal property located in the district.
- Sells or leases vehicles or undocumented vessels which will be registered in a district.

What are some of the differences between district taxes and the sales and use taxes?

Since district tax ordinances must incorporate provisions of the Sales and Use Tax Law, the taxes are generally the same except for:

- Sales of property made in a district and delivered to a customer outside the district may not be subject to the district tax.
- Retailers located outside a district delivering property into a district may be required to collect the district's tax if they are engaged in business in the district.
- Retailers or lessors of vehicles or undocumented vessels are required to collect district use tax imposed in the district(s) of registration.

- Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft are exempt from transactions (sales) tax if (1) the aircraft is used as a common carrier of persons or property and (2) the property purchased will be used or consumed principally outside the district where the sale was made.
- Fixed-price contracts, including leases entered into prior to the starting date of a new district tax may not be subject to that district tax.

What exempts a fixed-price contract from district taxes?

To qualify as an exempt "fixed-price contract," a contract must meet the following conditions:

- It must have been entered into prior to the effective date of the district tax. Contracts for which an irrevocable bid was submitted prior to the effective date will qualify even when signed on or after that date, provided they are signed during a period for which the bid is still irrevocable.
- It must be for a fixed amount. A contract may not have any clauses which allow for increases or decreases in the contract price because of a change in the tax rates or the cost of the property to be furnished. This provision is not invalidated if the contract allows change orders. Change orders are considered separate contracts.
- All parties to the contract must be obligated to the terms of the contract. No party can have the unconditional right to terminate the contract, whether or not that right is exercised.
- The sales tax amount or rate must be specifically stated in the contract, or the contract must be tax-included.

The exemption allowed for fixed-price contracts applies not only to standard retail sales contracts, but also to sales of materials and fixtures under fixed-price construction contracts and to contracts for leases of tangible personal property. See Fixed-price construction contracts, and Fixed-price lease contracts.

PLACE OF SALE

A major factor that affects a retailer's liability for district tax is the "place of sale," that is, the location of the retailer's business. Please read this section and DISTRICTS TAXES—AN OVERVIEW, *if your business is located in a district or you have multiple locations.*

Retailers with one location

If you are a retailer whose only business location is in a district, you must generally report transactions (sales) tax on all your sales unless:

- You, your agent, or a common carrier ships or delivers the property, pursuant to the contract of sale, to an out-of-state or out-of-district location for use outside the district, or
- The sale is exempt from the general sales tax or is otherwise exempt from transactions (sales) tax.

If your business is not located in a district, generally, your sales are not subject to *transactions* (sales) tax. However, you may be liable for district *use* tax if you are "engaged in business" in a district. For more information about being "engaged in business" in a district, see DISTRICTS TAXES—AN OVERVIEW.

Retailers with multiple locations

If you are a retailer with more than one location, the place of sale is generally considered the location at which you carry on principal negotiations even if you must forward the order to another location for acceptance, approval of credit, shipment, or billing. Your employees' activities will be attributed to the location from which they work. Consequently, sales made or negotiated by employees, or at places located in districts, are generally subject to *transactions* tax.

As with a single location business, you are allowed an exemption from district tax for property that is shipped, pursuant to the contract of sale, to an out-of-district location for use outside the district or for property that is also exempt from the sales and use tax.

You are generally not liable for transactions (sales) tax on sales made at business locations outside districts. You may, however, be liable for collecting district *use* tax if you ship the property into a district in which you are "engaged in business," unless you accept a declaration in good faith, as provided in Regulation 1823.4, *Place of Delivery of Tangible Personal Property Generally,* and Regulation 1823.5, *Place of Delivery of Certain Vehicles, Aircraft, and Undocumented Vessels,* see Delivery outside district. Vendors with multiple locations have their place of sale prescribed by the Transactions and Use Tax Regulation 1822, *Place of Sale for Purposes of Transactions (Sales) and Use Taxes.*

Vending machine operators

For vending machine operators, the place of sale is the location of the vending machine. If you are a vending machine operator, generally you should pay tax when buying inventory. When you make a tax-free purchase of inventory, you must report use tax based on the location of the machine through which the inventory is sold. When a machine is located in a district, you are liable for state, local, and district tax. Please see Regulation 1574, *Vending Machine Operators* and publication 118, *Vending Machine Food Sales.*

Itinerant merchants

Itinerant merchants are defined as retailers with no permanent place of business. This category includes certain door-to-door salespersons.

As an itinerant merchant, your place of sale is the permanent address shown on your seller's permit. If your permanent address is located in a district, you are generally liable for district tax on your sales unless you deliver the property to the buyer outside the district for use outside the district. If your permanent address is not in a district,

your sales are generally exempt from transactions (sales) tax. However, they may be subject to district use tax if you solicit the sale in a district and ship or deliver the property to the buyer in the district. For the definition of "engaged in business," please see, What does "engaged in business" mean?

Businesses qualifying as section 6015 retailers

A business that uses salespersons, representatives, peddlers, canvassers, agents, or other persons who operate under the direction of or obtain property from the business, may be treated as the retailer under Revenue and Taxation Code section 6015(b) of the Sales and Use Tax Law. As a section 6015 retailer, the business is responsible for reporting and paying tax on any sales made by these persons. Section 6015 retailers include operators of certain school book clubs.

If you qualify as a section 6015 retailer, your place of sale is the location from which your salespersons, representatives, peddlers, canvassers, or agents operate. Sales made by persons located in districts are generally subject to district tax unless the property is delivered to the buyer outside the district for use outside the district. Sales made by persons located outside districts are generally exempt from *transactions (sales)* tax but may be subject to district *use* tax if the sale is solicited in a district and the property is shipped or delivered to the buyer in the district.

Auctioneers

For auctioneers, the place of sale is the location at which the auction is held. If you are an auctioneer holding an auction in a district, your sales are subject to district tax unless otherwise exempt.

Out-of-state retailers "engaged in business" in California

Revenue and Taxation Code section 6203, *Collection by Retailer,* provides, in part, the definition of a retailer engaged in business in this state as any of the following:

1. Any retailer maintaining, occupying, or using, permanently or temporarily, directly or indirectly, or through a subsidiary, or agent, by whatever name called, an office, place of distribution, sales or sample room or place, warehouse or storage place, or other place of business.
2. Any retailer having any representative, agent, salesperson, canvasser, independent contractor, or solicitor operating in this state under the authority of the retailer or its subsidiary for the purpose of selling, delivering, installing, assembling, or the taking of orders for any tangible personal property.

An out-of-state retailer whose only presence in the state is a stock of tangible personal property is considered a California retailer, and the place of sale is the location of the property from which delivery or shipment is made. If the property is located in a district, the sale may be subject to district tax.

SALES ACROSS DISTRICT LINES

This section is for businesses located in a district that make sales to customers located outside the district. This section may be useful if you purchase property that you intend to store, use, or consume in a district. It also includes a general outline of the application of district tax to these types of sales and purchases.

If you have questions about particular sales or purchases, please call our Customer Service Center or contact one of our field offices.

This section discusses the general rules covering the application of district tax to these kinds of transactions and then discusses the responsibilities of retailers and purchasers for reporting and paying the tax.

Property sold in a district which is delivered or first used in that district

If your business is located in a district, your sales are generally subject to *transactions (sales)* tax when you deliver the property to the purchaser in the district. The transactions (sales) tax applies even if the purchaser intends to immediately transport and use the property outside the district.

Note: You are liable for your district's tax if you deliver the property outside the district with the knowledge that the purchaser will store, use, or consume the property in your district.

Property delivered to another district

District use tax is due on property that the customer first stores, uses, or otherwise consumes in a district. A customer who is liable for district use tax on property first used in a district is allowed a credit for any transactions (sales) tax reimbursement already paid. This credit is limited to the amount of transactions (sales) tax reimbursement paid by the customer in the district of origin. That is, a refund of district tax is not available if the tax owed in the district of first use is less than the transactions (sales) tax reimbursement already paid on the purchase. (For an example of how the credit applies, see Purchasers.)

For example, your business is located in a district and you sell merchandise to a customer who is located in an area where there is no district. If your customer picks up the merchandise at your location, the sale is subject to your district's tax, even if your customer intends to take the merchandise back to his or her location. On the other hand, if you ship the property to the purchaser's location, the sale is generally not subject to your districts transactions (sales) tax.

Either the retailer or purchaser may be responsible for reporting district use tax to the BOE, depending on the circumstances of the sale or use of the property, as discussed in the following sections.

Retailers

As a retailer, you are required to collect and report district use tax on a sale in a district in which you are "engaged in business" (please see What does "engaged in business" mean?), and one of the following conditions applies:

- You ship or deliver the property into the district.
- You participate in the sale of the property within that district. "Participation" includes solicitation whether direct or indirect. It also includes receipt of orders at a place of business in the district or through any representative, agent, canvasser, solicitor, subsidiary, or any other person working in the district under your authority.
- You are a licensed dealer of vehicles or undocumented vessels that are registered by the purchaser in a county with district taxes.

If a sale meets these conditions, you must collect district use tax on all taxable charges including those taxable charges which result from repairs or reconditioning.

The following example illustrates when retailers should collect and report district use tax:

A retailer in Santa Clara County makes a taxable sale of property which is delivered to and used by the purchaser in unincorporated Alameda County. Even though it is subject to the general sales tax, the sale would be exempt from Santa Clara County district taxes because the property was delivered pursuant to the contract of sale outside the county for use outside the county. However, use of the property in Alameda County makes the sale subject to the district use tax in Alameda County. If the retailer is engaged in business in Alameda County and ships or delivers the property within Alameda County, he or she is responsible for collecting and reporting all applicable county-wide district use taxes on his or her sales. If the retailer is not engaged in business in the county, the purchaser is generally responsible for reporting and paying district use tax on his or her purchases.

Purchasers

As a purchaser, you are generally required to report and pay district use tax on the purchase price of tangible personal property when:

- You make the first taxable use of the property in a district.
- You purchased the property without district tax or at a lesser rate of district tax than is imposed in the district of use.
- The retailer has no obligation to collect and report the tax.

As stated above, you are eligible for a credit of tax paid to another district, but only up to the amount of tax due in the district of use.

Application of this credit is illustrated by the following example:

A consumer buys merchandise and pays district tax of 1.00 percent. The consumer then first uses the property in another location where the district tax rate is .50 percent. The consumer is liable for the district use tax at the .50 percent rate, but is eligible for a credit based on the transactions (sales) tax of 1.00 percent paid to the other district. However, no refund is allowed for the additional .50 percent district tax paid on the purchase.

Note: Certain cities within counties may have higher rates due to citywide district taxes.

If the consumer buys merchandise in a location and pays district tax of .50 percent and then first uses it in another location where the district tax rate is 1.00 percent, he or she is liable for the district use tax of 1.00 percent. The consumer is allowed a credit for the .50 percent district tax paid, but owes the additional .50 percent district tax due in the location where the property was first used.

Declaration to relieve retailer of obligation to collect district use tax for sales delivered to purchaser outside of the district

Regulation 1823.4, *Place of Delivery of Tangible Personal Property Generally,* provides, for the purposes of the district use tax, not the transactions (sales) tax, a retailer may be relieved of the obligation to collect the district use tax (other than for vehicles, aircraft, and vessels) imposed by that district when you ship or deliver tangible personal property outside of that district to a purchaser's principal residence address or principal business address. You are relieved of the obligation by accepting, in good faith, a properly executed declaration under penalty of perjury. The declaration must be signed by the buyer, stating that such address is, in fact, the buyer's principal place of residence or principal place of business; that the buyer's principal place of residence or principal place of business is located outside the boundaries of the district; and that the property was purchased for use at a designated point or points outside of that district. It should also state that the purchaser will be liable for and pay the use tax if the property is principally stored, used, or otherwise consumed within a district.

For example, you are a retailer required to collect district use tax on property you ship to the city of Trinidad, which has a tax rate of 8.25 percent. Humboldt County and the city of Trinidad have the same zip code. However,

Humboldt County has a tax rate of 7.50 percent. Customers living in Humboldt County near Trinidad, but not within Trinidad's city limits, are not subject to the 8.25 percent tax rate, but the 7.50 percent rate for Humboldt County is applicable. If your customer provides a declaration as provided in Regulation 1823.4, you may charge them the 7.50 percent tax rate.

An example of the declaration to relieve the retailer of the obligation to collect district use tax is provided in this publication (see Sample Declaration [Regulation 1823.4]). There is also a sample declaration that may be used in Regulation 1823.4, *Place of Delivery of Tangible Personal Property Generally.*

Please note: Even though this and other examples show tax calculated at a rate of 7.50 percent, you should use the rate in effect at your business location. Please see, *California City and County Sales and Use Tax Rates*.

Declaration to relieve retailers of the obligation to collect transactions (sales) tax for sales of certain vehicles, aircraft, and undocumented vessels when delivered to purchaser outside of the district

In California, if you register a vehicle or vessel with the California Department of Motor Vehicles (DMV) to an address that falls within a tax district, the district tax is generally included as part of the total tax collected.

A retailer of certain vehicles, aircraft, and undocumented vessels is considered engaged in business in any district imposing district tax and is generally required to collect the district tax and pay it to the state if the vehicle, aircraft, or undocumented vessel is licensed or registered in any district imposing a district tax.

Regulation 1823.5, *Place of Delivery of Certain Vehicles, Aircraft, and Undocumented Vessels,* relates to the place of delivery of certain vehicles (both commercial and noncommercial), aircraft, and undocumented vessels for the purpose of the transactions (sales) tax portion only. *It does not apply to the district use tax.*

Regulation 1823.5 defines the type of vehicles, aircraft, and undocumented vessels that, under certain circumstances, qualify for a transactions (sales) tax exemption. As stated above, this regulation also applies to certain commercial vehicles. The regulation includes declarations for the purpose of allowing the seller to treat the sale as exempt from the transactions (sales) tax. The declarations are made under penalty of perjury. If the purchaser issues a declaration to the seller and then the property is principally stored, used or otherwise consumed in that district, the purchaser will be liable for the district use tax. Even though the sale of the vehicle, aircraft, or undocumented vessel may be exempt from the transactions (sales) tax under this regulation, the statewide rate of 7.50 percent will still apply to the sale and the retailer may still be responsible for collecting the district use tax.

Please note: Even though this and other examples show tax calculated at a rate of 7.50 percent, you should use the rate in effect at your business location. Please see, *California City and County Sales and Use Tax Rates*, for current tax rates.

Any seller claiming an exemption under this regulation must retain these declarations executed in the prescribed form. If the exemption claimed relates to the sale of a vehicle, the seller must also retain in his records a copy of either the DMV report of sale or other documentary evidence showing the out-of-district address to which the vehicle is registered.

An undocumented vessel is a vessel that is required to be registered with the DMV. Purchasers of undocumented vessels that are exempt from transactions (sales) tax, under Regulation 1823.5 shall pay district use tax to the DMV at the time of registering the vessel if the seller did not collect the use tax. As discussed above, the seller may be required to collect the district use tax and pay it to the state. A documented vessel means a vessel which is required to be documented by the United States Coast Guard and for which the United States Coast Guard has issued a valid marine certificate. If you have questions as to whether your vessel qualifies as documented or undocumented, please refer to our publication 40, *Watercraft Industry.*

Delivery outside district

Any seller claiming an exemption from the district tax under Regulation 1823.5 must retain a declaration signed under penalty of perjury in the form prescribed in the regulation. The declaration must be signed by the buyer, accepted by the seller in good faith, and include a written statement that the vehicle, aircraft, or undocumented vessel was purchased for use at designated point(s) outside the district. If the claimed exemption relates to the sale of a vehicle, the seller also must retain in his records a copy of either the DMV report of sale or other documentary evidence showing the out-of-district address to which the vehicle is registered.

Regulation 1823.5, *Place of Delivery of Certain Vehicles, Aircraft, and Undocumented Vessels,* includes sample declarations that can be used to relieve the retailer of the obligation to collect transactions (sales) tax. Examples of the declarations are also included in this publication (see Sample Declaration [Regulation 1823.5] *Place of Delivery of Certain Vehicles, Aircraft, and Undocumented Vessels,* and Sample Declaration [Regulation 1823.5] *Commercial Vehicles).*

For additional information regarding sales or purchases of vehicles, vessels, and aircraft, please visit our website for frequently asked questions, or call our Consumer Use Tax Section at 1-916-445-9524.

Sample Declaration
(Regulation 1823.4)

I HEREBY CERTIFY THAT:

(1) The _____ purchased from
(here insert description of tangible personal property purchased)

_____ was delivered to the following address: _____
(insert name of seller)

_____

(2) The above address is located outside the District. _____
(name of district)

(3) The above address is my principal place of residence or principal place of business.

(4) The tangible personal property listed above is purchased for use at the following location(s), which is outside the District. _____
(name of district)

_____
(street, city, state, zip code)

I understand that this declaration is for the purpose of allowing the above named seller to treat the sale of the above-described tangible personal property as exempt from the use tax imposed by the district of _____. If the property is principally stored, used or otherwise consumed in that district, the purchaser shall be liable for and pay the use tax.
(name of district)

I have personal knowledge of the statements of fact contained in this declaration. I declare under penalty of perjury under the laws of the State of California and the United States that the foregoing statements are true and correct.

_____
PRINTED NAME OF PURCHASER

_____
SIGNATURE OF PURCHASER OR AUTHORIZED AGENT (IF APPLICABLE)

_____
NAME AND TITLE OF AUTHORIZED AGENT

_____
DATE

History: Adopted October 25, 2005, effective January 26, 2006.

Regulations are issued by the State Board of Equalization to implement, interpret or make specific provisions of the California Sales and Use Tax Law and to aid in the administration and enforcement of that law. If you are in doubt about how the Sales and Use Tax Law applies to your specific activity or transaction, you should write the nearest State Board of Equalization office. Requests for advice regarding a specific activity or transaction should be in writing and should fully describe the facts and circumstances of the activity or transaction.

Sample Declaration
(Regulation 1823.5)
Place of Delivery of Certain Vehicles, Aircrafts, and Undocumented Vessels

I HEREBY CERTIFY THAT:

(1) The _____
(here insert description of vehicle, aircraft or undocumented vessel giving name

_____ purchased from _____ will be registered to
of manufacturer and type) *(insert name of seller)*

the following address:

_____

_____

(2) The above address is outside the _____ District.
(name of district)

(3) The address is my principal place of residence (or, in the case of a corporation, principal place of business).

(4) The vehicle, aircraft, or undocumented vessel when not in use will be kept, garaged, hangared or docked at:

_____

(5) The vehicle, aircraft, or undocumented vessel will be stored, used or otherwise consumed

principally outside the _____ District.
(name of district)

(Check applicable box.)

(6) ☐ (a) The purchaser does not hold a California seller's permit.

☐ (b) The purchaser holds California seller's permit No. _____ .

I understand that this declaration is for the purpose of allowing the above named seller to treat the sale of the above described tangible personal property as exempt from the transactions (sales) tax imposed by the _____ District. If the property is principally stored, used
(name of district)
or otherwise consumed in that district, the purchaser shall be liable for and pay the use tax.

The foregoing declaration is made under penalty of perjury.

_____
PRINTED NAME OF PURCHASER OR AUTHORIZED AGENT

_____
SIGNATURE OF PURCHASER OR AUTHORIZED AGENT

_____
TITLE

_____
DATE

Sample Declaration
(Regulation 1823.5)
Commercial Vehicles

I HEREBY CERTIFY THAT:

(1) The

_____
(here insert description of commercial vehicles giving name of manufacturer and type)

purchased from _____ will be registered to the following address:
(insert name of seller)

_____

_____

(2) The vehicle will be operated from the following address:

_____

_____

(3) The address from which the vehicle will be operated is outside the _____

_____ District.
(name of district)

(4) When not in use, the vehicle will be kept or garaged at:

_____

_____

(5) The vehicle will be stored, used or otherwise consumed principally outside the _____

_____ District.
(name of district)

(Check applicable box.)

(6) ☐ (a) The purchaser does not hold a California seller's permit.

☐ (b) The purchaser holds California seller's permit No. _____ .

I understand that this declaration is for the purpose of allowing the above named seller to treat the sale of the above described tangible personal property as exempt from the transactions (sales) tax imposed by the _____ District. If the property is principally stored, used or otherwise consumed in that district, the purchaser shall be liable for and pay the use tax.
(name of district)

The foregoing declaration is made under penalty of perjury.

_____
PRINTED NAME OF PURCHASER OR AUTHORIZED AGENT

_____
SIGNATURE OF PURCHASER OR AUTHORIZED AGENT

_____
TITLE

_____
DATE

Sales across district lines—examples

Am I liable for transactions (sales) tax in a district where I solicit and accept a sale when the property is never physically in the district?

No. Under these circumstances, you are not liable for transactions (sales) taxes. District tax law allows a specific exemption for property which is sold within a district but delivered pursuant to the contract of sale outside the district and used outside the district. You may be responsible for district use tax in the district in which the property is delivered.

If I am located in a district, am I liable for my district's tax on a sale to a person located outside the district?

You are generally not liable for your district's tax on a sale as long as the customer does not take possession of the property in your district. However, if your customer is located in another district, you are generally liable for that district's use tax if:

1. You are engaged in business in that district, and
2. You ship or deliver the property into that district or you participate in the making of the sale of the property within that district.

If I purchase property at a lower rate of tax, am I required to pay additional district use tax if I use the property in a district with a higher tax rate?

Yes. If the property is used in a district with a higher tax rate than the rate paid at the time of purchase, the additional district use tax is generally due.

If I am not located in a district and deliver property to my customer at my place of business, must I collect district use tax if the customer's billing address is located in a tax district?

No. You would be required to collect the district use tax only if you are "engaged in business" in the district and participated in making the sale in the district or delivered or shipped the property into the district. Please note that retailers of vehicles or undocumented vessels are always "engaged in business" in districts in which the property is registered and, therefore, are always required to collect district use tax.

If I am a retailer located outside a district and I regularly make deliveries to customers in a district, am I required to report district use tax?

If you make deliveries to a district with your own vehicle, you are considered "engaged in business" in the district and are required to report district use tax on the sale. If you make the deliveries through a common carrier, you generally are not liable for the tax unless you are otherwise "engaged in business" in the district, such as maintaining an office or other place of business in the district.

If I buy tools, equipment, or other property for use in a district from a vendor who is not "engaged in business" in a district, are my purchases subject to district tax?

Yes. You are required to report and pay the district use tax.

If I live outside a district and bring property into a district for repair or reconditioning, are the repair charges which are subject to sales tax also subject to the district tax?

Yes, if you pick up the property in the district. However, if you take delivery of the property outside the district for use outside the district, the transactions (sales) tax does not apply. If there is a district tax in the location where you use the property, you are required to report and pay the district use tax.

Voter approved city district taxes

I am located in San Diego County and regularly make deliveries in my own vehicle into the city of El Cajon. I am not considered engaged in business anywhere else in California. When I make taxable sales to customers in the county of San Diego, including sales into the city of El Cajon, am I liable for the higher rate for the sales to El Cajon?

The city of El Cajon, located in San Diego County, has a tax rate of 9.00 percent. This reflects the 7.50 percent statewide base rate plus .50 percent district tax for the entire county of San Diego and 1.00 percent in district taxes for the city of El Cajon. As of the date of this publication, the tax rate in areas of San Diego County outside the city of El Cajon, La Mesa, National City, and Vista is 8.00 percent.

If you regularly deliver merchandise within the city limits of El Cajon in your own vehicle, you are considered "engaged in business" in the district of El Cajon and are responsible for collecting and reporting the additional 1.00 percent El Cajon district use tax. You should not charge the El Cajon district tax on sales that occur at your business location if your business is located outside the city limits of El Cajon or for sales otherwise made outside of the El Cajon City limits.

Note: The cities of La Mesa, National City, and Vista (located in San Diego County) also have district taxes.

Finding the correct district tax rates

For information about tax rates in specific areas, please see *California City and County Sales and Use Tax Rates*.

To allow for the correct application of district taxes, many cities with voter approved district taxes have provided a list of addresses located inside their incorporated city limits. Our website provides a link to the address list at *California City and County Sales and Use Tax Rates—Find a Sales and Use Tax Rate by Address.*

CONSTRUCTION CONTRACTORS

This section covers the general application of district taxes to construction contractors. This section may be useful if you make sales to construction contractors, or if you are a contractor located or doing work in districts.

District tax generally applies to a construction contractor's purchases in the same manner as the sales and use tax. However, there are certain exceptions, which are explained in the following pages. This section briefly summarizes the provisions that are common to both sales and use tax and district tax and then discusses the specific district tax provisions.

Tax provisions common to both sales and use tax, and district tax

Under both the sales and use tax, and the district tax, construction contractors (other than those working under Federal contracts) are generally:

- Consumers of materials furnished and installed on real property such as lumber, cement, roofing, windows, and wall-to-wall carpeting. As consumers, contractors generally should pay sales tax to their vendors when purchasing materials or report use tax when the materials are installed on real property.
- Retailers of fixtures furnished and installed on real property such as air conditioning units, lighting and plumbing fixtures, and blinds. Contractors should remit tax to the BOE in a time and materials contract on the sale of the fixtures to their customers. Or, if installing the fixtures on a lump-sum contract, contractors should pay sales or use tax on the cost of the fixtures. If the contractor manufactures the fixture, the selling price is considered the price at which similar fixtures are sold or the price reflected by the contractor's records such as bid sheets or costing sheets.
- Retailers of machinery and equipment such as drill presses, lathes, and movable partitions. Contractors should charge and remit tax measured by the selling price of these types of items to their customers.

In contrast, construction contractors working on contracts with the Federal government (also known as United States construction contractors) are considered the consumers of both materials and fixtures. In addition, a United States construction contractor's sale of equipment to the Federal government is generally considered an exempt retail sale.

For more information about the application of sales and use tax to construction contractors and a more complete listing of property qualifying as materials, fixtures, machinery, and equipment, see Regulation 1521, *Construction Contractors,* and publication 9, *Construction and Building Contractors*.

Construction contractors and district tax

In addition to the above criteria, district tax law provides that:

- Materials purchased before the effective date of a district tax and installed after that date may not be subject to the district tax.
- The contractor's jobsite is considered the place of business for purposes of determining the applicable tax.
- Certain fixed-price contracts may be exempt from district taxes enacted after the contract date.

Consequently, to determine if a contractor's sales or purchases are subject to district tax, you need to take into account:

- The date of purchase,
- The place at which the materials, fixtures, and equipment are delivered or installed, and
- Whether the construction contract qualifies as a fixed-price contract.

These points are discussed in more detail below.

Date of purchase

Materials purchased before the effective date of a district tax and installed after that date are not subject to the district tax. This exclusion, however, does not apply to materials purchased under a resale certificate when the materials are used for a purpose other than that stated on the certificate. It also does not apply to fixtures and equipment. Materials, fixtures, and equipment purchased under a resale certificate are generally subject to district tax if sold or consumed after the effective date of the district tax.

Delivery or installation location

As discussed in the previous section, the place of sale or place of first use determines whether district tax applies to a sale or purchase of tangible personal property. However, for materials not purchased under a resale certificate, district tax applies at the time of purchase. For purchases by construction contractors:

- District *transactions (sales)* tax applies when a contractor picks up materials or fixtures in a district even if the contractor intends to install it at a jobsite located outside the district.
- District *use* tax applies when materials or fixtures are installed at a jobsite in a tax district and they have been purchased without district tax or at a lower rate of district tax. Generally, the contractor is responsible for reporting and paying the tax.
- District tax will not apply if the sale occurs in a district, but the supplier ships the property to a location that is not in a taxing district where the property is installed.

The only exception to these general rules is certain purchases of fixtures. The law allows contractors a credit for district tax paid on *fixtures* that are subsequently installed at a location not in a taxing district.

For example, if you purchase air conditioning units in Los Angeles County (which has a total district tax rate of 1.5 percent) and install them on a structure in Ventura County (in areas outside of the cities of Oxnard and Port Hueneme), which has no district taxes, you are eligible for a credit of the 1.5 percent district tax paid in Los Angeles County on the purchase of the air conditioning units.

Fixed-price construction contracts

As noted in DISTRICT TAXES—AN OVERVIEW, purchases of materials, fixtures, and equipment under a qualified fixed-price contract are exempt from district tax increases. To qualify as an exempt fixed-price contract, a contract must:

- Be entered into prior to the effective date of the district tax,
- Be for a fixed amount,
- Have all parties obligated to the terms of the contract, and
- Have the sales tax amount or rate specifically stated in the contract.

This exemption also applies to the purchases which subcontractors make as part of a fixed-price prime contract. If you are unsure whether a construction contract qualifies as "fixed-price," you may request a review of the contract by your nearest BOE field office.

Please note: The exemption allowed for the purchase of materials, fixtures, and equipment under a qualified fixed-price contract does not apply to purchases of supplies such as tools, scaffolding, or welding gases, which are used on the construction site. Supply purchases are only exempt if made under a fixed-price supply contract entered into directly with the supplier prior to the effective date of the district tax.

Construction contractors—examples

If I am a contractor with a business in an area without district taxes and I install materials and fixtures that are delivered to a jobsite located in a district, am I liable for the district tax?

Yes. Under the Transactions and Use Tax Law, your jobsite is considered your place of business. Consequently, if your jobsite is in a tax district, district tax is due on the cost of materials you use or on the selling price of the fixtures which you furnish and install.

As a construction contractor, am I responsible for district tax on materials that I purchase prior to the operative date of a district tax and use after that date?

No, unless you originally purchased the materials under a resale certificate and you are using them for a purpose other than that stated on the certificate.

If I purchase construction materials after the effective date of a district tax, does district tax apply?

Yes, if you are purchasing and picking up the materials in the district or materials are delivered to a jobsite in the district (if you are operating under a fixed-price contract, see Fixed-price construction contracts).

If I purchase construction materials and fixtures from a vendor in a district for use outside the district, does the district tax apply?

Yes, if you take delivery of the materials or property in the district. However, if you take delivery outside the district and use the property outside the district, district tax does not apply unless your jobsite is in another district. Under certain circumstances, you may be entitled to a credit for tax-paid purchases.

Unless materials are purchased under a resale certificate, the district tax applies to materials purchased and delivered within a special taxing district even though such materials may be purchased for installation outside the district. The district tax does not apply to property purchased from a retailer within the district, for use outside the district, when the property is shipped to a point outside the district as agreed to in the contract of sale, and is shipped directly by the retailer or delivered by the retailer to a carrier for subsequent delivery to the out-of-district location.

Credit against a use tax liability for materials purchased

If *materials* are purchased tax-paid in an area with district taxes, the person liable for the use tax may only claim a credit against a use tax liability that is equal to the district tax rate in which the materials were installed (jobsite), but not at a tax rate exceeding the district tax where the materials were installed. Accordingly, if the contractor purchased materials, tax-paid, in a county with a total tax rate of 8.75 percent and installs the materials in a county with a tax rate of 8.25 percent the contractor does not have an additional district use tax liability. In this example, the sale to the contractor is a sales tax transaction and the contractor is considered the consumer of materials and would not be entitled to a credit of the .50 percent district tax difference paid for the materials at the 8.75 percent tax rate.

If a contractor purchased materials tax-paid in a county with a district tax rate of 7.75 percent, and installs the materials in a county with a district tax rate of 8.75 percent, the contractor is liable for the additional 1.00 percent district use tax. If the contractor has a seller's permit, an adjustment can be made on Schedule A to allocate the district tax to the proper district of installation. If the contractor does not hold a seller's permit or is not otherwise required by law to report use tax in a different manner, the additional use tax liability can be paid by providing, in writing, all the following information:

1. A request that the correspondence be accepted as a return or a statement, regardless of how brief, indicating that you are attempting to file a return, and
2. The reporting period for which the correspondence (return) is filed, and
3. The amount of tax due for each district.

Your total reported use tax should be segregated by district based on where the materials were installed. This will assist us in allocating the use tax to the proper district.

Contractors with ongoing use tax amounts due should apply for a California Consumer Use Tax Account. You can register on our website at *www.boe.ca.gov*, by selecting *New Registration*, and then select *Register a business activity with BOE*. You can also register to report use tax in person at any of our field offices. Please contact our Customer Service Center for assistance at 1-800-400-7115.

Credit against a use tax liability for fixtures purchased

If fixtures are purchased by a contractor tax-paid in an area with district taxes, the contractor, upon installing the fixtures at a jobsite without a district tax, or with a lower tax rate, is entitled to a credit for the *full amount* of the district tax of the district of purchase.

For more information about the application of district tax on sales to and purchases by construction contractors, please see Regulation 1826, *Construction Contractors,* publication 9, *Construction and Building Contractors,* or call our Customer Service Center.

LEASES

This section discusses the application of district tax to leases. Read this section if you are the lessor or lessee of tangible personal property, which is being used in a tax district. As with other types of transactions, the application of district tax to a lease is generally affected by how the lease is treated under the Sales and Use Tax Law. This section briefly discusses the sales and use tax treatment of leases and then discusses the application of district tax.

Leases and the sales and use tax law

The Sales and Use Tax Law distinguishes between leases of:

- Tangible personal property in general, and
- Tangible personal property which qualifies as mobile transportation equipment.

The following sections summarize how the law applies to these two types of leases and then discusses provisions that apply to all leases.

Leases of tangible personal property in general

Under the Sales and Use Tax Law, most leases are treated as continuing sales or purchases. Generally, the tax that applies is a use tax on the amounts payable under the lease (rentals), which is imposed on the lessee. If use tax does not apply (for example, in the case of insurance companies) the payments are subject to the sales tax. Even though the tax is imposed on the lessee, the lessor is usually required to collect the tax and report it in the period during which he or she has received the rental payments. The lessee is not relieved from the liability until he or she is given a receipt of the kind called for in Regulation 1686, *Receipts for Tax Paid to Retailers,* or the tax is paid to the state.

As an alternative, under certain circumstances the law allows the lessor to pay tax on the purchase price of the leased property instead of on the rentals. This choice is an irrevocable election and may be taken only if both of the following conditions are met:

- The lessor leases the property in substantially the same form as purchased, and
- The lessor makes the election during the first quarterly reporting period in which the property is rented.

These general rules apply whether the lessor purchases the property specifically for leasing or purchases it for resale and then decides to lease it.

Leases of mobile transportation equipment

Mobile transportation equipment includes rail cars, locomotives, truck tractors and trailers, ships, reusable shipping containers, and airplanes. The law considers lessors of mobile transportation equipment to be consumers of the equipment. Consequently, they are usually required to pay tax on the purchase price.

As an alternative, lessors may issue a resale certificate when purchasing the equipment and elect to report tax on the fair rental value of the equipment. If lessors make this election, they need to remember that:

- The election must be made during the first period in which equipment is leased (usually the calendar quarter), and
- The tax rate that applies to the fair rental value is the rate imposed at the location where the equipment is first used. If the lessee moves the equipment to another location, even outside California, the tax rate still applies.

Conditions applying to all leases

In addition to the specific conditions noted above, the following rules apply to all leases:

- Property that has been leased and is then sold either to the lessee or another person is subject to sales and use tax in the same manner as other retail sales. If the sale occurs as the result of a purchase option in the lease contract, the sale occurs at the time the option is exercised.

- Property which has been leased and then converted to personal use by the lessor is subject to use tax measured by the original purchase price unless the lessor paid the correct amount of tax on the original purchase. The amount of tax due may be offset by tax already collected on rentals.

For more detailed information about the treatment of leases under the Sales and Use Tax Law, please see Regulation 1660, *Leases of Tangible Personal Property-In General;* Regulation 1661, *Leases of Mobile Transportation Equipment;* and publication 46, *Leasing Tangible Personal Property.*

Leases and district tax

Leases of tangible personal property in general

Payments on most leases are subject to district tax if:

- The property is used in a district, and
- The payments are subject to the statewide use tax.

These general rules apply unless one of the following exemptions or exclusions applies to the lease:

- The lease contract qualifies as an exempt fixed-price contract, and the payments are exempt from district tax (see What exempts a fixed-price contract from district taxes?). Qualifying contracts must: be entered into prior to the effective date of the district tax, be for a fixed amount, and have all parties obligated to the terms of the contract.
- The property was purchased before the effective date of the district tax, tax was paid on the purchase price, and the property was leased in the same form as acquired in the district after the effective date.

In addition, district tax applies only while the property is used in the district. In general, leased property which is moved from a district is no longer subject to that district's tax. If moved into another district, the property would be subject to the district tax imposed at the new location; if moved to a non-district location, no district tax would apply. Similarly, leased property which is first used outside a district and then moved into a district generally becomes subject to the district tax.

The lessor is generally responsible for reporting district tax on a lease when the property is located in the district. When the lessor is not responsible for collecting and reporting the district tax, the lessee is liable.

Lessors who elect to pay tax on the purchase price of property may be liable for district tax if both the following conditions apply:

- The property is first leased in a district, and
- The lessor paid no district tax or paid district tax at a rate less than the rate that is imposed in that district.

For example, if you pay tax when you buy property in San Joaquin County (which has a district tax rate of .50 percent) and you first lease it at a location in Contra Costa County where the district rate is one percent, you owe Contra Costa County district use tax at a rate of .50 percent of the purchase price.

Leases of mobile transportation equipment

When a lessor pays tax on the purchase of mobile transportation equipment, the application of district tax follows the same rules as any other sale of tangible personal property. That is, district tax is due on the sale if the property is either delivered or first used in a tax district.

If a lessor elects to pay tax on the fair rental value of the equipment, district tax applies if the first use of the equipment is in a tax district. If the equipment is part of a resale inventory which is located in a tax district, the lease is generally subject to district tax at the time the equipment is withdrawn from inventory for lease. However, district tax will not apply if:

- The only use of the equipment in the district is its transport to a lessee located outside a district, and
- The equipment is thereafter used solely outside any district.

Lessors whose inventories are located outside districts are not subject to district tax on their leases if the equipment is not used within any district for more than 90 days. For more information, see Regulation 1661, *Leases of Mobile Transportation Equipment*.

Conditions applying to all leases

The subsequent sale of leased property by the lessor is a retail sale, which is subject to district tax if the property is delivered or first used in a tax district. For an overview of when district tax would apply, see the first three sections of this publication.

Lessors who convert leased property to personal use will generally not be liable for district tax if one of the following conditions applies:

- They have already paid district tax equal to that due in the district of use.
- They are not first using the property in a district.
- They originally purchased the property under a fixed-price contract.
- They acquired the property as the result of a transaction excluded or exempted from the sales tax such as an occasional sale, a gift, or a bequest.

Leases—example

Should I pay tax based on my cost of the property or the rental charges?

Your basis for payment of tax is determined by the following:

- If, as a lessor, you have paid state sales or use tax on the cost of the property and you are renting the property in substantially the same form as you acquired it, rental charges are not subject to tax. However, if you paid no district tax, you would owe district tax on the purchase price unless the item was purchased prior to the operative date of the tax.
- If the rental charges are subject to tax, the tax rate applied should include the appropriate district taxes.

For more information about leases, please contact our Customer Service Center.

REPORTING AND PAYING CALIFORNIA USE TAX

This section provides guidance to businesses and individuals to assist in reporting and paying California Use Tax. If you have questions about particular sales or purchases, please call our Customer Service Center *at 1-800-400-7115.*

How do I pay the California use tax?

California seller's permit

If you have a seller's permit, you must pay any use tax due when filing your sales and use tax return. You must enter the amount of your purchase(s) under "Purchases subject to use tax" on the sales and use tax return for the period that includes the date when you first used, stored, or consumed the item in California. When you receive your seller's permit, we will instruct you to file your return either on a quarterly or quarterly pre-pay basis. Your tax return and payment are due after the close of each reporting period. For example, if you are on a quarterly reporting basis, the reporting period for the first quarter closes on March 31, your tax return and payment are due on April 30, the last day of the following month.

Required registration to report use tax—how to register and file a return

California law requires a "qualified purchaser" to register with the BOE and annually report and pay use tax directly to us. You can register on our website at *www.boe.ca.gov*, by selecting *New Registration*, and then select *Register a business activity with BOE*. Once you have registered, you may pay any use tax due by filing your return. You can also register to report use tax in person at any of our field offices. A "qualified purchaser" includes businesses with at least $100,000 in annual gross receipts from business operations. Gross receipts are the total of all receipts from both in-state and out-of-state business operations. A qualified purchaser is required to file a return, and report and pay use tax on the total purchase price of tangible merchandise that is subject to use tax during the preceding calendar year, and for which tax was not paid to a retailer required to collect the use tax. The return along with payment is due by April 15 of the following calendar year. For example, the return for 2013, along with payment, is due by April 15, 2014.

For additional information see publication 126, *Mandatory Use Tax Registration for Service Enterprises*.

California income tax return

If you do not hold a permit with the BOE for paying your use tax as described above, you may report and pay use tax to the Franchise Tax Board (FTB) on your California income tax return. A Use Tax Table is included with the instructions for the FTB income tax return; it is a tool to assist you in reporting use tax when filing your annual income tax return. The Use Tax Table is only used for personal purchases less than $1,000, not for business purchases. Business purchases subject to use tax should be reported using actual business purchase receipts. The due date for use tax is the same as the due date for your state income tax return. The date the use tax liability was incurred must be within the tax year being reported on your state income tax return. The FTB will forward the use tax collected to the BOE. If you are a qualified purchaser you are required to register with the BOE to report and pay use tax.

Consumer use tax account

If you make frequent taxable purchases from out-of-state sellers and are not required to register for a use tax account as a qualified purchaser, you may register with us and obtain a California Consumer Use Tax Account. You can register on our website at *www.boe.ca.gov*, by selecting *New Registration*, and then select *Register a business activity with BOE*. You can also register to report use tax in person at any of our field offices.

We will give you an account number and instruct you to file a return either on a quarterly or quarterly pre-pay basis. Your tax return and payment are due after the close of each reporting period. For example, if you are on

a quarterly reporting basis, your reporting period for the first quarter closes on March 31. Your tax return and payment are due on April 30, the last day of the following month. For assistance, please contact our Customer Service Center at 1-800-400-7115.

Vehicles, vessels, and aircraft

Special rules and reporting requirements apply to these purchases. Please see Regulation 1610, *Vehicles, Vessels, and Aircraft*, publication 52, *Vehicles and Vessels: How to Request a Use Tax Clearance for DMV Registration*, publication 79, *Documented Vessels and California Tax*, and publication 79A, *Aircraft and California Tax*, or call our Customer Service Center at 1-800-400-7115.

Purchases subject to use tax on one time purchase

If you do not have a seller's permit and are not required to register for a use tax account as a "qualified purchaser," you can report your purchase(s) subject to use tax on our website at *www.boe.ca.gov* by selecting *New Registration*, and then select *Pay use tax and/or the lumber products assessment on one time purchase.* Once you have registered, you can pay any use tax due by filing your return. You can also register to report use tax in person at any of our field offices. Use tax is due on purchases made prior to 2012 by January 31, of the following calendar year. Use tax is due on your purchase(s) made after January 1, 2012 by April 15 of the following calendar year in which you first purchased and used the property in California. Please contact our Customer Service Center for assistance at 1-800-400-7115.

Additional information

Our Customer Service Center staff can help you properly report and pay use tax on these purchases. Customer service representatives are available to answer your questions weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.

FOR MORE INFORMATION

For additional information or assistance with how the Sales and Use Tax Law applies to your business operations, please take advantage of the resources listed below.

CUSTOMER SERVICE CENTER
1-800-400-7115
TTY:711

Customer service representatives are available weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays. In addition to English, assistance is available in other languages.

FIELD OFFICES

City	Area Code	Number
Bakersfield	1-661	395-2880
Culver City	1-310	342-1000
El Centro	1-760	352-3431
Fairfield	1-707	427-4800
Fresno	1-559	440-5330
Irvine	1-949	440-3473
Norwalk	1-562	466-1694
Oakland	1-510	622-4100
Rancho Mirage	1-760	770-4828
Redding	1-530	224-4729
Riverside	1-951	680-6400
Sacramento	1-916	227-6700
Salinas	1-831	443-3003
San Diego	1-858	385-4700
San Francisco	1-415	356-6600
San Jose	1-408	277-1231
Santa Rosa	1-707	576-2100
Van Nuys	1-818	904-2300
Ventura	1-805	677-2700
West Covina	1-626	480-7200

Out-of-State Field Offices

Chicago, IL	1-312	201-5300
Houston, TX	1-281	531-3450
New York, NY	1-212	697-4680
Sacramento, CA	1-916	227-6600

INTERNET

www.boe.ca.gov

You can log onto our website for additional information—such as laws, regulations, forms, publications, and policy manuals—that will help you understand how the law applies to your business.

You can also verify seller's permit numbers on the BOE website (look for "Verify a Permit/License") or call our toll-free automated verification service at 1-888-225-5263.

Multilingual versions of publications are available on our website at *www.boe.ca.gov.*

Another good resource—especially for starting businesses—is the California Tax Service Center at *www.taxes.ca.gov.*

FAXBACK SERVICE

Our faxback service, which allows you to order selected publications, forms, and regulations, is available 24 hours a day. Call 1-800-400-7115 and choose the fax option. We'll fax your selection to you within 24 hours.

TAX INFORMATION BULLETIN

The quarterly Tax Information Bulletin (TIB) includes articles on the application of law to specific types of transactions, announcements about new and revised publications, and other articles of interest. You can find current and archived TIBs on our website at *www.boe.ca.gov/news/tibcont.htm.* Sign up for our BOE updates email list and receive notification when the latest issue of the TIB has been posted to our website.

FREE CLASSES AND SEMINARS

Most of our statewide field offices offer free basic sales and use tax classes with some classes offered in other languages. Check the Sales and Use Tax Section on our website at *www.boe.ca.gov* for a listing of classes and locations. You can also call your local field office for class information. We also offer online seminars including the Basic Sales and Use Tax tutorial and how to file your tax return that you can access on our website at any time. Some online seminars are also offered in other languages.

WRITTEN TAX ADVICE

For your protection, it is best to get tax advice in writing. You may be relieved of tax, penalty, or interest charges that are due on a transaction if we determine that we gave you incorrect written advice regarding the transaction and that you reasonably relied on that advice in failing to pay the proper amount of tax. For this relief to apply, a request for advice must be in writing, identify the taxpayer to whom the advice applies, and fully describe the facts and circumstances of the transaction.

Please visit our website at: *www.boe.ca.gov/info/email.html* to email your request. Email encryption allows us to provide a safe and secure way of transmitting confidential information electronically. Instructions for registering and receiving encrypted emails is posted to our website. You may also send your request in a letter to: Audit and Information Section, MIC:44, State Board of Equalization, P.O. Box 942879, Sacramento, CA 94279-0044.

TAXPAYERS' RIGHTS ADVOCATE

If you would like to know more about your rights as a taxpayer or if you have not been able to resolve a problem through normal channels (for example, by speaking to a supervisor), please see publication 70, *Understanding Your Rights as a California Taxpayer,* or contact the Taxpayers' Rights Advocate Office for help at 1-916-324-2798 (or toll-free, 1-888-324-2798). Their fax number is 1-916-323-3319.

If you prefer, you can write to: Taxpayers' Rights Advocate, MIC:70; State Board of Equalization; P.O. Box 942879; Sacramento, CA 94279-0070.

Regulations, forms, and publications

Lists vary by publication

Selected regulations, forms, and publications that may interest you are listed below. A complete listing of sales and use tax regulations, forms, and publications appears on the BOE website. Multilingual versions of our publications and other multilingual outreach materials are also available at *www.boe.ca.gov/languages/menu.htm*.

Regulations

1521	*Construction Contractors*
1574	*Vending Machine Operators*
1610	*Vehicles, Vessels, and Aircraft*
1660	*Leases of Tangible Personal Property-In General*
1661	*Leases of Mobile Transportation Equipment*
1686	*Receipts for Tax Paid to Retailers*
1821	*Foreword*
1822	*Place of Sale for Purposes of Transactions (Sales) and Use Taxes*
1823	*Application of Transactions (Sales) Tax and Use Tax*
1823.4	*Place of Delivery of Tangible Personal Property Generally*
1823.5	*Place of Delivery of Certain Vehicles, Aircraft, and Undocumented Vessels*
1826	*Construction Contractors*
1827	*Collection of Use Tax by Retailers*

Publications

9	*Construction and Building Contractors*
40	*Watercraft Industry*
46	*Leasing Tangible Personal Property*
51	*Board of Equalization Resource Guide to Free Tax Products and Services*
52	*Vehicles and Vessels: How to Request a Use Tax Clearance for DMV Registration*
70	*Understanding Your Rights as a California Taxpayer*
73	*Your California Seller's Permit*
79	*Documented Vessels and California Tax*
79A	*Aircraft and California Tax*
118	*Vending Machine Food Sales*
126	*Mandatory Use Tax Registration for Service Enterprises*

CALIFORNIA STATE BOARD OF EQUALIZATION • 450 N STREET • SACRAMENTO, CALIFORNIA
MAILING ADDRESS: P.O. BOX 942879 • SACRAMENTO, CA 94279-0001