

State of California
BOARD OF EQUALIZATION

UNIFORM LOCAL SALES AND USE TAX REGULATIONS

Regulation 1806. CONSTRUCTION CONTRACTORS.

Reference: Sections 6006-6010, inclusive, 6012.6, 6015, 6384, 7202, 7203, Revenue and Taxation Code.

(a) IN GENERAL. All of the provisions of the State Sales and Use Tax Law and regulations adopted thereunder relating to construction contractors (other than those relating to the rate of tax) are applicable to state-administered local sales and use taxes.

(b) JOBSITE IS PLACE OF BUSINESS. The jobsite is regarded as a place of business of a construction contractor or subcontractor and is the place of sale of "fixtures" furnished and installed by contractors or subcontractors. The place of use of "materials" is the jobsite. Accordingly, if the jobsite is in a county having a state-administered local tax, the sales tax applies to the sale of the fixtures, and the use tax applies to the use of the materials unless purchased in a county having a state-administered local tax and not purchased under a resale certificate. If the jobsite is in a county without a state-administered local tax, state-administered local sales tax will not apply to the sale of the fixtures even though the contractor's principal place of business is in a county with such a tax.

If fixtures are purchased by a contractor tax paid in a county having a state-administered local tax, the contractor, upon installing the fixtures in a county without such a tax, is entitled to a credit for the local tax of the place of purchase.

The place of sale or purchase of a factory-built school building (relocatable classroom) as defined in paragraph (c)(4)(B) of Regulation 1521 (18 CCR 1521), Construction Contractors, is the place of business of the retailer of the factory-built school building regardless of whether sale of the building includes installation or whether the building is placed upon a permanent foundation.

(c) UNITED STATES CONTRACTORS. United States contractors are consumers of both materials and fixtures, and the place of use of both is the jobsite. Accordingly, if the jobsite is in a county having a state-administered local tax, the use tax applies to the use of the materials and fixtures unless purchased in a county having a state-administered local tax and not purchased under a resale certificate.

History: Adopted May 1, 1956.
Amended and renumbered January 6, 1970, effective February 25, 1970.
Amended December 12, 1973, effective January 18, 1974.
Amended June 5, 1991, effective August 18, 1991.

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.