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# *Tax Information for City and County Officials*

*Local Sales and Use Tax  
Transactions (Sales) and Use Tax  
Property Tax*

*September 1997*

*Pamphlet No. 28*

LDA

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## *Introduction*

We have prepared this publication to explain how the Board of Equalization administers laws that govern locally imposed sales, transactions and use taxes. The information is designed to help local city and county officials understand tax programs and how they can utilize the services of the Board. We have also included information on annexation procedures as they relate to sales, transactions, and use tax programs.

We welcome your suggestions for improving this pamphlet. Please send your comments to:

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## Local Sales and Use Taxes

### Components of the State Sales Tax

The State Board of Equalization administers local taxes under the *Bradley-Burns Uniform Sales and Use Tax Law* (see Exhibit A) and the *Transactions and Use Tax Law*, which are divisions of the Revenue and Taxation Code.

The state's portion of the sales and use tax rate is 6 percent. The local sales and use tax rate for cities and counties is 1.25 percent, which is part of the 7.25 percent base rate collected by the Board statewide. Of the 1.25 percent local portion, cities and counties use the 1 percent portion to support general operations. The remaining 0.25 percent is designated by statute for county transportation purposes and may be used only for road maintenance or the operation of transit systems. Counties have been receiving this 0.25 percent for transportation revenue since 1972 when sales tax was first levied on gasoline. The following table shows these tax components and their authorizing Revenue and Taxation Code sections.

*Table 1*  
**Components of the Statewide 7.25 Percent Sales Tax Rate**

RATE	JURISDICTION	R & T CODE
4.75%	State (General Fund)	6051
0.50%	State (Local Revenue Fund)	6051.2
0.25%	State (General Fund)	6051.3
0.50%	State (Local Public Safety Fund)	6051.6
1.25% (1.00% + 0.25%)	Local (County/City) (City and county operations + County transportation funds)	7202(a)
<b>7.25%</b>	<b>Total Statewide Base Sales/Use Tax</b>	

### District Taxes

In addition to the state and local taxes described above, in 1970 the Board began administering local transactions (sales) and use taxes for voter-enacted special districts. Currently, there are 32 such districts in the state with tax rates ranging from 0.125 percent (1/8 percent) to 0.5 percent (1/2 percent). In addition, eight counties impose more than one transactions (sales) and use tax. The combined state, local and special

district tax rates ranges from 7.375 percent to a current maximum (in the City and County of San Francisco) of 8.5 percent.

***Redevelopment  
Agencies***

Beginning January 1, 1986, Redevelopment Agencies were authorized to impose a sales and use tax at a rate of 1 percent or less, to be credited against the city's sales and use tax. Effective January 1, 1994, the law authorizing the creation of new Redevelopment Agencies for sales and use tax purposes was repealed. Redevelopment Agencies that were approved prior to that date remain in effect and continue to receive sales and use tax revenues. New Redevelopment Agencies are still permitted for property tax purposes.

## *Sales Tax Compared to Use Tax*

### *Complementary Taxes*

Sales and use taxes are complementary taxes, i.e., when one tax applies, the other does not. The sales tax is imposed on all retailers for the privilege of selling tangible personal property in the State of California. Use tax is imposed on the storage, use, or other consumption in this state of tangible personal property purchased from any retailer. For example, merchandise purchased from an out-of-state seller and delivered directly to the California purchaser from an out-of-state location is subject to the use tax since the sale was not from a retailer in this state and therefore not subject to the sales tax. Local tax allocation policies differ slightly between sales and use tax.

### *Sales Tax Allocation*

When a business registers with the Board to obtain a seller's permit, an area code is assigned to identify the business location. Generally, the local sales tax is allocated to the assigned area code of the taxpayer's registered place of business. When a sale cannot be identified with a permanent place of business in this state, the local sales tax is allocated to the local jurisdictions through countywide or statewide pools. Accordingly, certain sellers are authorized to report their local sales tax either on a countywide or statewide basis. These may include auctioneers, construction contractors making sales of fixtures, catering trucks, itinerant vendors, vending machine operators, and other permit holders who operate in more than one local jurisdiction, but are unable to readily allocate taxable transactions to particular jurisdictions. There are some exceptions for auctioneers and construction contractors in specific circumstances (see exhibits B and C).

### *Use Tax Allocation*

As discussed in the previous section, use tax is imposed on the storage, use or other consumption in this state of tangible personal property purchased from a retailer. Since use tax is not identified with a specific registered place of business, the tax generally is allocated to the local jurisdictions in the county of use through a countywide pool. Examples of taxpayers who report use tax allocated through the countywide pool include construction contractors who are consumers of materials used in the improvement of real property and whose job site is regarded as the place of business; out-of-state sellers who ship goods directly to consumers in the state from a stock of goods located outside the state; and California sellers who ship goods directly to consumers in the state

from a stock of goods located outside the state. Local use tax reported on Line 2 of the sales and use tax return will be allocated according to the area code assigned for the local jurisdiction where the business is located.

***Leases***

The use tax, rather than the sales tax, applies to leases of tangible personal property. Therefore, local tax on rental receipts should be allocated to the local taxing jurisdiction where the property is used. For taxpayers who maintain a single permanent place of business and make short-term leases of tangible personal property, the local use tax should be reported to the taxpayer's place of business. However, for other lessors, it may be extremely difficult or even impossible to determine the precise location where the property is actually used, due to the types and characteristics of property leased, and their method of record-keeping. The following table shows the administrative guidelines that have been established to determine the allocation of local use tax on those leases.

*Table 2*  
**Local Tax Allocation Guidelines for Leases**

<b>Lease Type and Place Negotiated</b>	<b>Allocation Guidelines</b>
Mobile Transportation Equipment (MTE)—Lease negotiated in-state	Local use tax allocated to place of business on Schedule C.
MTE—Lease negotiated out-of-state	Local use tax allocated on Schedule B opposite county of use.
General equipment—Lease negotiated in-state or out-of-state	Local use tax allocated on Schedule B opposite county of use.

***Long Term Leases  
of New Motor  
Vehicles***

Effective January 1, 1996, Section 7205.1 was added to the Revenue and Taxation Code changing the local tax allocation with respect to long-term leases of new motor vehicles (except certain types of MTE), see Table 3 on the following page. A long-term lease is defined as four months or longer. The changes are summarized as follows:

- If the lessor is a California new motor vehicle dealer (defined in Section 426 of the Vehicle Code), the place of use for reporting the local use tax is the dealer's place of business.

- If the lessor is not a California new motor vehicle dealer, and purchases a *new* vehicle from a California new motor vehicle dealer, the place of use for reporting the local use tax is the business location of the dealer from whom the lessor purchases the vehicle.
- Lessors required to allocate the local use tax to the location of the dealer will do so using Schedule F, which will be provided with their sales and use tax return.
- Lessors who are not California new motor vehicle dealers, or who do not purchase motor vehicles from California new motor vehicle dealers, shall continue to use Schedule B to allocate the local tax due on long-term leases through the countywide pool.

*Table 3*  
**Local Tax Allocation for Motor Vehicle Leases,  
Effective January 1, 1996**

Type of Lessor	For Leases Exceeding Four Months Allocate One Percent Local Tax to:	For Leases Four Months or Less Allocate One Percent Local Tax to:
<b>California New Motor Vehicle Dealer-Lessor:</b> Lease of new vehicle	California Dealer's sales location (Schedule F)	Lessor's sales location
<b>California Lessor (other than a new motor vehicle dealer):</b> Lease of a <b>new</b> motor vehicle purchased from a California new motor vehicle dealer	California Dealer's sales location (Schedule F)	Lessor's sales location
Lease of a <b>new</b> motor vehicle purchased from someone other than a California new motor vehicle dealer (except light duty pickups)	Lessee's place of registration (Schedule B)	Lessor's sales location
All leases of <b>used</b> motor vehicles (except light duty pickups)	Lessee's place of registration (Schedule B)	Lessor's sales location
Lease of MTE <b>including</b> light duty pickups	Lessor's sales location	Lessor's sales location
<b>Out of State Lessor:</b> Lease of a new motor vehicle purchased from a California new motor vehicle dealer	California Dealer's sales location (Schedule F)	Lessee's place of registration (Schedule B)
Lease of a new or used motor vehicle and MTE purchased from someone other than a California new motor vehicle dealer	Lessee's place of registration (Schedule B)	Lessee's place of registration (Schedule B)

## ***Schedules Used For Reporting One Percent Local Tax Allocation***

### ***Allocations for Multiple Business Locations (Schedule C)***

Taxpayers should report the amount of local tax payable for each registered business location. When a taxpayer has more than one retail outlet in more than one local jurisdiction, the Board issues an additional schedule (*Schedule C - Detailed Allocation by Sub-outlet of Uniform Local Sales and Use Tax*) with the sales and use tax return. Using this schedule, the taxpayer allocates the amount of 1 percent local tax generated at each location. The 1/4 percent county transportation portion of the local tax rate is allocated automatically by the Board based on the local tax allocation information provided by the taxpayer.

### ***Statewide or Countywide Pool Allocations (Schedule B)***

Some taxpayers are authorized to report their local tax either on a statewide or countywide pool basis. These taxpayers are issued an additional schedule (*Schedule B - Detailed Allocation by County of 1 percent Uniform Local Sales and Use Tax*) with their sales and use tax return. *Schedule B* lists each county within the state of California, and sales or use tax should be entered opposite the county of use or sale, as provided by statute or regulations. At the end of each reporting quarter, the countywide pool totals are prorated, first among the cities, redevelopment areas, and the unincorporated area of each county using the proportion that the identified tax for each city and unincorporated area of a county bears to the total identified for the county as a whole. Next, the combined total of the direct allocation and the prorated countywide pool amount is used to allocate the statewide pool amount to each city, redevelopment area, and county.

## Revenue Sharing

### **Sharing Local Tax From a Single Taxpayer**

Occasionally business's physical location will straddle the border between two local jurisdictions, e.g., city and city, city and county, county and county. In this case, the local jurisdictions involved may wish to split or share the revenues generated at this location. This process is governed by Article XIII, Section 29, of the State Constitution which states:

*The Legislature may authorize counties, cities and counties, and cities to enter into contracts to apportion between them the revenue derived from any sales or use tax imposed by them which is collected for them by the State. Before any such contract becomes operative, it shall be authorized by a majority of those voting on the question in each jurisdiction at a general or direct primary election.*

For further information regarding this process, please contact the Board's Local Revenue Allocation Section.

### **Sharing 1 Percent Local Tax**

A city's local tax rate may be imposed up to 1 percent. A city may adopt an ordinance to impose a local tax rate of less than 1 percent defaulting the balance of the 1 percent rate to the county in which the city is located. Briefly, the city must enact an ordinance reducing the local sales and use tax rate by the amount which will be defaulted to the county. For example, City A, which is located in County B, currently receives 100 percent of the 1 percent local tax imposed in that city. The new ordinance states that City A will receive 95 percent of the local tax, and County B will receive 5 percent. In addition to a certified copy of the city's ordinance, the Board requires a copy of the county's ordinance or other confirming document.

## *Administrative Charges and Costs*

### *Board of Equalization Administrative Charges*

Legislation effective July 1, 1993, requires the Board to charge each city, city and county, county, redevelopment agency, and special taxing district for the services it provides in administering the local entity's tax ordinance. The amount to be charged is determined by the Board with the concurrence of the Department of Finance based on the local entity's total computed cost, including direct, shared, and central agency costs. These costs are deducted from the quarterly allocation of taxes collected by the Board.

### *Computation of Costs*

When the amount of local tax collected for each jurisdiction has been computed, and the amounts for cities engaged in revenue sharing plans with their respective counties has been reduced accordingly, the state's administrative cost is deducted from each jurisdiction's total due. For additional information regarding the computation of administrative costs, please contact the Board's Budget Section (see page 73).

## Using Tax Area Codes to Distribute Local Taxes

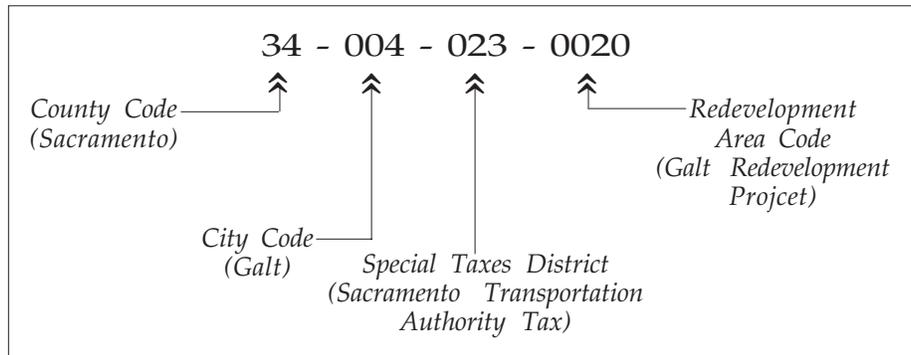
### Role of Tax Area Codes

Accurate tax area coding is critical to the allocation process because it is the basis for distributing tax revenue collected to the place of sale or use. Each city, city and county, county, special taxing district and redevelopment area is identified by the Board within a 12-digit area code assigned to the business address. Board area code specialists verify business addresses with maps provided by the cities and counties to ensure that proper tax area codes are assigned. Business addresses that cannot be properly identified by the use of available maps are researched further with the aid of property tax parcel maps and local jurisdiction representatives.

### Tax Area Code Structure

The area code identifies the business address, the county and city in which the business is located, as well as the special taxing district(s) and redevelopment area, if applicable. The following is an example of the 12-digit area code for the city of Galt:

#### Example A Sample Area Code



To avoid incorrect allocation of revenue, cities and counties should bring questionable area coding items to the Board's attention to establish a "date of knowledge" as soon as possible. Since the law prohibits redistribution of misallocated local funds beyond three quarterly periods preceding the date of knowledge of the misallocation, prompt notification is essential.

***Date of Knowledge  
for Redistribution  
of Local Sales  
and Use Tax***

Section 7209 of the Bradley-Burns Uniform Local Sales and Use Tax Law provides as follows:

*The Board may redistribute tax, penalty and interest distributed to a county or city other than the county or city entitled thereto, but such redistribution shall not be made as to amounts originally distributed earlier than two quarterly periods prior to the quarterly period in which the Board obtains knowledge of the improper distribution.*

A date of knowledge of improper distribution can be established using either of the following two methods:

- The Board receives an inquiry from a local jurisdiction or its representative. The inquiry must include the following minimum factual information to be considered adequate to establish a date of knowledge: (1) the account number of the business being questioned, (2) the tax reporting period(s) involved, (3) the exact business location, (4) the specific types of transaction(s) involved. If all of the above information is provided, the date of knowledge is the date on which the inquiry is received by the Board.
- An employee of the Board discovers factual information sufficient to support the probability that an erroneous allocation of local tax may have occurred, and that allocation is questioned by the Board employee. A date of knowledge is established when the employee questions the allocation.

Local governments should maintain written evidence that notice of improper distribution was given to the Board. Accordingly, the Board recommends that inquiries into suspected improper distributions be mailed or faxed to its Allocation Group. If inquiries are made by telephone, adequate records of the conversation should be maintained, and written acknowledgment should be obtained from the Board.

When improper distributions are verified by the Board, redistributions may be processed for amounts originally distributed no more than two quarterly periods preceding the quarterly period in which the Board obtains a date of knowledge. Since local tax is generally distributed during the quarter following the period for which tax is reported, redistributions are usually processed for the three quarters immediately preceding the quarter in which the date of knowledge is acquired. For example, City A notifies the Board in a letter received on March 15, 1994, that Taxpayer X opened a business in that city in

February 1993, but no tax has been allocated to that city from that taxpayer. The Board investigates the city's inquiry, and finds that the city is correct, and this taxpayer's local tax has been improperly allocated to City B. The investigation is completed on April 2, 1994. Although the verification is not made until the second quarterly period, the date of knowledge (March 15) is in the first quarterly period. Accordingly, the Board will redistribute (reallocate) the local tax from City B to City A for the second, third, and fourth quarters 1993. Although the business opened in the first quarter 1993, Section 7209 prohibits the reallocation of local tax for that period because the tax was distributed more than two quarters earlier.

*The Board understands that this is a complex area of the law and that you may have questions and comments. Please contact the Local Revenue Allocation Section if you wish to obtain more information.*

## District Transactions (Sales) and Use Taxes

### *District Taxes*

District taxes are additional transactions (sales) and use taxes imposed within special tax districts pursuant to the Transactions and Use Tax Law of the Revenue and Taxation Code. They are reported on *Schedule A - Computation Schedule for District Tax*. The words *transaction* and *transactions* as used in that law have the same meaning respectively as the words *sale* and *sales* in the Sales and Use Tax Law. Special district taxes are imposed through voter approval of ordinances adopted by the districts' governing boards. Section 7285 of the Revenue and Taxation Code authorizes counties to levy transactions and use taxes under specified conditions. There is no such authority for *cities* to impose these taxes. Any city desiring to impose a district tax must seek special enabling legislation from the State legislature.

The proceeds from district taxes may be used for transportation or other government services, but the intended use of the tax dollars must be specified in the ordinance submitted to the voters. Currently, district tax rates range from 0.125 percent (1/8 percent) to 0.5 percent (1/2 percent). Some counties have more than one district resulting in a countywide combined district tax rate of up to 1.25 percent.

### *Administrative Differences Between Local Sales and Use Tax and Transactions and Use Tax*

There are two major distinguishing differences between local sales and use tax and the transactions and use tax laws.

#### **Date of Knowledge**

The Bradley Burns Uniform Local Sales and Use Tax Law provides that redistribution of tax, penalty and interest distributed to a county or city other than the county or city entitled thereto shall not be made earlier than two quarterly periods prior to the quarterly period in which the Board obtains knowledge of the improper distribution. The Transactions and Use Tax Law contains no such statutory limitation regarding redistribution of funds.

#### **Place of Sale**

Under the Bradley-Burns Uniform Local Sales and Use Tax Law, most retail sales occur at the retailer's place of business in this state. (Exceptions may include certain auctioneers, vending machine operators, and construction contractors). If the retailer has more than one place of

### *Distributing District Taxes*

business in this state, the sale occurs at the location where the principal negotiations take place. Generally, the 1 percent local sales tax portion of the statewide 7.25 percent sales and use tax is allocated to the jurisdiction where the retailer's place of business is located, and the local use tax is allocated to the county where the property is used.

For purposes of distributing the district tax, the tax generally follows the merchandise. That is, the tax is distributed to the district where the goods are delivered (and presumably used). District tax distributions are, therefore, affected by the definition of *place of sale*, which relies on the following factors that also determine if district tax is applicable. If the conditions in (a) are not met, the retailer should look at (b) to see if he/she must collect and report the use tax.

#### *a. Transactions (sales) Tax*

- The retailer has a business location in the district and the sale and delivery occur at that location.

#### *b. District Use Tax*

- The retailer is engaged in business in the district.
- The retailer has any kind of representative operating in the district for purposes of making sales or deliveries, or taking orders.
- The retailer derives rentals from a lease of tangible personal property in the district.
- The retailer sells or leases vehicles, undocumented vessels, or aircraft that will be registered in the district.

### *Differences in the Application of Local Sales and Use Tax v. Transactions and Use Tax*

Occasionally, representatives of local jurisdictions attempt to draw a correlation between local sales and use tax and transactions and use tax collected in their city and/or county. Since the factors determining whether a transaction is subject to local sales and use tax differ from those that indicate whether the same transaction is subject to transactions and use tax, it is not always possible to establish a direct correlation between the two. The following illustrates the taxability of some sample transactions.

- If a seller has a place of business in the city of Sacramento, which is in the Sacramento Transportation Authority (STAT) district, and makes over-the-counter sales, the seller is liable for STAT (district) transactions tax, and local sales tax is allocated to place of business (Sacramento).

- If an in-state seller is located outside the STAT district (in Vallejo, for example) but has agents in the district who make sales to customers in the district, the seller must report the STAT district use tax. Local sales tax is allocated to seller's in-state location (Vallejo).
- If a seller has no in-state location and no in-state inventory of goods, but sales personnel call on customers in the STAT district, the seller is liable for STAT (district) use tax. The local use tax is allocated through countywide pool to local jurisdictions in the county of delivery.
- If a seller has a place of business in the City of Sacramento, which is in the STAT district, but ships property pursuant to a contract of sale to a purchaser in Yolo County, which has no district tax, the seller is not liable for any district tax, and local sales tax is allocated to the City of Sacramento.
- If a seller has a place of business in the City of Sacramento, which is in STAT district, but ships property via common carrier pursuant to a contract of sale to a purchaser in the City of Fresno which is in the Fresno County Transportation Authority (FCTA) District, the seller is not considered to be "engaged in business" in FCTA, and is not liable for any district tax. The local sales tax is allocated to the City of Sacramento.

For additional information regarding district taxes, see Pamphlet No. 44 *Tax Tips for District Taxes*, which can be requested from your local Board office or by calling our Information Center at 1-800-400-7115.

## *Method of Payment*

### *Method of Computing Local Tax Payments*

To maintain a reliable and steady cash flow to the cities, counties, and special districts, the Board distributes quarterly tax revenues using the following method:

Using the prior year's like quarterly tax allocation as a starting point, we first eliminate nonrecurring transactions such as fund transfers, audit payments and refunds, and then adjust for growth, in order to establish the estimated base amount. The Board disburses 90 percent to each local jurisdiction in three monthly installments (advances) prior to the final computation of the quarter's actual receipts. The first and second advances each represent 30 percent of the 90 percent distribution, while the third advance represents 40 percent. One advance payment is made each month, and the quarterly reconciliation payment (clean-up) is distributed in conjunction with the first advance for the subsequent quarter. Statements showing total collections, administrative costs, prior advances and the current advance are provided with each quarterly clean-up payment.

A worksheet for computing a local jurisdiction's quarterly advance, (*Quarterly Advance Worksheet*, is included at the back of this pamphlet (see Exhibit D).

### *Report Early on Significant Business Changes*

To ensure that advances reflect actual activities as closely as possible, local jurisdictions should advise the Board's Local Revenue Allocation Section of any new retailers or shopping malls opening that may significantly impact the advances. Similarly, the closing (or relocation to another jurisdiction) of any large retailer should be brought to our attention to avoid overpayment of advances.

## Understanding the Board's Local Tax Allocation Calendar

### *Annual Local Tax Allocation Calendar*

Each year we distribute a *Local Tax Allocation Calendar* to local tax jurisdictions, including special tax districts, for their reference (Exhibit E). The following is an example of that calendar. An explanation of each column of information is provided in the sections below.

*Table 4*  
**Example of the Local Allocation Calendar**

REPORTING PERIOD AND DUE DATE	MONTHLY ALLOCATION PERIOD	ALLOCATION PERIODS FOR ADVANCES	ALLOCATION PERIODS FOR CLEAN-UP	STATEMENT & CLAIMS RELEASE DATE (5 P.M.)	WARRANT MAILING DATE
APRIL 1997	5-14-97	6-13-97			
5-31-97	6-12-97	7-14-97		7-2-97	7-14-97*
MAY 1997	6-13-97	7-15-97			
6-30-97	7-14-97	8-13-97		8-11-97	8-20-97
JUNE, FISCAL, & 2ND QTR 1997	7-15-97	8-14-97	5-14-97		
7-31-97	8-13-97	9-12-97	8-13-97	9-17-97	9-26-97

\*Warrent delayed to agree with advance allocation period. Every effort will be made to make payment on each schuduled date.

### *Reporting Period and Due Date*

Generally, sales and use tax is reported on a monthly, calendar quarterly, calendar yearly, or fiscal yearly basis. Although some taxpayers have received authorization to report their taxes on an irregular quarterly reporting period to accommodate their accounting cycle, the following explanation is restricted to taxpayers filing on regular reporting periods.

Monthly reporting periods are self-explanatory. Yearly reporting periods may be based on the calendar year (January 1 though December 31) or fiscal year (July 1 through June 30). Quarterly periods cover the following dates:

- 1st quarter** - January 1 through March 31
- 2nd quarter** - April 1 through June 30
- 3rd quarter** - July 1 through September 30
- 4th quarter** - October 1 through December 31

*Monthly tax returns* must be filed (postmarked) on or before the last day of the month following the month for which the tax is due. For example, tax returns for the month of May must be filed on or before June 30.

*Quarterly tax returns* must be filed (postmarked) on or before the last day of the month next succeeding each quarterly period. For example, tax returns for the first quarter (January through March) must be filed on or before April 30.

*Yearly tax returns* must be filed (postmarked) on or before the last day of the month following the end of the year for which the tax is due. For taxpayers whose reporting year ends December 31, the return should be filed on or before January 31 of the following year. Taxpayers reporting on a fiscal year basis (fiscal year ending June 30) should file their returns on or before the last day of the month following the close of the fiscal year, July 31.

**Note:** Return filing due dates that fall on weekends or state holidays automatically will be extended to the next business day. The majority of the largest tax-reporting business are located out of state; consequently, tax returns from these taxpayers, even though postmarked by the filing date, often do not reach the Board's Sacramento headquarters until five to seven calendar days from mailing.

Monthly prepayments are generally required by law to be made by taxpayers whose estimated taxable measure averages \$17,000 or more per month. For local tax purposes however, prepayments cannot be allocated until the quarterly return is filed since the return contains the specific allocation information.

### ***Monthly Allocation Periods***

In an effort to provide adequate time for manual adjustments to tax returns by Board staff and still process the returns as expeditiously as possible, monthly allocation periods have been assigned that roughly correspond to the mid-month points for each monthly reporting period. In this manner, the Board can promptly allocate local tax reported on returns that are received up to two weeks before the due date as well as those that are received up to two weeks beyond the due date. This means, for instance, that the allocation period for returns due on or before June 30 is June 14 through July 14. This method is used for monthly allocations only.

***Allocation Period  
for Advances***

The Board is required by statute to distribute sales and use tax revenues to local jurisdictions at least twice in each calendar quarter. However, in order to ensure a steady cash flow to local governments, the Board makes every effort to distribute these funds on a monthly basis using the “advance” method of payments described in the section *Method of Payment*. Advances are distributed to local jurisdictions and special tax districts based on periods identical to Monthly Allocation Periods (see the previous page).

In the sample calendar on page 16, the date 8-17-97 in the column labeled “Warrant Mailing Date” corresponds to the “Allocation Periods for Advances” column date 7-15-97 to 8-11-97. This means that the advance payment distributed to local jurisdictions and special districts on August 17, 1997, represented the (estimated) tax revenues collected for the return month of June (returns due on or before July 31, 1997).

***Allocation Periods  
for Clean-up***

As discussed in the section *Method of Computing Local Tax Payments*, the clean-up payment is the reconciliation between the total of the three advance payments and the actual collections (less the administrative fee) for any given quarterly return period. Accordingly, the column labeled “Allocation Periods for Clean-up” displays a full quarterly (three-month) time span. The dates representing the quarterly clean-up period correspond to the monthly dates for the months occurring in that quarter.

***Statement and  
Claims Release  
Date (5 P.M.)***

This date represents the date on which information regarding advance and/or clean-up payments should be available. Local jurisdictions and special tax districts desiring to contact the Board’s Local Revenue Allocation Section by telephone to receive advance notice of exact amounts to be distributed on the Warrant Mailing Date may do so after this date.

***Warrant Mailing  
Date***

On this date, warrants for advances and/or clean-up payments are mailed by the State Controller’s Office or received in person by local bank representatives for deposit under the State Controller’s Same-Day Banking program. For information regarding enrollment in the Same Day Banking program, please contact the State Controller’s Office at the address and telephone number listed at the end of this pamphlet.

## *Using Registration Data to Ensure Correct Allocation*

### *Use of Registration Data Provided by the Board*

When a city, city and county, or county contracts for state administration of local sales and use tax, the Board creates for that jurisdiction a deck of 3" x 5" registration data cards listing every place of business within the local jurisdiction (Exhibit G). Upon request, and every month thereafter, each jurisdiction may receive registration updates for any additions, deletions, address changes, and other changes processed by the Board. This information is also available upon request on floppy disk and computer tape (see Exhibit F, *Media Registration* form).

### *Verifying Tax Area Codes*

Local jurisdictions should use the registration data to verify the accuracy of tax area codes assigned to each account since an incorrect area code results in the misallocation of the local tax generated by that account. If errors are noted, the Board's nearest district office (telephone numbers are listed in the telephone book white pages) should be notified. Their staff is authorized to make the appropriate corrections after reviewing the taxpayer's file.

Cities and counties that have street range listings for their jurisdictions can assist the Board by providing that information to the Local Revenue Allocation Section. This information can be used to identify jurisdictions for the business locations in order to assign the correct tax area codes. It is particularly helpful for jurisdictions that have streets crossing boundaries with neighboring jurisdictions or for streets that form jurisdictional borders.

### *Identifying Unregistered or Unlicensed Businesses*

Cities and counties are encouraged to compare their business license records with Board registration records to determine if businesses located within their boundaries are registered with the Board and operating with the appropriate local business licenses. It is important to note that seller's permits contain the following information:

- Taxpayer's name (and dba, if applicable)
- Business address
- Permit (account) number

Permits do not include local jurisdiction tax area code information, and in many cases, business address information can be misleading. For example, a business address may indicate a postal delivery location in the city of San Diego, however the actual location may be outside the city limits. Therefore, the 1 percent local tax would correctly be allocated to the unincorporated area of the County of San Diego. This is not discernible from the address only.

Local tax allocation information is included on the Board's application for a seller's permit, as well as the taxpayer's sales and use tax return. Local jurisdictions may request copies of these documents from the taxpayer when registering them for a new business license to ensure correct local tax allocation. Local jurisdictions should notify their local Board District Office regarding businesses (potential taxpayers) operating without a state seller's permit so that the Board can register them and subsequently provide the local jurisdictions with the local tax revenue to which they are entitled. When notifying the Board of suspected problems, cities and counties should first ascertain if:

- The business is operating from a location within the city limits or unincorporated area of the county; and/or
- The business is making sales of tangible personal property that are subject to sales/use tax

In addition, it is helpful if the name, telephone number, and mailing address of the business's contact person is provided to the Board for follow-up procedures.

### ***Notifying New Business of Seller's Permit Requirements***

Cities and counties can also assist in bringing businesses under permit at an early date by notifying business license applicants that their business activities may require them to hold a seller's permit. Such notification can be accomplished in several ways. For example, a notice may be added to the application for a business license, or a Board-prepared handout (see Exhibit H) may be distributed to applicants. If a notice is added to the application for business license, the law requires that the following language be used:

*Sales or use tax may apply to your business activities. You may seek written advice regarding the application of tax to your particular business by writing to the nearest Board of Equalization office.*

***Use of Allocation  
Data***

In addition to the registration data provided by the Board, local jurisdictions may also request a list of the local tax dollars distributed to the jurisdiction from taxpayers' returns. Local jurisdictions typically monitor this data for questionable tax allocations, unusual dollar amounts, or missing allocations or fund transfers. It is also useful as a budgeting tool.

The "Top-25" list is another type of allocation report available from the Board. This report lists, in alphabetical order by business name, the top 25 retailers with ongoing business activities located within the jurisdictions. You can request it from the Local Revenue Allocation Section.

## *Access to Board Records*

### *Procedure to Obtain Access to Board Records*

Section 7056 of the Revenue and Taxation Code provides that any county, city and county, city or district wishing to examine the Board's records to verify that transactions subject to sales or transactions and use tax have been reported properly, must adopt a resolution authorizing one (or more) of its officials, employees, or other designated person to examine the appropriate sales or transactions and use tax records of the Board. (Please refer to Exhibits I and J for sample resolutions). Special taxing districts may adopt a similar resolution for their purposes.

### *Confidentiality of Records*

**Local officials allowed access to confidential Board records should note that the use of such information is limited to governmental purposes and is not subject to release in public meetings or other such forums. (See Exhibit K for the full text of Section 7056.)**

## *Sales and Use Tax Registration and Allocation Media*

Currently, the Board provides two media categories to cities and counties without charge, except for the cost of magnetic tape (\$12.00 per tape.) Registration files for transactions and use tax districts do not exist.

### *Registration*

A *Start up Deck* of 3" x 5" cards lists all active businesses (including sub-locations and recent close-outs) in the jurisdiction. Delivery is in two to three weeks from the date the request is received. Start-up decks are available at no charge to the requesting jurisdiction once per 12-month period. For information regarding fees for additional start-up decks, please contact the Local Revenue Allocation Section.

*Monthly Updates* consist of the registration changes for a jurisdiction processed by the Board during the preceding month. Each jurisdiction is expected to maintain its own registration database to monitor its local tax allocation. Delivery begins the month after the request is received. Redevelopment Project (In-Lieu) permits are included in the appropriate city's monthly updates and are listed separately at the end of the file by redevelopment project area code.

### *Allocation*

Allocation Media requires an authorizing resolution pursuant to Section 7056 (see the previous page). The data available are Allocation History and Monthly Allocation.

*Allocation History*, which lists local tax revenue distributions by month, is available for a maximum of 18 months. Delivery is four to six weeks after a request is received.

*Monthly Allocation* consists of local tax distributions by jurisdiction during each month. Delivery begins the month after a request is received.

The tables on the following pages describe, by media, the types of information available to cities and counties.

*Table 5*  
**Media Currently Available to Cities and Counties**

Type of Media	Registration	Allocation
Paper	3" x 5" buff-colored cards.	Standard 8 1/2" x 11" sheets.
Magnetic Tape	1/2 inch tape, 9 track (for mainframe computers) with a density of 1600 or 6250 bpi (bytes per inch) recorded in EBCDIC (ebb se deck). Charge: \$12.00 per tape (plus tax and shipping cost).	Same as Registration magnetic tape.
Floppy Disk	5 1/4" @ 360 k or 1.2 meg. 3 1/2" @ 1.44 meg. Recorded in ASCII as key II. Diskette availability is limited by number of active accounts as follows: <ul style="list-style-type: none"> <li>• 5 1/4" (360 k) 4,000 accounts</li> <li>• 5 1/4" (1.2 meg) 13,500 accounts</li> <li>• 3 1/2" (1.44 meg) 16,000 accounts</li> </ul>	Same as Registration magnetic tape.
Microfiche	NOT AVAILABLE.	Standard 4" x 5-3/4 " fiche.

*Table 6*  
**Media Currently Available for Transactions and Use Tax Districts**

Registration	Allocation
Start up deck listing accounts located in cities and counties within district. No updates are provided.	Same as cities and counties.

*Table 7*  
**Media Layout Information**

Type of Media	Registration	Allocation
Paper	See Exhibit G	See Exhibit M
Magnetic Tape	See Exhibit L. No headings are provided for the 216 character record. Each jurisdiction needs computer software that can perform analyses and summaries of data. If both registration and allocation files are provided, they are separated by a trailer label on the magnetic tape.	See Exhibit N. Same as registration magnetic tape, except record length is 100 characters.
Floppy Disk	See Exhibit L. Same as magnetic tape except: (a) file must be uncompressed using MS or PC DOS (3.3 or above). Apple computers require a special DOS application to uncompress. A compressed format reduces the space required by data and utilizes a type of security envelope to ensure data integrity. (b) may be used with canned software such as DBASE, FOX BASE, etc., but will require some programming skills to perform analyses.	See Exhibit O. Same as registration floppy disk, except record length is 100 characters.
Microfiche	N/A.	Same as paper format.

***How to Order***

Registration and Allocation media can be ordered by completing the Registration/Allocation Media Request form, Exhibit F, and returning it to the Board's Local Revenue Allocation Section. In order to receive allocation media, the local jurisdiction must have a resolution on file with the Board, authorizing one of its officials, employees, or other designated person to examine the appropriate sales or transactions and use tax records. A resolution is not required to receive registration information.

## *Board of Equalization Offices Administering Local Taxes*

### *The Local Allocation Group*

The Local Allocation Group is a unit of the Sales and Use Tax Department's Audit Program Division. Staff's duties include review and processing of local tax recommendations made by field audit staff. This may include reallocation of 1 percent local taxes between jurisdictions within the time permitted by the statute of limitations. In addition, the Local Allocation Group is responsible for processing written inquiries from local jurisdictions and/or their representatives regarding questionable or disputed local tax allocations.

The Local Allocation Group may be contacted by writing

Board of Equalization  
Local Allocation Group, MIC:39  
450 N Street  
P.O. BOX 942879  
Sacramento, CA 94279-0039

They may also be contacted by telephone at (916) 324-1051 or by FAX at (916) 445-2249.

### *The Local Revenue Allocation Section*

The Local Revenue Allocation Section (formerly Local Tax Section) is responsible for the initial allocation and distribution of all local taxes including those reported on sales and use tax returns, audit findings, and accounts receivable. This includes the distribution of transactions and use (district) taxes. Questions regarding monthly advances, quarterly clean-up payments, local tax laws and regulations, and media requests (among others) may be directed to this section.

The Local Revenue Allocation Section may be contacted by writing

Board of Equalization  
Local Revenue Allocation Section, MIC:27  
450 N Street  
P.O. BOX 942879  
Sacramento, CA 94279-0027

They may also be contacted by telephone at (916) 324-3000 or by FAX at (916) 324-3001.

## *Questioning Local Tax Allocations*

### *Submitting Inquires*

The Board has established procedures for receiving, acknowledging, and processing inquiries from local jurisdictions and their consultants (IJC) regarding local tax allocations.

Inquiries should be submitted in writing on form BT-549-L or BT-549-S (see exhibits P and Q) to:

Board of Equalization  
Allocation Group, MIC:39  
450 N Street  
P.O. BOX 942879  
Sacramento, CA 94279-0039

Inquiries may also be submitted by FAX at (916) 445-2249.

### *Acknowledgment of Inquiry/Date of Knowledge*

Inquiries will be acknowledged within 30 calendar days of receipt by the Board. If the inquiry contains sufficient data to indicate the probability of a misallocation, it will be accepted for investigation, and the date of knowledge will be the date the inquiry was received by the Board.

If the inquiry does not provide adequate data *and* if the IJC has made a good faith effort to obtain sufficient facts but has been unable to do so, the IJC should include a letter with the inquiry setting forth what it has done to obtain those facts. If such a letter is provided, the Board may use the date the inquiry was received as the date of knowledge. However, if the inquiry does not contain sufficient facts and is not supported by a letter, the inquiry will be returned to the IJC with a letter of explanation.

### *Staff Review*

Inquiries accepted for investigation will be assigned to an auditor who will attempt to resolve all inquiries through correspondence with the taxpayer(s). If the auditor is unsuccessful in obtaining the needed information, the inquiry may be referred to the appropriate district office for action. A copy of any correspondence will be sent to the IJC.

### *Notification of Results*

Upon completion of the staff review process, the inquiring entity will be notified of the results in one of two ways.

#### *Approved Reallocations*

If the investigation confirms a misallocation, and the recommended reallocation is less than \$5,000, a fund transfer will be processed.

If the investigation confirms a misallocation, and the recommended reallocation is greater than \$5,000, approval must be obtained from the auditor's supervisor and the Board's Legal Division before the fund transfer can be processed.

***Denied Allocations***

If the investigation does not confirm that a misallocation occurred, the request for reallocation will be denied. In this case, the auditor's supervisor will review the recommendation. If the supervisor upholds the denial, the IJC may ask that the denial be reviewed at subsequent stages by the supervisor of the Audit Refund Section, the Audit Program Manager, or by a Board Management Team consisting of the Executive Director, Chief Counsel, Assistant Chief Counsel for Sales and Use Taxes, and the Deputy Director of the Sales and Use Tax Department. The IJC may also ask the Members of the Board to review a denied request.

For each stage of the review process in which the denial of reallocation is upheld, the IJC will be notified in writing that their request has been denied and that they have 30 days from the date of the written denial to request a meeting with the next level reviewer.

***Appeal Rights of Jurisdictions that Will Lose Revenue as the Result of a Reallocation***

If the Board's reallocation of local tax will result in a loss of 5 percent of a jurisdiction's quarterly allocation, or \$50,000, whichever is less, the losing jurisdiction will be informed of the pending action and, if so requested, allowed 30 days to request a meeting with the section supervisor.

The losing jurisdiction may follow the same appeals procedure as described above for denied reallocations.

***Creation of New Cities (Incorporation)***

A community wishing to incorporate and become a city, will work closely with its county's Local Agency Formation Commission (LAFCO). LAFCO should notify the Board's Local Revenue Allocation Section (LRAS) of pending plans for incorporation. LRAS staff will provide guidance in areas such as confirming city boundaries, establishing tax area codes, and executing legal documents required for the Board to administer the local sales and use tax.

***Creation of New Special Districts***

Section 7285 of the Revenue and Taxation Code provides blanket authority for counties to levy **general purpose** transactions and use taxes within specified limitations. Section 7285.5 authorizes counties to establish separate authorities for special purposes. Authorities created under this section may levy transactions and use taxes for special purposes within specified limitations.

**Cities** have no statutory authority to levy transactions and use taxes. Consequently, they must seek special enabling legislation in order to impose such a tax.

For additional information on creation of new cities and imposition of new transactions and use taxes, please contact the appropriate staff listed on page 73.

## *Annexation Procedures*

### *Boundary Changes*

In each county, the Local Agency Formation Commission (LAFCO) has the responsibility to file a statement whenever there is a change in boundaries of a city or special district. The statement shall be in the form required by the Board (see Exhibit R) and should include (1) a certified copy of the ordinance or resolution ordering the change in boundary; and (2) a legal description and a map or plat, both describing the boundary changes. The last day for cities or special tax districts to file specified statements informing the Board and the various assessors' officers of boundary changes is December 1.

Local jurisdictions are required by statute to reimburse the Board for the cost of maintaining current boundaries on the tax-rate area maps. See Exhibit S, T, and U for complete instructions and fee schedules related to boundary changes.

### *Organization or Reorganization of City Boundaries*

For changes of organization or reorganization, which include the incorporation of, annexation to, or detachment from a city, the statement shall also include the estimated population of the affected territory, and include a map showing limited addresses on streets within the affected territory. The Board requires a complete alphabetical list of all streets within the affected area, to include beginning and ending street numbers. This information is essential to identify businesses, which must be changed in the Board's records. Since businesses may be operated from homes in residential areas, it is important that all residential as well as commercial streets be included on the list.

### *Annexation of Undeveloped Areas*

If the annexed area is undeveloped, the foregoing information about street names and numbers should be furnished to the Local Revenue Allocation Section as soon as it becomes available. Also, information should be provided about any new streets or extensions opened in other parts of the city, any changes in city street names, any renumbering of streets that bring numbers within the city that were formerly outside or vice versa, and/or any changes in postal addresses from route and box numbers to city street numbers. Receipt of this information will help ensure that your city receives credit for local sales and use taxes collected from all sellers whose places of business are within the city limits.



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State of California  
BOARD OF EQUALIZATION

**UNIFORM LOCAL SALES AND USE TAX REGULATIONS**

**Regulation 1802. PLACE OF SALE AND USE FOR PURPOSES OF BRADLEY-BURNS  
UNIFORM LOCAL SALES AND USE TAXES.**

*Reference:* Sections 6012.6, 6015, 6359, 6359.45 and 7205, Revenue and Taxation Code.

**(a) IN GENERAL.**

(1) **RETAILERS HAVING ONE PLACE OF BUSINESS.** For the purposes of the Bradley-Burns Uniform Local Sales and Use Tax Law, if a retailer has only one place of business in this state, all California retail sales of that retailer occur at that place of business unless the tangible personal property sold is delivered by the retailer or his or her agent to an out-of-state destination, or to a common carrier for delivery to an out-of-state destination.

(2) **RETAILERS HAVING MORE THAN ONE PLACE OF BUSINESS.** If a retailer has more than one place of business in this state which participates in the sale, the sale occurs at the place of business where the principal negotiations are carried on. If this place is the place where the order is taken, it is immaterial that the order must be forwarded elsewhere for acceptance, approval of credit, shipment, or billing. For the purposes of this regulation, an employee's activities will be attributed to the place of business out of which he or she works.

(3) **PLACE OF PASSAGE OF TITLE IMMATERIAL.** If title to the tangible personal property sold passes to the purchaser in California, it is immaterial that title passes to the purchaser at a place outside of the local taxing jurisdiction in which the retailer's place of business is located, or that the property sold is never within the local taxing jurisdiction in which the retailer's place of business is located.

**(b) PLACE OF SALE IN SPECIFIC INSTANCES.**

(1) **VENDING MACHINE OPERATORS.** The place of sale is the place at which the vending machine is located. If an operator purchases property under a resale certificate or from an out-of-state seller without payment of tax and the operator is the consumer of the property, for purposes of the use tax, the use occurs at the place where the vending machine is located.

(2) **ITINERANT MERCHANTS.** The place of sale with respect to sales made by sellers who have no permanent place of business, and who sell from door to door for their own account shall be deemed to be in the county in which is located the seller's permanent address as shown on the seller's permit issued to him or her. If this address is in a county imposing sales and use taxes, sales tax applies with respect to all sales unless otherwise exempt. If this address is not in a county imposing sales and use taxes, he or she must collect the use tax with respect to property sold and delivered or shipped to customers located in a county imposing sales and use taxes.

(3) **RETAILERS UNDER SECTION 6015.** Persons regarded by the Board as retailers under section 6015(b) of the Revenue and Taxation Code are regarded as selling tangible personal property through salespersons, representatives, peddlers, canvassers or agents who operate under or obtain the property from them. The place of sale shall be deemed to be:

A. the business location of the retailer if the retailer has only one place of business in this state, exclusive of any door-to-door solicitations of orders, or

B. the business location of the retailer where the principal negotiations are carried on, exclusive of any door-to-door solicitations of orders, if more than one in-state place of business of the retailer participates in the sale.

The amendments to paragraph (b)(3) apply only to transactions entered into on or after July 1, 1990.

(4) **AUCTIONEERS.** The place of sale by an auctioneer is the place at which the auction is held. Operative July 1, 1996, auctioneers shall report local sales tax revenue to the participating jurisdiction (as defined in subdivision (c) below) in which the sales take place, with respect to auction events which result in taxable sales in an aggregate amount of \$500,000 or more.

**Regulation 1802. PLACE OF SALE FOR PURPOSES OF BRADLEY-BURNS  
UNIFORM LOCAL SALES AND USE TAXES.** (Continued 1)

(5) OUT-OF-STATE RETAILERS WHO MAINTAIN A STOCK OF TANGIBLE PERSONAL PROPERTY IN CALIFORNIA. Operative October 1, 1993, if an out-of-state retailer does not have a permanent place of business in this state other than a stock of tangible personal property, the place of sale is the city, county, or city and county from which delivery or shipment is made. Local tax collected by the Board for such sales will be distributed to that city, county, or city and county.

(6) FACTORY-BUILT SCHOOL BUILDINGS. 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) ALLOCATION OF SALES TAX AND APPLICATION OF USE TAX.**

Local sales tax is allocated to the place where the sale is deemed to take place under the above rules. The local use tax ordinance of the jurisdiction where the property at issue is put to its first functional use applies to such use. As used in this subdivision, the term "participating jurisdiction" means any city, city and county, or county which has entered into a contract with the Board for administration of that entity's local sales and use tax.

**APPLICATION OF USE TAX GENERALLY.**

(1) When the order for the property is sent by the purchaser directly to the retailer at an out-of-state location and the property is shipped directly to the purchaser in this state from a point outside this state, the transaction is subject to the local use tax ordinance of the participating jurisdiction where the first functional use is made. Operative July 1, 1996, for transactions of \$500,000 or more, except with respect to persons who register with the Board to collect use tax under Regulation 1684(b) (18 CCR 1684), the seller shall report the local use tax revenues derived therefrom directly to such participating jurisdiction.

(2) Operative July 1, 1996, if a person who is required to report and pay use tax directly to the Board makes a purchase in the amount of \$500,000 or more, that person shall report the local use tax revenues derived therefrom to the participating jurisdiction in which the first functional use of the property is made.

The amendments to paragraph (b)(4) and new paragraph (c) shall apply prospectively only to transactions entered into on or after July 1, 1996. New paragraph (c) shall not apply to lease transactions.

*History:* Adopted March 27, 1956, effective April 1, 1956.

Amended and renumbered January 6, 1970, effective February 25, 1970.

Amended May 9, 1984, effective September 12, 1984. Subdivision (b)(1) completely revised.

Amended November 29, 1989, effective February 4, 1990. Minor corrections are proposed to be made to paragraphs (a)(1), (a)(2), and (b)(2) for clarification purposes. Completely revised (b)(3) and added subparagraphs A and B to (b)(3).

Amended June 5, 1991, effective August 18, 1991. Amended paragraph (b) to reference Regulation 1521(c)(4)(B) and to explain place of sale.

Amended August 1, 1991, effective August 30, 1991. Amended pursuant to Chapter 85, Statutes of 1991, and Chapter 88, Statutes of 1991, to provide that a newspaper carrier is not a retailer. The retailer is the publisher or distributor for whom the carrier delivers the newspaper. Chapter 85, Stats 1991, was effective July 1, 1991; Chapter 88, Stats 1991, changed the effective date to July 15, 1991.

**Regulation 1802. PLACE OF SALE FOR PURPOSES OF BRADLEY-BURNS  
UNIFORM LOCAL SALES AND USE TAXES.** (Continued 2)

Amended May 26, 1993, effective October 1, 1993. Amended paragraph (b) (5) to be operative October 1, 1993, to provide that if an out-of-state retailer does not have a permanent place of business in this state other than a stock of merchandise, the place of sale is the city, county, or city and county from which delivery or shipment is made. Local tax collected for such sales will be distributed to that city, county, or city and county.

Amended May 15, 1996, effective August 11, 1996. Words "and Use" added to title to reflect inclusion of use tax rules. Subdivision (b)(4) is amended to provide for reporting of local sales tax revenues to specific jurisdictions by auctioneers under specified conditions. New subdivision (c) is added to promulgate rules regarding application of use tax in regulatory form.

*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.*

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.*



# Notice

## STATE BOARD OF EQUALIZATION

450 N Street  
Sacramento  
California 95814

### BOARD MEMBERS

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First District  
Hayward

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Fourth District  
Los Angeles

Kathleen Connell  
State Controller  
Sacramento

Executive Director  
BURTON W. OLIVER

## Sales Tax Jobsite Sub-Permits for Construction Contractors

Some construction contractors are liable for sales or use tax on materials and fixtures consumed or sold on construction contracts. A portion of that tax, the local tax, is distributed to the county government, and city governments within the county, of the jobsite location. The allocation of the local tax is performed by listing the amount of local tax due to each county on Schedule B of the sales and use tax return.

Effective January 1, 1995, construction contractors may elect to allocate the local sales and use tax derived from construction contracts of \$5,000,000 (five million dollars) or more directly to the local jurisdiction where the jobsite is located. This is accomplished by obtaining a sub-permit of their seller's permit for a specific jobsite and allocating the local tax to that jobsite on Schedule C of their sales and use tax return. This qualifying contract price applies to each contract or sub-contract for work performed at the jobsite. Contractors who are already fulfilling a construction contract on January 1, 1995, must have work remaining with a value of \$5,000,000 or more. The sub-permit will be automatically closed-out six months after the estimated completion date of the contract. If delays extend the completion date, contractors should contact the Board of Equalization to extend the active period of the sub-permit.

Permits will not to be issued to contractors who are not normally sellers of materials. Contractors may not purchase tangible personal property for resale, including materials, which they will install or consume at the jobsite.

Contractors may not purchase machinery and equipment, to be used on the construction job, without payment of sales tax in order to allocate the use tax to the specific jobsite.

Local tax on sales of machinery and equipment by the contractor as part of the contract, should continue to be allocated to the contractor's permanent place of business where the principal negotiations of the contract take place in accordance with Regulation 1802.

In accordance with Regulation 1806, where the contractor has not elected to obtain a sub-permit, local tax must still be allocated countywide using Schedule B for jobsites which have contracts of \$5,000,000 or more along with smaller contracts of less than \$5,000,000.

If you have any questions regarding a sub-permit for construction jobsites, please contact the nearest Board of Equalization office.

January 1995

QUARTERLY ADVANCE WORKSHEET

FOR QUARTER \_\_\_\_\_ / \_\_\_\_\_

JURISDICTION: \_\_\_\_\_

JURIS # \_\_\_\_\_

1. PRIOR YEAR'S LIKE QUARTER'S ALLOCATION	_____	
2. REVERSE FUND TRANSFERS (+/-)	_____	
3. ELIMINATE A/R & REFUNDS	_____	
4. SUB TOTAL (LINE 2 + 3)	_____	
5. NORMALIZED ALLOCATION W/O GROWTH (LINE 1 + 4)	_____	
6. GROWTH FACTOR (ESTIMATED QUARTERLY)	_____	%
7. NORMALIZED ALLOCATION WITH GROWTH (LINE 5 X 6)	_____	
8. ESTIMATED ADVANCE BASE FOR QUARTER (LINE 7 X 90%)		_____
9. ADVANCE MONTH #1 (LINE 8 X 30%)	_____	
OTHER ADJUSTMENTS (+ / -)	_____	
ADJUSTED ADVANCE MONTH #1		_____
10. ADVANCE MONTH #2 (LINE 8 X 30%)	_____	
OTHER ADJUSTMENTS (+ / -)	_____	
ADJUSTED ADVANCE MONTH #2		_____
11. ADVANCE MONTH #3 (LINE 8 X 40%)	_____	
OTHER ADJUSTMENTS (+ / -)	_____	
ADJUSTED ADVANCE MONTH #3		_____

Notes identified with items above:

- When a prior like quarter allocation is not available, information for new jurisdictions is obtained through study data prepared by the Statistics Section of the Board. This information is used to base the first quarter's advances (months 1 - 3), however it is subject to modification should additional data indicate a change is warranted.
- Fund Transfer information is located in jurisdictions' allocation data and is identified by an "FT" indicator.
- Historical A/R and refund information is located in jurisdictions' allocation data, however, pending refunds may be identified only as they arise and LRAS is notified by the Board's Refund Unit.
- This is determined each quarter by the Board's Statistics Section in conjunction with the Commission on State Finance. This information is often forecast for a year at a time, but as economic conditions are unpredictable, it is subject to change from quarter to quarter, and in some cases from month to month. You may contact the Local Revenue Allocation Section for quarterly growth factor information.
- These adjustment (+/-) can result from one-time fund transfers processed in favor of, or against a jurisdiction. *Any fund transfer that will impact a jurisdiction with a loss of revenue of the lessor of \$50,000 or 5% of its average quarterly allocation will trigger a notification to the jurisdiction's representative.* Generally, reduction adjustments to the advance payment amounts are made in month #3, since that payment is greater than those in months #1 and 2, and an offset can be better absorbed.

**Local Tax Allocation Calendar - 1997**

State Board of Equalization

REPORTING PERIOD AND DUE DATE	MONTHLY ALLOCATION PERIOD	ALLOCATION PERIODS FOR ADVANCES	ALLOCATION PERIODS FOR CLEAN-UP	STATEMENT & CLAIMS RELEASE DATE (5 P.M.)	WARRANT MAILING DATE
OCTOBER 1996	11-15-96	12-13-96			
11-30-96	12-12-96	1-14-97		1-3-97	1-14-97*
NOVEMBER 1996	12-13-96	1-15-97			
12-31-96	1-14-97	2-14-97		2-6-97	2-19-97
DECEMBER, YEAR, & 4TH QTR 1996	1-15-97	2-15-97	11-15-96		
1-31-97	2-14-97	3-13-97	2-14-97	3-17-97	3-26-97
JANUARY 1997	2-15-97	3-14-97			
2-28-97	3-13-97	4-11-97		4-2-97	4-11-97*
FEBRUARY 1997	3-14-97	4-12-97			
3-31-97	4-11-97	5-13-97		5-12-97	5-21-97
MARCH 1997	4-12-97	5-14-97	2-15-97		
1ST QTR 1997	5-13-97	6-12-97	5-13-97	6-16-97	6-25-97
4-30-97	5-14-97	6-13-97			
APRIL 1997	5-14-97	6-13-97			
5-31-97	6-12-97	7-14-97		7-2-97	7-14-97*
MAY 1997	6-13-97	7-15-97			
6-30-97	7-14-97	8-13-97		8-11-97	8-20-97
JUNE, FISCAL, & 2ND QTR 1997	7-15-97	8-14-97	5-14-97		
7-31-97	8-13-97	9-12-97	8-13-97	9-17-97	9-26-97
JULY 1997	8-14-97	9-13-97			
8-31-97	9-12-97	10-14-97		10-2-97	10-14-97*
AUGUST 1997	9-13-97	10-15-97			
9-30-97	10-14-97	11-14-97		11-7-97	11-19-97
SEPTEMBER	10-15-97	11-15-97	8-14-97		
3RD QTR 1997	11-14-97	12-11-97	11-14-97	12-16-97	12-26-97
10-31-97					

\* Warrant date delayed to agree with advance allocation period. Every effort will be made to make payment on each scheduled date.

**REGISTRATION/ALLOCATION MEDIA REQUEST**

Please complete Sections I, II, & III, and forward this form to the address at the bottom of this page.

Board Use Only

Juris. I.D. # \_\_\_\_\_  
Resolution verified: YES \_\_\_ NO \_\_\_  
TADB Update \_\_\_\_\_ By: \_\_\_\_\_

TSD-Mag Tape Billing  
\_\_\_\_\_ Add/Drop  
\_\_\_\_\_ Address/Misc.  
\_\_\_\_\_ Change

**SECTION I: DATA MAILING ADDRESS**

Your name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_ Jurisdiction: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_ Telephone: \_\_\_\_\_  
FAX: \_\_\_\_\_

**SECTION II: REGISTRATION INFORMATION REQUEST**

(List of name, address and sales/use tax account number for each business.)

Please indicate your choice of media for monthly Registration Updates (changes to sales/use tax accounts in your jurisdiction):

- |  |   |
|--|---|
| <input type="checkbox"/> Paper   | <input type="checkbox"/> 1.2 MB Diskette (5.25") (Limit 13.5K active accounts) ** |
| <input type="checkbox"/> 1600 bpi Magnetic Tape*                             | <input type="checkbox"/> 1.44 MB Diskette (3.5") (Limit 16K active accounts)**    |
| <input type="checkbox"/> 6250 bpi Magnetic Tape*                             | <input type="checkbox"/> None requested   |
| <input type="checkbox"/> 360K Diskette (5.25") (Limit 4K active accounts) ** |   |

**\*MAGNETIC TAPES ARE SHIPPED UPS, THEREFORE NO P.O. BOX DELIVERY CAN BE MADE. THERE IS A MONTHLY CHARGE, CURRENTLY \$12.00 PER TAPE, PLUS TAX AND SHIPPING THAT IS BILLED QUARTERLY.**

**\*\*ALL DATA IS COMPRESSED AND REQUIRES MS OR PC DOS (3.3 OR ABOVE) TO UNCOMPRESS.**

Please indicate if you require a one-time registration listing (Start-up Deck) showing all sales tax accounts in your jurisdiction.

- YES  NO

If yes, indicate media format from choices in Section II: \_\_\_\_\_

**RETURN THIS FORM TO:**

STATE BOARD OF EQUALIZATION  
LOCAL REVENUE ALLOCATION SECTION  
450 N STREET MIC 27  
P O BOX 942879  
SACRAMENTO CA 94279-0027  
**OR**  
FAX to (916) 324-3001

(See Reverse)

**REGISTRATION/ALLOCATION MEDIA REQUEST**

-2-

**SECTION III: ALLOCATION INFORMATION REQUEST**

(List of local tax dollars distributed to your jurisdiction from taxpayers' returns by their sales/use tax account number)

**IMPORTANT:** Each jurisdiction must have a resolution on file with the Board of Equalization to receive allocation information. A sample resolution is available by calling the Board's Local Revenue Allocation Section at (916) 324-3000.

To receive monthly Allocation Information, please indicate your choice of media below:

- |   |  |
|---|--|
| <input type="checkbox"/> Paper  | <input type="checkbox"/> 1.2 MB Diskette (5.25") (Limit 13.5K active accounts)** |
| <input type="checkbox"/> 1600 bpi Magnetic Tape*                            | <input type="checkbox"/> 1.44 MB Diskette (3.5") (Limit 16K active accounts)**   |
| <input type="checkbox"/> 6250 bpi Magnetic Tape*                            | <input type="checkbox"/> Microfiche  |
| <input type="checkbox"/> 360K Diskette (5.25") (Limit 4K active accounts)** | <input type="checkbox"/> None requested  |

**\*MAGNETIC TAPES ARE SHIPPED UPS, THEREFORE NO P.O. BOX DELIVERY CAN BE MADE. THERE IS A MONTHLY CHARGE, CURRENTLY \$12.00 PER TAPE, PLUS TAX AND SHIPPING THAT IS BILLED QUARTERLY.**

**\*\*ALL DATA IS COMPRESSED AND REQUIRES MS OR PC DOS (3.3 OR ABOVE) TO UNCOMPRESS.**

Please indicate if you require prior period local tax data (Allocation History) for all accounts in your jurisdiction.

- YES  NO

If yes, indicate periods (MMYY) From: \_\_\_\_\_ To: \_\_\_\_\_.

Also indicate media format from choices in Section III: \_\_\_\_\_

**Available history is limited to previous 18 months.**

**Signed by individual (or designee) authorized by resolution to receive Board of Equalization information:**

\_\_\_\_\_  
(Printed Name) (Signature) (Title) (Date)

For assistance in completing this form, please contact Janice Cunningham or Karin Olson at (916) 324-3000.

STATE BOARD OF EQUALIZATION

IDENTIFICATION AND LOCATION OF DATA ON SALES TAX REGISTRATION FILE CARD RECORDS

XXXXX County & City	XXX Add- On	XXXX In- Lieu	(1) Tax Area Code	(5) Complete Account Number			(6) Consolidated Account Sub Number	(7) Consolidated Account Master Office
				(2) Tax Program	(3) Office	(4) Account Number		

Location of Business (If different than Mailing Address)	(25)	< 1 >	2	3	< 4 >	6	7	(8) Special Tax Return Processing Code	
		TAX - AREA CODE	T/P	OFFICE	ACCOUNT NO.	SUB NO.	MSTR. OFC.		
Firm Name	(24)	< 25 >					8	9	(9) Reporting Basis Code
		BUSINESS ADDRESS IF DIFFERENT THAN MAILING ADDRESS					SPC	BASIS	
Owner	(23)	< 24 >					10		(10) Return Mailing Exception Code
		FIRM NAME					EXCEPT		
		< 23 >					11	12	(11) Ownership Code
		OWNER					O.C.	EXT	
(22) Mailing Address	(21)	< 20, 21, 22 >					13		(12) Permanent Extension Code
		MAILING ADDRESS					START DATE		
Date Transaction Processed	(19)	19	18	17	< 16 >	15		(13) Starting Date	
		PROCESS DATE	EFFECTIVE DATE	A.A.C.	TRANSACTION	IDENTIFICATION		(14) Business Code	
		(18) Effective Date of Transaction	(17) Account Analysis Code	(16) Reason for Transaction				(15) File Identification	

BT-1049 REV. 2 (7-84)  
REGISTRATION CONTROL RECORD

## Need a Seller's Permit?

### Getting One Has Never Been Easier.

If you are in business, you may need a Seller's Permit from the State Board of Equalization. It's easy to apply — you can visit a Board office or apply by mail. Your choices are explained below.

#### You need a permit . . .

Generally, you must obtain a seller's permit if you are engaged in business in California and sell or lease merchandise, vehicles, or other tangible personal property that is subject to sales or use tax. Retailers and wholesalers are required to obtain a permit, as are persons who make temporary sales—such as sales made at swap meets and fairs, where a temporary permit is normally required.

In fact, making taxable sales without a valid permit is a misdemeanor under California's Sales and Use Tax Law and is subject to fines and penalties.

As a retailer, you must report sales or use tax based on your sales, leases, and rentals. However, if you have a valid seller's permit, you can be reimbursed by your customers for taxes due on your transactions.

#### You can apply . . .

**1. By Mail:** Call the Board's toll-free number, 800-400-7115, to request an *Express Registration* package. Normally, materials will be mailed to you by the second business day following your call.

**2. In Person:** Stop by your nearest Board office (see reverse). We'll ask for information about your business — estimated income and expenses, for example, and about yourself — your social security and driver's license number. If you purchased your business, we'll want to know the name and permit number of the former owner. Normally, you'll have your permit the same day.

Permits are issued free of charge. However, depending on your type of business, you may be asked for a security deposit to ensure payment of taxes.

#### If you have questions . . .

The best way to find out whether sales and use tax applies to your transactions is to contact the nearest Board of Equalization office (see reverse). Staff will be glad to answer your questions and requests for advice. However, for your protection, it is best to get tax advice in writing. Not only will that give us more information on which to base our advice, it may protect you from owing tax, penalty, or interest charges if we should give you erroneous advice. For this relief to apply, a request must be in writing, identify the taxpayer to whom the advice applies, and fully describe the facts and circumstances of the transaction.

 **State Board of Equalization**

**CALIFORNIA STATE BOARD OF EQUALIZATION OFFICES**

<b>BOARD MEMBERS</b>				
DISTRICT	MEMBER	OFFICE ADDRESS	AREA CODE	TELEPHONE NUMBER
First	Johan Klehs	22320 Foothill Boulevard, Suite 300, Hayward, 94541	510	247-2125
Second	Dean F. Andal	7540 Shoreline Drive, Suite D, Stockton, 95219	209	473-6579
Third	Ernest J. Dronenburg, Jr.	110 West C Street, Suite 1709, San Diego, 92101-3966	619	237-7844
Fourth	John Chiang (Acting)	15350 Sherman Way, Suite 110, Van Nuys, 91406	818	901-5733
Executive Director	E. L. Sorensen, Jr.	450 N Street, PO Box 942879, Sacramento, 94279-0001	916	445-6464

**FOR GENERAL TAX INFORMATION CALL  
1-800-400-7115**

*\* For account specific information contact your local office*

**SACRAMENTO HEADQUARTERS**                      **450 N Street, PO Box 942879, Sacramento 94279-0001**                      **916**      **445-6464**  
**BUSINESS TAXES FIELD OFFICES**

CALIFORNIA CITIES	OFFICE ADDRESS	AREA CODE	TELEPHONE NUMBER
Bakersfield	1800 30th Street, Suite 380, PO Box 1728, 93302-1728	805	395-2880
City of Industry	12820 Crossroads Parkway, PO Box 90818, 91715-0818	562	908-5280
Concord	1001 Galaxy Way, Suite 212, 94520 (PO Box 5965, Concord, 94524)	510	687-6962
Culver City	5901 Green Valley Circle, PO Box 3652, 90231-3652	310	342-1000
El Centro	1550 W. Main Street, 92243-2832	760	352-3431
Eureka	134 D Street, Suite 301, PO Box 4884, 95502-4884 (hours 8-12 & 1-5 M-F)	707	445-6500
Fresno	5070 N. Sixth Street, Suite 110, PO Box 28580, 93729-8580	209	248-4219
Laguna Hills	23141 Moulton Parkway, Suite 100, PO Box 30890, 92654-0890	714	461-5711
Norwalk	12440 E. Imperial Highway, PO Box 409, 90651-0409	562	466-1694
Oakland	2101 Webster Street, Suite 200, No. 46, 94612-3027	510	286-0347
Rancho Mirage	42-700 Bob Hope Drive, Suite 301, 92270-4473	760	346-8096
Redding	391 Hemstead Drive, PO Box 492529, 96049-2529	916	224-4729
Riverside	3737 Main Street, Suite 1000, 92501-3395	909	680-6400
Sacramento	9823 Old Winery Place, Suite 1, 95827-1731	916	255-3350
Salinas	111 East Navajo Drive, Suite 100, 93906	408	443-3003
San Diego	1350 Front Street, Rm 5047, 92101-3612	619	525-4526
San Francisco	50 Fremont Street, Suite 1400, 94105-2234	415	396-9800
San Jose	250 South Second Street, 95113-2706	408	277-1231
San Marcos	334 Via Vera Cruz, Suite 107, 92069-2637	760	744-1330
Santa Ana	28 Civic Center Plaza, Rm 239, PO Box 12040, 92712-2040	714	558-4059
Santa Rosa	50 D Street, Rm 215, PO Box 730, 95402-0730	707	576-2100
Stockton	31 East Channel Street, Rm 264, PO Box 1890, 95201-1890	209	948-7720
Suisun City	333 Sunset Avenue, Suite 330, 94585	707	428-2041
Torrance	680 W. Knox Street, Suite 200, PO Box T, 90508-0270	310	516-4300
Van Nuys	15350 Sherman Way, Suite 250, 91406 (PO Box 7735, Van Nuys, 91409-7735)	818	904-2300
Ventura	4820 McGrath Street, Suite 260, Ventura, 93003-7778	805	677-2700

<b>OUT-OF-STATE FIELD OFFICES</b>			
Sacramento	450 N Street, PO Box 188268, 95818-0268	916	322-2010
Chicago, Illinois	120 N. La Salle, Suite 1602, 60602	312	201-5300
New York, N.Y.	675 Third Avenue, Rm 520, 10017-4015	212	697-4680
Houston, Texas	1155 Dairy Ashford, Suite 550, 77079-3007	281	531-3450

**TDD INFORMATION**

California Relay Telephone Service for the Deaf and Hearing Impaired - From TDD telephones dial 1-800-735-2929. From voice operated telephones 1-800-735-2922.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF \_\_\_\_\_ AUTHORIZING EXAMINATION OF SALES AND USE TAX RECORDS

WHEREAS, pursuant to Ordinance \_\_\_\_\_, the County of \_\_\_\_\_ entered into a contract with the State Board of Equalization to perform all functions incident to the administration and collection of local sales and use taxes; and

WHEREAS, the Board of Supervisors of the County of \_\_\_\_\_ deems it desirable and necessary for authorized representatives of the County to examine confidential sales and use tax records of the State Board of Equalization pertaining to sales and use taxes collected by the Board for the County pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board of Equalization records, and establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales and use tax records of the Board:

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF \_\_\_\_\_ HEREBY RESOLVES AS FOLLOWS:

Section 1. That the County Auditor-Controller, or other officer or employee of the County designated in writing by the County Auditor-Controller to the State Board of Equalization (hereafter referred to as Board), is hereby appointed to represent the County of \_\_\_\_\_ with authority to examine sales and use tax records of the Board pertaining to sales and use taxes collected for the County by the Board pursuant to the contract between the County and the Board. The information obtained by examination of Board records shall be used only for purposes related to the collection of County Sales and Use Taxes by the Board pursuant to that contract.

Section 2. That the County Auditor-Controller, or other officer or employee of the County designated in writing by the County Auditor-Controller to the Board, is hereby appointed to represent the County with authority to examine those sales and use tax records of the Board, for purposes related to the following governmental functions of the County:

(a) \_\_\_\_\_

(b) \_\_\_\_\_

(c) \_\_\_\_\_

etc.

The information obtained by examination of Board records shall be used only for those governmental functions of the County listed above.

\*Section 3. That \_\_\_\_\_ is hereby designated to examine the sales and use tax records of the Board pertaining to sales and use taxes collected for the County by the Board. The person or entity designated by this section meets all of the following conditions:

- (a) has an existing contract with the County to examine those sales and use tax records;
- (b) is required by that contract to disclose information contained in, or derived from, those sales and use tax records only to the officer or employee authorized under Section 1(\*or Section 2) of this resolution to examine the information.
- (c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract; and
- (d) is prohibited by that contract from retaining the information contained in, or derived from those sales and use tax records, after that contract has expired.

The information obtained by examination of Board records shall be used only for purposes related to the collection of County sales and use taxes by the Board pursuant to the contract between the County and the Board (\* and for purposes relating to the governmental functions of the County listed in Section 2 of this resolution).

(\* Include in resolution only if applicable.)

Introduced, approved and adopted this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_\_.

ATTEST: \_\_\_\_\_(s)  
County Clerk

---

I, \_\_\_\_\_, County Clerk of the County of \_\_\_\_\_, California, DO HEREBY CERTIFY that the foregoing resolution was duly introduced, approved and adopted by the Board of Supervisors of the County of \_\_\_\_\_, at a regular meeting of said Council held on the \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by the following roll call vote:

AYES: (Names of Supervisors)

NOES: (Names of Supervisors)

ABSENT: (Names of Supervisors)

(S) \_\_\_\_\_  
County Clerk

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF \_\_\_\_\_ AUTHORIZING EXAMINATION OF SALES AND USE TAX RECORDS

WHEREAS, pursuant to Ordinance \_\_\_\_\_, the City of \_\_\_\_\_ entered into a contract with the State Board of Equalization to perform all functions incident to the administration and collection of local sales and use taxes; and

WHEREAS, the City Council of the City of \_\_\_\_\_ deems it desirable and necessary for authorized representatives of the City to examine confidential sales and use tax records of the State Board of Equalization pertaining to sales and use taxes collected by the Board for the City pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board of Equalization records, and establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales and use tax records of the Board:

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF \_\_\_\_\_ HEREBY RESOLVES AS FOLLOWS:

Section 1. That the City Manager, or other officer or employee of the City designated in writing by the City Manager to the State Board of Equalization (hereafter referred to as Board), is hereby appointed to represent the City of \_\_\_\_\_ with authority to examine sales and use tax records of the Board pertaining to sales and use taxes collected for the City by the Board pursuant to the contract between the City and the Board. The information obtained by examination of Board records shall be used only for purposes related to the collection of City Sales and Use Taxes by the Board pursuant to that contract.

Section 2. That the City Manager, or other officer or employee of the City designated in writing by the City Manager to the Board, is hereby appointed to represent the City with authority to examine those sales and use tax records of the Board, for purposes related to the following governmental functions of the City:

(a) \_\_\_\_\_

(b) \_\_\_\_\_

(c) \_\_\_\_\_

etc.

The information obtained by examination of Board records shall be used only for those governmental functions of the City listed above.

\*Section 3. That \_\_\_\_\_ is hereby designated to examine the sales and use tax records of the Board pertaining to sales and use taxes collected for the City by the Board. The person or entity designated by this section meets all of the following conditions:

- (a) has an existing contract with the City to examine those sales and use tax records;
- (b) is required by that contract to disclose information contained in, or derived from, those sales and use tax records only to the officer or employee authorized under Section 1(\*or Section 2) of this resolution to examine the information.
- (c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract; and
- (d) is prohibited by that contract from retaining the information contained in, or derived from those sales and use tax records, after that contract has expired.

The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales and use taxes by the Board pursuant to the contract between the City and the Board (\* and for purposes relating to the governmental functions of the City listed in section 2 of this resolution).

(\* Include in resolution only if applicable.)

Introduced, approved and adopted this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_\_.

ATTEST: (s) \_\_\_\_\_  
City Clerk

(s) \_\_\_\_\_  
Mayor

I, \_\_\_\_\_, City Clerk of the City of \_\_\_\_\_, California, DO HEREBY CERTIFY that the foregoing resolution was duly introduced, approved and adopted by the City Council of the City of \_\_\_\_\_, at a regular meeting of said Council held on the \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by the following roll call vote:

AYES: (Names of Councilmembers)

NOES: (Names of Councilmembers)

ABSENT: (Names of Councilmembers)

(s) \_\_\_\_\_

City Clerk

**7056. Divulging of information forbidden.** (a) (1) Excepting the information set forth on permits issued under Article 2 (commencing with Section 6066) of Chapter w, the information set forth on certificates of registration issued pursuant to Section 6226, and the terms of any settlement made pursuant to Section 7093, it is unlawful for the board, any person having an administrative duty under this part or any person who obtains access to information contained in, or derived from, sales and use tax records of the board pursuant to subdivision (b) to make known in any manner whatever the business affairs, operations, or any other information pertaining to any retailer or any other person required to report to the board or pay a tax pursuant to this part, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any return, or to permit any return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person.

(2) It is also unlawful for any person, other than an officer or employee of a county, city and county, city, or district, who obtains access to information contained in, or derived from, sales or transactions and use tax records of the board pursuant to subdivision (b), to retain that information after that person's contract with the county, city and county, city, or district has expired.

(3) Notwithstanding paragraphs (1) and (2), the Governor may, by general or special order, authorize examination by other state officers, by tax officers of another state, by the federal government, if a reciprocal arrangement exists, by the tax officials of Mexico if a reciprocal agreement exists, or by any other person of the records maintained by the board under this part. The information so obtained pursuant to the order of the Governor shall not be made public except to the extent and in the manner that the order may authorize that it be made public.

(b) When requested by resolution of the legislative body of any county, city and county, city, or district the board shall permit any duly authorized officer or employee of the county, city and county, city, or district, or other person designated by that resolution, to examine all of the sales or transactions and use tax records of the board pertaining to sales or transactions and use taxes collected for the county, city and county, city, or district by the board pursuant to contract entered into between the board and the county, city and county, city, or district Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with Section 7200) or the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)).

(1) The resolution shall certify that any person designated by the resolution, other than an officer or employee, meets all of the following conditions:

(A) Has an existing contract with the county, city and county, city, or district to examine those sales and use tax records.

(B) Is required by that contract to disclose information contained in, or derived from, those sales or transactions and use tax records only to an officer or employee of the county, city and county, city, or district who is authorized by the resolution to examine the information.

(C) Is prohibited by that contract from performing consulting services for a retailer during the term of that contract.

(D) Is prohibited by that contract from retaining the information contained in, or derived from those sales or transactions and use tax records, after that contract has expired.

(2) Information obtained by examination of board records as permitted in this subdivision shall be used only for purposes related to the collection of local sales or transactions and use taxes by the board pursuant to the contract, or for purposes related to other governmental functions of the county, city and county, city, or district set forth in the resolution.

(c) If the board believes that any information obtained pursuant to subdivision (b) has been disclosed to any person not authorized or designated by the resolution of the legislative body of the county, city and county, city, or district, or has been used for purposes not permitted by subdivision (b), then notwithstanding subdivision (b), the board may impose conditions on access to its sales and use tax records which the board considers reasonable, in order to protect the confidentiality of those records.

(d) Predecessors, successors, receivers, trustees, executors, administrators, assignees, and guarantors, if directly interested, may be given information as to the items included in the measure and amounts of any unpaid tax or amounts of tax required to be collected, interest, and penalties.

(e) For purposes of this section "reciprocal agreement" means a formal agreement to exchange information between national taxing officials of Mexico and taxing authorities of the State Board of Equalization, the Franchise Tax Board, and the Employment Development Department. Furthermore, the reciprocal agreement shall be limited to the exchange of information which is essential for tax administration purposes only. Taxing authorities of the State of California shall be granted tax information only on California residents. Taxing authorities of Mexico shall be granted tax information only on Mexican nationals.

**RECORD LAYOUT**  
**Registration Detail Record Description**

Format for:       MAGNETIC TAPE AND FLOPPY DISKETTE (OUTPUT)  
 Record Length:  216 CHARACTERS (BLOCKED 1 ON MAGNETIC TAPE)

FIELD NAME	POSITION	LENGTH	TYPE	DESCRIPTION/SPECIAL VALUES
Tax Area Code - County	1 - 2	2	AN	Data Ranges:  01 - 58 001 - 999 001 - 999 0001 - 9999
City	3 - 5	3	AN	
Add-on	6 - 8	3	AN	
In-Lieu	9 - 12	4	AN	
Tax Program	13 - 14	2	AN	
District	15 - 17	3	AN	District office controlling account (or District branch if applicable)
Account Number	18 - 25	8	AN	
Sub Account Number	26 - 29	4	AN	0001 to 9999 if there is more than one location of business (otherwise spaces)
District of Location	30 - 32	3	AN	District Office or Branch Office of Sub Account if different from Master.
Business Address	33 - 65	33	AN	Only if different from mailing address
Firm Name	66 - 98	33	AN	
Owner	99 - 131	33	AN	
Mailing Address	132 - 164	33	AN	
City	165 - 181	17	AN	
State	182 - 183	2	AN	
Zip Code	184 - 193	10	AN	Right justified.  Space filled left
Ownership Code	194 - 194	1	AN	S=Sole Proprietor, P=Partnership/Co-ownership, M=Husband & Wife Co-ownership, L=Limited Partnership, V=Joint Venture, C = Corporation, E=Estate, D=Limited Liability Co., O=Org. or Assoc., J=Jurisdiction, F=Federal Govt., G=Other Govt., R=Receivership/Fiduciary, T=Trust B=Unincorporated Business Org.
Start Date	195 - 198	4	AN	YYMM
Business Code	199 - 202	4	AN	Business Code (BOE Industry Code)
Process Date	203 - 208	6	AN	MMDDYY
Effective Date	209 - 214	6	AN	MMDDYY
Transaction Code	215 - 216	2	AN	See attached Transaction Code Explanation Schedule.

**RECORD LAYOUT  
PAPER AND MICROFICHE FORMAT  
Allocation Detail Record Description**

<i>County and City Code</i>	<i>Business Code (All Zeros = Business Code Omitted) See Attachment I for Details</i>	<i>Complete BOE Account No.</i>	<i>Total 1% Tax</i>	<i>Allocation Mo/Yr Same as Reporting Period</i>	<i>1% Tax Distributed to Jurisdictions</i>	<i>1/4% Tax Distributed to County</i>					
<p>NOTICE: CONFIDENTIAL INFORMATION -- THIS INFORMATION IS CONFIDENTIAL. ITS USE IS LIMITED TO GOVERNMENTAL PURPOSES AS DESCRIBED IN SECTION 7056 OF THE REVENUE AND TAXATION CODE.</p> <p>STATE BOARD OF EQUALIZATION BUSINESS TAX ALLOCATION SYSTEM MONTHLY FUND ALLOCATION BY TAX AREA FOR 9/95 CASH RECEIPTS DATES 10/14/95 TO 11/14/95 QUARTERLY PERIOD 35</p>											
<i>TAX AREA</i>	<i>IND.</i>	<i>RET. PER.</i>	<i>A/R DATE RANGE</i>	<i>TAX PRG. ACCOUNT NO.</i>	<i>DATE</i>	<i>TRAN. CODE</i>	<i>ALLOC. LOCAL</i>	<i>ALLOC. CITY</i>	<i>IN-LIEU CODE</i>	<i>ALLOC. IN-LIEU</i>	<i>ALLOC. COUNTY</i>
190140000	01		0195-0395	SY AD 14-123456	10/28/95	AR	155.98	155.98			38.93
190140005	02	42		SR AD 14-123456	11/02/95	+	3142.94	0.00	0005	3142.94	785.74

*Redevelopment Project Code (In-Lieu)*

*Period Code See Attachment II for Details*

*Prepay Account*

*Accounts Receivable*

*Redevelopment Project Code (In-Lieu)*

*Amount Distributed to Redevelopment Project (In-Lieu)*

**RECORD LAYOUT**  
**Allocation Detail Record Description**

Format for:       MAGNETIC TAPE (OUTPUT)  
Record Length:   100 CHARACTERS (BLOCKED 1)

FIELD NAME	POSITION	LENGTH	TYPE	DESCRIPTION/SPECIAL VALUES
Record Type	1	1	AN	4 = Detail record
Transaction Type	2 - 3	2	AN	AR = Account Receivable Item DC = Dishonored Check FT = Fund Transfer GT = Transaction affecting Gas Tax Fund RA = Reverse Allocation RG = Generated Return RP = Regular Return
Allocation Period	4 - 7	4	AN	YYMM Format
Tax Area Code - County	8 - 9	2	AN	County Code
City	10 - 12	3	AN	City Code
In-Lieu	13 - 16	4	AN	In-Lieu Code
Account Number	17 - 24	8	AN	Sales/Use Tax Account Number
Business Code	25 - 28	4	AN	Business Code (BOE Industry Code)
Return Period Code	29 - 30	2	AN	Quarter and last position of year
Beginning A/R Date	31 - 34	4	AN	] Applicable for A/R transactions only, ] otherwise blank. YYMM format.
Ending A/R Date	35 - 38	4	AN	
Tax Program	39 - 40	2	AN	See attached schedule for details.
District of Control	41 - 42	2	AN	Field office having responsibility for file maintenance on the account.
Date Received	43 - 48	6	AN	YYMMDD format
Reporting Basis Code	49	1	AN	+ = Account required to file prepayments of estimated tax liability. Otherwise blank.
C/T Code	50	1	AN	C = Incorporated City. T = Tentative incorporation code for non-incorporated cities.
Filler	51 - 57	7	AN	Blank spaces
County Amount	58 - 70	13	NUM	S9 (11) V99
City Amount	71 - 83	13	NUM	S9 (11) V99
In-Lieu Amount	84 - 96	13	NUM	S9 (11) V99
Filler	97 - 100	4	AN	Blank Fill

**RECORD LAYOUT**  
**Allocation Detail Record Description**

Format for: FLOPPY DISKETTE ONLY(OUTPUT)  
Record Length: 100 CHARACTERS

FIELD NAME	POSITION	LENGTH	TYPE	DESCRIPTION/SPECIAL VALUES
Record Type	1	1	AN	4 = Detail record
Transaction Type	2 - 3	2	AN	AR = Account Receivable Item DC = Dishonored Check FT = Fund Transfer GT = Transaction affecting Gas Tax Fund RA = Reverse Allocation RG = Generated Return RP = Regular Return
Allocation Period	4 - 7	4	AN	YYMM Format
Tax Area Code - County	8 - 9	2	AN	Data Ranges 01 - 58
City	10 - 12	3	AN	001 - 999
In-Lieu	13 - 16	4	AN	0001 - 9999
Account Number	17 - 24	8	AN	Sales/Use Tax Account Number
Business Code	25 - 28	4	AN	Business Code (BOE Industry Code)
Return Period Code	29 - 30	2	AN	Quarter and last position of year
Beginning A/R Date	31 - 34	4	AN	Applicable for A/R transactions only, otherwise blank. YYMM format.
Ending A/R Date	35 - 38	4	AN	
Tax Program	39 - 40	2	AN	See attached schedule for details.
District of Control	41 - 42	2	AN	Field office having responsibility for file maintenance on the account.
Date Received	43 - 48	6	AN	YYMMDD format
Reporting Basis Code	49	1	AN	P = Account required to file prepayments of estimated tax liability. Otherwise blank.
C/T Code	50	1	AN	C = Incorporated City. T = Tentative incorporation code for non-incorporated cities.
County Amount	51 - 65	15	NUM	Format = -Z (11) .99 (Minus sign for credits, 13 digits for numbers, explicit 2 decimal places.)
City Amount	66 - 80	15	NUM	See County Amount Description above.
In-Lieu Amount	81 - 95	15	NUM	See County Amount Description above.
Filler	96 - 100	5	AN	Blank Fill

BT-549-L (FRONT) (5-96)

**CLAIMED INCORRECT DISTRIBUTION OF LOCAL TAX — LONG FORM**

STATE OF CALIFORNIA  
BOARD OF EQUALIZATION

NAME OF JURISDICTION	ALLOCATION PERIOD QUESTIONED
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REASON FOR QUESTIONING THE ALLOCATION

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**SECTION I — GENERAL BUSINESS INFORMATION**

OWNER NAME	BUSINESS NAME
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BUSINESS ADDRESS (street, city, state, zip code)

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DATE BUSINESS STARTED	CURRENTLY OPERATING <input type="checkbox"/> Yes <input type="checkbox"/> No
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DESCRIPTION OF OPERATION OF BUSINESS	CALIFORNIA SELLER'S PERMIT NUMBER
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*Person to call for more information regarding the taxpayer's allocation of local tax*

NAME	TITLE
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DAYTIME PHONE NUMBER	BEST TIME TO CALL
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MAILING ADDRESS (street, city, state, zip code)

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**SECTION II — QUESTIONS ABOUT THE BUSINESS**

Is merchandise sold at this location?  Yes  No

Are sales of tangible personal property negotiated at this location  Yes  No

If yes, what is sold? \_\_\_\_\_

If no, what activities occur at the above business? \_\_\_\_\_

Has this business changed locations?  Yes  No If yes, list previous address and dates of operation:

ADDRESS (street, city, state, zip code)

---

DATES OF OPERATION:

From: \_\_\_\_\_ To: \_\_\_\_\_

BT-549-L (BACK) (5-96)

Does the business have other selling locations in California?  Yes  No

Please give the business address(s) below or attach a list.

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Are sales made at temporary locations (fairs, swap meets, etc.)?  Yes  No

If yes, please describe.

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Are sales made by employees of the business?  Yes  No Are sales made through independent agents?  Yes  No

Is merchandise delivered to customers from out-of-state inventory?  Yes  No

Is merchandise delivered to customers from California inventory?  Yes  No

Other

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If merchandise is shipped directly to customers from an out-of-state inventory, do sales contracts contain a specific title clause allowing title to pass in California?  Yes  No

Is the merchandise shipped with an F.O.B. — Destination or F.O.B. — shipping point provision?  Yes  No

Are sales negotiated at a location outside of California?  Yes  No

Is the merchandise delivered from an in-state warehouse or inventory?  Yes  No

WAREHOUSE ADDRESS (*street, city, state, zip code*)

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Is the taxpayer a construction contractor affixing property to realty?  Yes  No

If yes, is the property classified as materials, fixtures, or machinery and equipment?

TAX PREPARER'S NAME

SUBMITTED BY (NAME)

DATE

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Send acknowledgement and future correspondence to:

NAME

ADDRESS (*street, city, state, zip code*)

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BOE-549-S (5-96)

**CLAIMED INCORRECT DISTRIBUTION OF LOCAL TAX — SHORT FORM**

STATE OF CALIFORNIA  
BOARD OF EQUALIZATION

NAME OF JURISDICTION	ALLOCATION PERIOD IN QUESTION
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REASON FOR QUESTIONING THE ALLOCATION

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**SECTION I — GENERAL BUSINESS INFORMATION**

OWNER NAME	BUSINESS NAME
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BUSINESS ADDRESS (*street, city, state, zip code*)

DATE BUSINESS STARTED	CURRENTLY OPERATING <input type="checkbox"/> Yes <input type="checkbox"/> No
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DESCRIPTION OF OPERATION OF BUSINESS	CALIFORNIA SELLER'S PERMIT NUMBER
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*Person to call for more information regarding the taxpayer's allocation of local tax*

NAME	TITLE
------	-------

DAYTIME PHONE NUMBER	BEST TIME TO CALL
----------------------	-------------------

MAILING ADDRESS (*street, city, state, zip code*)

**SECTION II — QUESTIONS ABOUT THE BUSINESS**

Has this business changed locations?  Yes  No

If yes, list previous address and dates of operation

ADDRESS (*street, city, state, zip code*)

DATES OF OPERATION

From: \_\_\_\_\_ To: \_\_\_\_\_

**Statement of Boundary Change**

State Board of Equalization  
Tax Area Services Section  
450 N Street, MIC: 59  
Sacramento, California 95814

B.O.E File No: \_\_\_\_\_

County:	County #:	Acreage:	Fee: \$	Resolution/Ord. No.:	
Conducting Authority:				LAFCO. Res. No.:	
Short Title:				Effective Date:	

**Type of Action:**

01 Annexation to District	06 Consolidation of TRA's	10 Formation Redevelopment
02 Annexation to City	07 Detachment from District	11 Name Change
04 City Incorporation	08 Dissolution of District	12 Reorganization
05 Consolidation of District	09 Formation-District	13 School District Change

BOE

Code #

District

Type of Change

**City/District(s)  
Affected by  
Action:**

Code #	District	Type of Change

**Affected Territory  
is legally:**

<input type="checkbox"/> Inhabited	<input type="checkbox"/> Developed
<input type="checkbox"/> Uninhabited	<input type="checkbox"/> Undeveloped

**Number of Areas:** \_\_\_\_\_

**The affected  
territory:**

	will be taxed for existing bonded indebtedness or contractual obligations as set forth by the terms and conditions as stated in the resolution.
	will not be taxed for existing bonded indebtedness or contractual obligations.

**Enclosed are the  
following items  
required at the  
time of filing:**

Fees	Map(s) and Supporting Documents
Legal Description	Assessor parcel number(s) of affected territory
Resolution of Conducting Authority	County Auditor's Letter of TRA Assignment (consolidated counties)
Certificate of Completion	

**City Boundary  
Changes Only:**

Map of limiting addresses (2 copies)	Vicinity Maps (2 copies)
Alphabetical list of all streets within the affected area to include beginning and ending street numbers	
<b>Estimated population is:</b>	

Board of Equalization will acknowledge receipt of filing to:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Agency: \_\_\_\_\_  
Street: \_\_\_\_\_  
City and Zip Code: \_\_\_\_\_  
Telephone: \_\_\_\_\_

B.O.E. use only

chk #:   amt:   ltr #:   	
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\_\_\_\_\_  
(Signature of agency officer)

\_\_\_\_\_  
Date

STATE BOARD OF EQUALIZATION  
CHANGE OF JURISDICTIONAL BOUNDARY  
REQUIREMENTS FOR STATEMENTS, BOUNDARY DESCRIPTIONS, MAPS  
and SCHEDULE OF PROCESSING FEES  
Section 54902.5, Government Code

July 1, 1995

1. **GENERAL APPLICATION.** The fees set forth in this schedule shall apply to all statements filed pursuant to Sections 54900 to 54903 of the Government Code. Statements must be filed on or before December 1 of the year immediately preceding the year in which the assessment roll is to reflect the change in boundary. The provisions and definitions given in Sections 3 and 4 below are to help you compute the fees and serve as guidelines to insure acceptance of maps and boundary descriptions.

- (a) Fees shall accompany the statements.
- (b) Mail statements, maps and fees to, Tax Area Services Section, State Board of Equalization, 450 N Street, MIC: 59, P.O. Box 942879, Sacramento, CA 94279-0059.
- (c) Subdivision maps, assessor's maps and deeds are not on file with the State Board of Equalization, nor are such documents readily available to its staff in Sacramento where all processing at the state level is performed. Boundary descriptions that merely cite recorded documents or refer to assessor's parcels are of very limited value to the Board's cartographic staff and will be rejected.

2. **STATEMENTS REQUIRED TO FILE FOR A CHANGE OF JURISDICTIONAL BOUNDARIES:** The items listed below shall be submitted together as a single package. Incomplete packages will be rejected.

- (a) Statement of boundary change. (Form PT-400-TA; no substitutions accepted)
- (b) Certificate of completion (if applicable)
- (c) Copy of the resolution from the conducting authority
- (d) Written geographic description of the subject territory.
- (e) Maps and supporting documents
- (f) Letter of tax rate area assignment from the County Auditor (consolidated counties).
- (g) Fees

3. **DESCRIPTIONS AND MAPS:** After our initial processing has been completed, all filed documents are microfilmed and then destroyed. Any document that will not produce a readable photographic image shall be rejected and returned to the sender for replacement. All documents shall conform to items (a.1) through (b.14) below without exception.

Effective July 1, 1995 maps filed with Tax Area Services Section may be submitted in electronic/digital form. Please contact Tax Area Services at the above address (or by FAX 916-327-4251) for a copy of the requirements to file in this manner.

(a) **Boundary Descriptions:**

- (1) Every written geographic description must be self-sufficient within itself and without the necessity of reference to any extraneous document. The written geographic description shall be a document separate from any maps. The polygon traverse of the written description must be within acceptable limits for error of closure.
- (2) The use of secondary references in the written description is cause for rejection. The cartographic staff must be able to plot the boundaries from the written description.
- (3) The written description shall be of the subject territory only. If a complete description of the special district is filed, that portion of the subject territory shall be clearly identified.
- (4) The point of beginning of the geographic description shall be clearly shown on the map and referenced to a known geographic position. It is recommended that the known point be described by the California state plane coordinate system. It is preferred that this point be either the point of beginning or the point of departure from and the point of return to an existing district boundary. Effective January 1, 2000, every description shall contain a minimum of one GPS point that is referenced to the California state plane coordinate system.
- (5) When writing a metes and bounds description of a contiguous annexation, all details of the contiguous portion(s) of the existing boundary may be omitted.
- (6) A specific parcel description in sectionalized land (e.g., The SW 1/4 of Section 22, T1N, R1W) is permissible without a metes and bounds description of the perimeter boundary.
- (7) A parcel description making reference only to a subdivision or a lot within a subdivision is not acceptable unless accompanied by a copy of the recorded subdivision map.
- (8) The written description shall state the acreage for each separate single area (see Section 4 for a definition of single area) and the combined total acreage of subject territory. Acreage shall be rounded off to the nearest whole acre.

from and the point of return to an existing district boundary. Effective January 1, 2000, every description shall contain a minimum of one GPS point that is referenced to the California state plane coordinate system.

- (5) When writing a metes and bounds description of a contiguous annexation, all details of the contiguous portion(s) of the existing boundary may be omitted.
- (6) A specific parcel description in sectionalized land (e.g., The SW 1/4 of Section 22, T1N, R1W) is permissible without a metes and bounds description of the perimeter boundary.
- (7) A parcel description making reference only to a subdivision or a lot within a subdivision is not acceptable unless accompanied by a copy of the recorded subdivision map.
- (8) The written description shall state the acreage for each separate single area (see Section 4 for a definition of single area) and the combined total acreage of subject territory. Acreage shall be rounded off to the nearest whole acre.

(b) MAPS:

- (1) All maps must be professionally drawn or copied. Rough sketches or pictorial drawings will be rejected.
- (2) Every map shall bear a scale and a north arrow. Every map shall be of a sufficient size to allow Tax Area Services to plot the boundary without difficulty. Reduced maps are not acceptable and will be rejected. Every map shall be of a scale common to the industry. All lettering and numbers on the map must be legible.
- (3) A vicinity map shall be included. It is strongly recommended that the filing be accompanied by a copy of the Board of Equalization tax rate area map (or portion thereof) with the subject territory delineated in red for the purpose of site location only. This shall be considered supporting documentation.
- (4) The point of beginning shall be clearly shown on the map and referenced to a known geographic point (see item 3.a.4 above.)
- (5) All dimensions needed to plot the boundaries must be given on the map of the subject territory. The relationship of the subject territory to street rights-of-ways and street centerlines must be clearly indicated.
- (6) The boundaries of the subject territory shall be distinctively delineated on the map without obliterating any essential geographic or political features. Boundary lines that are delineated by a line that exceeds 1.5 millimeter in width shall be rejected. The use of graphic tape or broad tip marking pens to delineate the boundary is not acceptable.
- (7) Every map must clearly indicate all existing streets, roads and highways within and adjacent to the subject territory, together with the current names of these thoroughfares. Other pertinent physical features should be included.
- (8) Maps of the subject territory shall be drawn to these standard minimum scales:

(For a multiple-area filing, the size of each single area should govern the map scale.)

<u>ACREAGE WITHIN PROJECT AREA</u>	<u>MINIMUM MAP SCALES</u>
1 - 40 acres	1" = 100'
41 - 200 acres	1" = 200'
201 - 1000 acres	1" = 400' or 1" = 800'
over 1001 acres	1" = 800' or 1" = 1200'

- (9) If any segment of the boundary is shorter than 1/40 of the map scale (i.e., 10 feet on a 1" = 400' scale map) that segment should be shown enlarged in a marginal sketch.

- (10) When the boundary of the subject territory is of a complex nature, an index table listing the various courses with the bearings and distances shall be shown on the map.
- (11) When it is necessary to use more than one map sheet to show the boundaries of the subject territory, the sheet size shall be uniform. A small key map giving the relationship of the several sheets shall be furnished. Match lines between adjoining sheets shall be used. While the geography on adjoining sheets may overlap, the project boundaries must stop at the match lines.
- (12) If the subject territory has interior islands of exclusion or the boundary has a peninsula of exclusion (or inclusion) that area(s) shall be shown enlarged in a marginal sketch. This sketch shall be of sufficient size and scale to allow Tax Area Services to plot the boundary without difficulty. The parcels in the sketch that touch the boundary shall be clearly labeled with the assessor parcel numbers.
- (13) All parcels within the subject territory that touch the new boundary must be clearly labeled with the assessors parcel number. It is recommended that assessor parcel maps with the subject territory delineated in red accompany the filing as supporting documentation.
- (14) The use of assessor parcel maps and copies of Board of Equalization maps shall be in addition to and shall not be a substitute for the required project map.

4. DEFINITIONS AND SPECIAL FEE PROVISIONS:

- (a) "Single area" means any separate geographical area regardless of ownership. A lot, a subdivision or a township could each be a "Single area". For the purpose of this schedule a geographical area which is divided into two or more parcels by a roadway, railroad right-of-way, river or stream shall be considered a "Single area". Separate geographic areas that are not contiguous to each other shall not be considered a "Single area". A "Single area" does not include two areas that are contiguous to an existing boundary of a city or district but not to each other.
- (b) "Contiguous" shall be defined as two polygons that share a common line.
- (c) "Zones" include temporary zones in highway lighting districts, other zones, zone of improvement, zone of benefit, improvement districts, or any other sub-units of a county, city or parent district.
- (d) "Concurrent transaction" includes any combination of formations, annexations and withdrawals of a single area under one resolution or ordinance. The fee shall be according to the fee schedule, Section 5; there is no additional costs for the number of transactions involved. If there is more than one resolution or ordinance, each single area must be separately computed under the fee schedule, Section 5.
- (e) The fees in Section 5 of this schedule are based on the concept that any given action is confined to a single county. If more than one county is involved, add \$250.00 for the second and each additional county involved.
- (f) The processing fee shall accompany each statement.
- (g) If the December 1st statutory deadline for filing statements is extended by a special validating act, the fees in Section 5 shall be doubled.
- (h) If an annexed or detached territory comprises an entire city, district, or zone without affecting the existence of that city, district or zone, the total processing fee shall be \$300.00.
- (i) Payment of the fee for the formation of a city or district may be deferred until that city or district receives its first revenue (Ch. 512, Stats. 1978). Each deferment shall be subject to a \$35 billing charge.

IMPORTANT: IF YOU HAVE AN UNUSUAL SITUATION OR ARE UNSURE, DO NOT GUESS AT THE FEE, CALL (916) 322-7185 OR WRITE TO: TAX AREA SERVICES SECTION, STATE BOARD OF EQUALIZATION, 450 N STREET, MIC: 59, P.O. BOX 942879, SACRAMENTO, CA 94279-0059 FOR HELP TO DETERMINE THE CORRECT FEE.

5. PROCESSING FEES: See Section 4 for definitions and modifications of the fees under certain circumstances. A separate fee must be computed for each ordinance or resolution.

Single Area Transactions

<u>ACREAGE</u>	<u>FEE</u>
.....1 - 20	\$ 250 .....Deferral of Fees \$ 35
.....21 - 100	\$ 500 Additional County per transaction \$ 250
.....101 - 600	\$ 750 Consolidation per district or zone \$ 300
.....601 - 1500	\$1,200 Entire district transaction \$ 300
.....1501 - 3000	\$1,400 Dissolution or Name change \$ 0
.....3001 - 6000	\$1,800
.....over 6000	\$2,200

STATE BOARD OF EQUALIZATION

REDEVELOPMENT PROJECTS

REQUIREMENTS FOR STATEMENTS, BOUNDARY DESCRIPTIONS, MAPS

and SCHEDULE OF PROCESSING FEES

Sections 33327, 33328, 33328.3, 33375 and 33457

Health and Safety Code.

Effective July 1, 1995

1. **GENERAL APPLICATION.** All statutory references herein are to the Health and Safety Code. The preparation of the report required by Section 33328 or 33328.3 will not commence until the filing is accepted. Written notice of acceptance will be provided by the State Board of Equalization.
  - (a) Please mail all filings and amendments to Tax Area Services Section, State Board of Equalization, 450 N Street, MIC: 59, P.O. Box 942879, Sacramento, CA 94279-0059,. Inquiries concerning these requirements should be sent to Mr. David J. Martin or call (916) 322-7185.
  - (b) Subdivision maps, assessor's maps and deeds are not on file with the State Board of Equalization, nor are such documents readily available to its staff in Sacramento where all processing at the state level is performed. Boundary descriptions that merely cite recorded documents or refer to assessor's parcels are of very limited value to the Board's cartographic staff and will be rejected.
  - (c) The maps filed pursuant to Section 33327 serve a dual purpose. First, they are transmitted by us to the public utility companies whose property is assessed by the Board. It is most important that the relationship of project boundaries with streets is clearly and accurately delineated on the maps. Because of this, the accuracy of the base year assessed values will be directly related to the quality of the maps sent to us. Secondly, the same maps can be used for filing under Section 33375, when they will be used in conjunction with the geographic description to delineate the project boundaries on the Board's tax-rate area maps. This map work makes possible the automatic derivation of subsequent changes in assessed values for tax increment funding purposes as a by-product of future assessment rolls.
2. **BOUNDARY DESCRIPTIONS, STATEMENTS AND MAPS.** All documents filed with us are microfilmed and then recycled or destroyed on an annual basis. Any document that will not produce a readable photographic image must be rejected and returned to the sender for replacement. All documents shall conform to items (a.1) through (c.14) below without exception.

Effective July 1, 1995 maps filed with Tax Area Services Section may be submitted in electronic/digital form. Please contact Tax Area Services at the above address (or by FAX 916-327-4251) for a copy of the requirements to file in this manner.

(a) **BOUNDARY DESCRIPTIONS:**

- (1) Every boundary description shall be self-sufficient within itself without the necessity of reference to any extraneous document. The written geographic description shall be a document separate from any maps. The polygon traverse of the written description must be within acceptable limits for error of closure.
- (2) The use of secondary references in the written description is cause for rejection. Our cartographic staff must be able to plot the boundaries from the written description. For an amendment of boundary, the entire perimeter of the added or deleted land must be described. Assessors' Parcels shall not be used to describe a project boundary without prior written consent of the assessor.
- (3) The point of beginning of the geographic description shall be clearly shown on the map and referenced to a known geographic position. It is recommended that the known point be described by the California state plane coordinate system. It is preferred that this point be either the point of beginning or the point of departure from and the point of return to an existing district boundary. Effective January 1, 2000, every description shall contain a minimum of one GPS point that is referenced to the California state plane coordinate system.
- (4) A boundary description making reference only to subdivisions or lots within subdivisions is not acceptable unless accompanied by a copy of the recorded subdivision map. All dimensions needed to plot the boundaries shall be given on the project area map or copies of such extraneous documents accompanying the description.
- (5) The centerline of a railroad right-of-way shall not be used to define the boundary of a redevelopment project. An exception will be granted if an existing political boundary (city or district boundary) lies on such a centerline.

(b) STATEMENTS:

- (1) The statement shall be in the form and style shown on page 4. This form of statement is also designed to satisfy the requirements in Section 33328 with respect to the selection of the base year assessment roll.

(c) MAPS:

- (1) All maps must be professionally drawn. Rough sketches or pictorial drawings will be rejected.
- (2) Every map shall bear a scale and north point. The map shall be drawn in a scale that is common to the industry. Reduced maps are not acceptable and shall be cause for rejection. The name of the project shall appear on every map.
- (3) The point of beginning shall be clearly shown on the map and referenced to a known geographic point (see item 2.a.3 above.)
- (4) Every map must clearly show all existing streets, roads, and highways lying within or adjacent to the boundaries of the project area, together with the names of these thoroughfares. The relationship of the project area boundaries with street rights-of-ways and street centerlines shall be clearly and accurately delineated.
- (5) New boundary lines must not obliterate right-of-way, subdivision or property lines. Boundary lines that are delineated by a line that exceeds 1.2 millimeter in width shall be rejected. The use of graphic tape or broad tip marking pens to delineate the boundary is not acceptable. Suggested boundary line symbols are shown in sample figure A, page 3. If a map is being filed for an addition to an existing project it is preferred that the map cover only the immediate vicinity of the addition. A marginal key explaining boundary symbols is necessary. Do not show future street alignments or zoning on the project area boundary map. The boundary of any existing project shall be shown on the map.

- (6) Maps of project areas shall be drawn to these standard minimum scales:

(For a multiple-area project, the size of each area should govern the map scale.)

<u>ACREAGE WITHIN PROJECT AREA</u>	<u>MINIMUM MAP SCALES</u>
1 - 40 acres	1" = 100'
41 - 200 acres	1" = 200'
201 - 1000 acres	1" = 400' or 1" = 800'
over 1001 acres	1" = 800' to 1" = 1200'

- (7) If any segment of the boundary is shorter than 1/40 of the map scale (i.e., 10 feet on a 1" = 400' scale map) that segment should be shown enlarged on a marginal sketch.
- (8) When the boundary of the subject territory is of a complex nature, an index table listing the various courses with the bearings and distances shall be shown on the map.
- (9) When it is necessary to use more than one map sheet to show the boundaries of a project, the sheet size shall be uniform. A small key map giving the relationship of the several sheets shall be furnished. Match lines between adjoining sheets shall be used. While the geography on adjoining sheets may overlap, the project boundaries must stop at the match lines.
- (10) If the project area has interior islands of exclusion or the boundary has a peninsula of exclusion (or inclusion) that area(s) shall be shown enlarged in a marginal sketch. This sketch shall be of sufficient size and scale to allow Tax Area Services to plot the boundary without difficulty. The parcels in the sketch that touch the boundary shall be clearly labeled with the assessor parcel numbers.

- (11) If the county assessor consents to the use of assessors' parcels in the description of a project boundary, the assessor and the State Board of Equalization shall be furnished with copies of all affected assessors' maps. The project boundaries shall be accurately delineated on such assessors' maps. The filing of assessors' maps shall be in addition to and shall not be a substitute for the map required in this section.
  - (12) Redevelopment agencies filing pursuant to Health and Safety Code Section 33327 shall send one copy of the map of the proposed or amended project area boundaries to county and taxing agency officials. The redevelopment agency shall furnish the State Board of Equalization with an unfolded reproducible map (sepia or duplicate tracing).
  - (13) If the proposed boundaries are significantly amended prior to final adoption, a revised sepia shall be filed. The county officials designated in Section 33327 shall also be furnished with revised maps.
  - (14) The total acreage for each project or each multiple area project is to be included in the written boundary description. The acres may be rounded off to the nearest acre.
3. PROCESSING FEES. The entire initial fee indicated on page 3 shall accompany the Statement of Preparation. If the proposed project or amendment is terminated prior to formal adoption, the mapping portion of the initial fee will be refunded. A written notice of termination is required before a refund can be made. Please make checks payable to the State Board of Equalization.

(a) INITIAL FEE. Single area project or amendment.

ACREAGE WITHIN PROJECT OR AMENDMENT	BASE YEAR CALCULATION	MAPPING AFTER ADOPTION	TOTAL INITIAL FEE
1- 20	\$ 100	+	\$ 250 = \$ 350
21- 100	\$ 100	+	\$ 500 = \$ 600
101- 600	\$ 100	+	\$ 750 = \$ 850
601- 1500	\$ 100	+	\$1,200 = \$1,300
1501- 3000	\$ 200	+	\$1,400 = \$1,600
3001- 6000	\$ 200	+	\$1,800 = \$2,000
over 6000	\$ 200	+	\$2,200 = \$2,400

(b) INITIAL FEE-MULTIPLE AREA PROJECT OR AMENDMENT. Use the above table for each area separately.

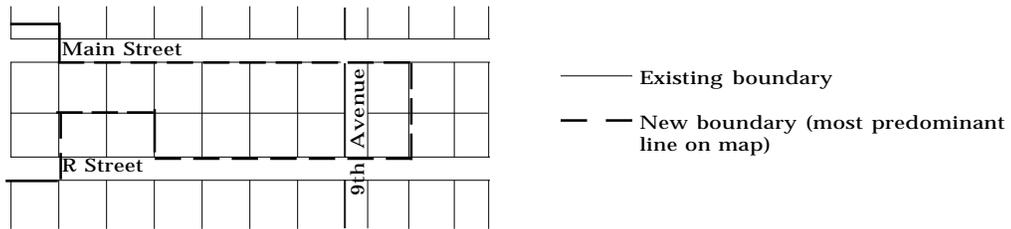
(c) ADDITIONAL BASE YEAR CALCULATION FEES.

- (1) If boundaries are significantly changed after initial boundaries are filed, the additional fee shall equal the initial base year calculation fee.
- (2) If the base year value must be recomputed because the base year assessment roll as specified in Section 33670 is different than the one specified in the statement of preparation, the additional fee shall equal the initial base year calculation fee if it is necessary for the affected state assessees to reinventory their property. If a reinventory is not required, the additional fee shall equal one half of the initial base year calculation fee.

4. GENERAL INFORMATION

- (a) The effective date for a redevelopment project must be on or before August 20 of the year in which the base year values are to be valid. All ordinances shall become effective 30 days from the date of final passage.
- (b) Adopted redevelopment plans must be filed on or before December 1 of the year immediately preceding the year in which the assessments or taxes are to be levied.

Figure A:



STATEMENT OF PREPARATION OF REDEVELOPMENT PLAN OR  
AMENDED REDEVELOPMENT PLAN FOR

\_\_\_\_\_ (Name of Project)

TO: Auditor, Assessor, Tax Collector of \_\_\_\_\_ County, to all other affected taxing entities and to the State Board of Equalization.

Pursuant to Section 33327 of the California Health and Safety Code, you are hereby notified that the Redevelopment Agency of the (Name of city or county) \_\_\_\_\_ is in the process of completing a redevelopment plan for the (Name of project) \_\_\_\_\_. It is the intention of the Agency to complete said plan and to have it adopted pursuant to the California Community Redevelopment Law.

It is the intention of the Agency to use the (fiscal year) \_\_\_\_\_ roll as the Base Year Assessment Roll for the allocation of taxes pursuant to Section 33670 of the Health and Safety Code.

Dated: \_\_\_\_\_ Redevelopment Agency of  
\_\_\_\_\_  
(Name of city or county) \_\_\_\_\_  
(Signature) \_\_\_\_\_

[ ] Initial Plan \_\_\_\_\_ Name \_\_\_\_\_

[ ] Amended Plan \_\_\_\_\_ Title \_\_\_\_\_

\_\_\_\_\_ Number of Areas

\_\_\_\_\_ Acreage of each Area

## ***Glossary of Terms***

<b><i>Advance</i></b>	Estimated payment distributed to tax jurisdictions at least twice per calendar quarter as required by statute.
<b><i>Allocation</i></b>	The identification of money as belonging to a specific jurisdiction or fund.
<b><i>Date of Knowledge</i></b>	Date on which notice of suspected improper distribution of local tax is received by the Board. Such notice must be supported by factual information in order to be considered for date of knowledge status.
<b><i>Distribution</i></b>	The disbursement of money to jurisdictions or funds based on allocation.
<b><i>Improper Allocation</i></b>	Term used to describe suspected incorrect allocation of funds prior to verification by Board staff.
<b><i>In-Lieus</i></b>	See Redevelopment Agencies on page 2.
<b><i>Misallocation</i></b>	Term reserved for Board use representing incorrect allocation of funds as verified by Board of Equalization staff.
<b><i>Place of Sale (Local Tax)</i></b>	See Regulation 1802, Exhibit A. An exception to Regulation 1802 includes Out-of State retailers who do not have a permanent place of business in this state, but who maintain a stock of tangible personal property in this state must acquire a seller's permit for the warehouse location. If, the retailer subsequently establishes a permanent place of business (sales location) in this state, the warehouse permit shall be closed out, and all local tax will be allocated to the permanent sales location.
<b><i>Place of Sale (Local Tax) Construction Contractors</i></b>	See Regulation 1806, Exhibit B. An exception to Regulation 1806 became effective January 1, 1995, when the Board passed a resolution which, under certain conditions, allows local tax from construction contractors to be allocated to the local jurisdiction of the specific construction jobsite. The contract (or sub-contract) must be for no less than \$5,000,000 for work performed at the jobsite. The election to report under a sub-permit must be made by the contractor furnishing and installing materials and/or fixtures. For complete information on this topic, see Special G Notice dated January 1995, Exhibit C.

## Glossary of Terms (continued)

### **Place of Sale (District Tax)**

#### *District Use Tax*

District Use Tax is paid by 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;
- has any kind of representative operating in the district for purposes of making sales or deliveries, or taking orders;
- derives rentals from a lease of tangible personal property in the district; or
- sells or leases vehicles, undocumented vessels or aircraft that will be registered in the district.

#### *Transactions (Sales) Tax*

Transactions (sales) Tax is paid by a retailer who has a business location in the district and the sale occurs at that location.

### **Quarterly Cleanup**

Net amount of tax receipts due to be paid to jurisdictions after advance payments and deduction for administrative costs.

### **Seller's Permit**

The document issued by the Board bearing the name of the business, the business address, and the assigned seller's permit number. The seller's permit must be conspicuously displayed at the location for which it is issued.

### **Seller's Permit Number**

Also known as *account number*. Each number is made up of a combination of three parts: (1) tax program, (2) office code, (3) 8-digit numeric portion, e.g., SR KH 28-123456. Each retailer's permit number is a unique identifier used to report sales and use tax. Some retailer's erroneously refer to their seller's permit number as their *resale number*.

### **Taxable Measure**

The base amount upon which the sales or use tax rate is applied to arrive at the amount of tax due: (taxable measure) (tax rate) = tax.

## **For Further Assistance**

*These Board of Equalization employees are prepared to assist you with questions in the following areas.*

### **Ms. Janice Cunningham**

Telephone: (916) 324-1386

Fax: (916) 324-3001

- Missing Warrants
- Late or Missing Bank Deposits
- Section 7056 Resolutions

### **Mr. James Kendrick**

Telephone: (916) 323-0808

Fax: (916) 324-3001

- Advance Payment Information
- Creation of New Cities

### **Ms. Debby Nelson**

Telephone: (916) 324-1334

Fax: (916) 324-3001

- District Tax Information
- Annual Audit Confirmation of Local Tax Distributed

### **Ms. Karin Olson**

Telephone: (916) 324-1321

Fax: (916) 324-3001

- Allocation/Registration Media

#### ***The address for the above contacts:***

Local Revenue Allocation Section

Board of Equalization

450 N Street MIC:27

P.O. Box 942879

Sacramento CA 94279-0027



### **Mr. Lyle Cortvriendt**

Telephone: (916) 445-0729

Fax: (916) 322-3184

- Administrative Fees

#### ***The address for the above contact:***

Budget Section

Board of Equalization

450 N Street MIC:25

P.O. Box 942879

Sacramento CA 94279-0025

### **Mr. Robert Wils**

Telephone: (916) 324-1051

Fax: (916) 445-2249 (Fax)

- Suspected Improper Allocation of Local Tax

#### ***The address for the above contact:***

Allocation Group

Board of Equalization

450 N Street MIC:39

P.O. Box 942879

Sacramento CA 94279-0039



*In addition, the following information is provided for your easy reference:*

### **Mr. John Herzer**

State Controller's Office

Telephone: (916) 327-1705

- Same Day Banking Program

### **Mr. Deb Zerom**

State Controller's Office

Telephone: (916) 324-4074

- Local Public Safety Fund
- Local Revenue Fund Distributions

### **Mr. Bill Byall**

State Controller's Office

Telephone: (916) 323-0740

- Highway Users Fuel Tax (Gas Tax)

### **Mr. David Smart**

State Controller's Office

Telephone: (916) 323-8077

- Motor Vehicle License Fees

#### ***The address for the above contacts:***

State Controller's Office

P.O. Box 942850

Sacramento, CA 94250