BT-401-A (S1F) REV. 70 (7-96)

STATE, LOCAL and DISTRICT SALES and USE TAX RETURN

STATE OF CALIFORNIA
BOARD OF EQUALIZATION

DUE ON OR BEFORE JANUARY 31, 1997 **FOR** OCTOBER THROUGH DECEMBER 1996

BOARD USE ONLY	
	RR-B/A
	RR-QS
	LOC
	REG
	ACC
	REF

READ INSTRUCTIONS BEFORE PREPARING

Mail to:

BOARD OF EQUALIZATION
TAX AMNESTY PROGRAM
PO BOX 942879
SACRAMENTO CA 94279-0095

PLEASE ROUND CENTS TO THE NEAREST WHOLE DOLLAR

1. TOTAL (GROSS) SALES		1.	$ .00
2. PURCHASES SUBJECT TO USE TAX		2.	.00
3. TOTAL *(add lines 1 and 2)*		3.	.00
4. SALES TO OTHER RETAILERS FOR PURPOSES OF RESALE	50 $ .00		
5. NONTAXABLE SALES OF FOOD PRODUCTS	51 .00		
6. NONTAXABLE LABOR (repair and installation)	52 .00		
7. SALES TO THE UNITED STATES GOVERNMENT	53 .00		
8. SALES IN INTERSTATE OR FOREIGN COMMERCE	54 .00		
9. SALES TAX (IF ANY) INCLUDED ON LINE 1	55 .00		
10. (a) BAD DEBT LOSSES ON TAXABLE SALES	56 .00		
(b) COST OF TAX-PAID PURCHASES RESOLD PRIOR TO USE	57 .00		
(c) RETURNED TAXABLE MERCHANDISE	58 .00		
(d) CASH DISCOUNTS ON TAXABLE SALES	59 .00		
(e) SECTION 6377 MANUFACTURER'S 5% STATE TAX EXEMPTION			
Enter amount subject to Mfg. 5% exemption 60 $ .00 (Multiply box 60 by .8333) Enter result in box 61	61 .00		
(f) OTHER (clearly explain)	90 .00		
11. TOTAL NONTAXABLE TRANSACTIONS REPORTED ON LINES 4 THRU 10(f) *[add lines 4 thru 10(f)]*		11.	.00
12. TRANSACTIONS SUBJECT TO STATE TAX *(subtract line 11 from line 3)*		12.	.00
13. **STATE** TAX 6% *(multiply line 12 by .06)*		13.	.00 <
14. (a) TRANSACTIONS SUBJECT TO COUNTY TAX *[add amount in box 61 (above) to line 12]* *Enter total here*		14(a).	.00
(b) **COUNTY** TAX 1/4% *(multiply line 14(a) by .0025)*		14(b).	.00 <
REC NO 15. ADJUSTMENTS FOR LOCAL TAX (see line 15 instructions)		15.	.00
16. TRANSACTIONS SUBJECT TO LOCAL TAX *[add or subtract line 15 to or from line 14(a)]*		16.	.00
17. **LOCAL** TAX 1% *(multiply line 16 by .01)*		17.	.00 <
18. **DISTRICT** TAX (from Schedule A, line A11) YOU **MUST** COMPLETE SCHEDULE A ON REVERSE IF YOU ARE ENGAGED IN BUSINESS IN A TRANSACTIONS TAX DISTRICT		18.	.00 <
19. TOTAL STATE, COUNTY, LOCAL AND DISTRICT TAX *[add < lines 13, 14(b), 17 & 18]*		19.	.00
20. DEDUCT sales or use tax imposed by other states and paid on the purchase price of tangible personal property. Purchase price must be included in line 2		20.	.00
Transactions subject to San Diego Co. Tax Credit. (Effective 4-1-94 through 3-31-96)			DISCONTINUED
Transactions subject to Monterey Co. Tax Credit. (Effective 10-1-94 through 3-31-96)			DISCONTINUED
21. NET TAX *[subtract line 20 from line 19]*		21.	.00
PM 22. Less PREPAYMENTS $ 1ST PREPAYMENT $ 2ND PREPAYMENT		Total Prepayment 22.	$ .00
23. REMAINING TAX *(subtract line 22 from line 21)*		23.	.00
24. PENALTY of 10% (.10) is due if payment is made after date shown above. Persons required to make payment by Electronic Funds Transfer may owe additional penalties (see line 24 instructions)		PENALTY 24.	.00
25. INTEREST: One month's interest is due on tax for each month or fraction of a month that payment is delayed after the due date. The adjusted monthly interest rate is 1% (.01) (12% divided by 12).		INTEREST 25.	.00
RE 26. TOTAL AMOUNT DUE AND PAYABLE *(add lines 23, 24 & 25)*		26.	$ .00

TA1

I hereby certify that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct and complete return.

YOUR SIGNATURE AND TITLE	TELEPHONE NUMBER	DATE

PAID PREPARER'S USE ONLY		
	PAID PREPARER'S NAME	PREPARER'S SSN OR FEIN
	FIRM'S NAME *(or yours if self-employed)*	BUSINESS ADDRESS

MAKE CHECK OR MONEY ORDER PAYABLE TO THE STATE BOARD OF EQUALIZATION

Always write your account number on your check or money order. Make a copy for your records.

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BT-401-A (S1B) REV. 70 (7-96)

SCHEDULE A - COMPUTATION SCHEDULE FOR DISTRICT TAX

READ INSTRUCTIONS BEFORE PREPARING THIS SCHEDULE
Please round cents to the nearest whole dollar

A1	AMOUNT ON WHICH LOCAL TAX APPLIES (Enter amount from line 16 on the front of the return)	$ .00
A2 /A3	DEDUCT Sales made from locations inside or outside districts and delivered to any point not in a district 000	- .00
A4	AMOUNT OF DISTRICT TRANSACTIONS *(subtract line A2/A3 from line A1)* (Allocate this amount to the correct district tax areas in Column A5)	$ .00

DISTRICT TAX AREAS		A5. ALLOCATE LINE A4 TO CORRECT DISTRICT(S)	A6./A7. ADD (+) / DEDUCT (-) ADJUSTMENTS	A8. TAXABLE AMOUNT A5 plus/minus A6/A7	A9. TAX RATE	A10. DISTRICT TAX DUE Multiply A8 by A9
*ALAMEDA Co.	011	.00	.00	.00	.01	$ .00
*CONTRA COSTA Co.	025	.00	.00	.00	.01	.00
DEL NORTE Co.	047	.00	.00	.00	.005	.00
FRESNO Co. Transportation Authority	012	.00	.00	.00	.005	.00
FRESNO (Effective 7-1-93 thru 3-20-96) Metro. Projects Authority	048	Discontinued	.00	.00	.001	.00
*IMPERIAL Co. Local Transportation Authority	029	.00	.00	.00	.005	.00
046						
*CITY OF CALEXICO ** Heffernan Hospital District	045	.00	.00	.00	.005	.00
INYO Co.	014	.00	.00	.00	.005	.00
CITY OF CLEARLAKE (Lake Co.)	058	.00	.00	.00	.005	.00
*LOS ANGELES Co.	036	.00	.00	.00	.01	.00
MADERA Co.	034	.00	.00	.00	.005	.00
ORANGE Co.	037	.00	.00	.00	.005	.00
RIVERSIDE Co.	026	.00	.00	.00	.005	.00
SACRAMENTO Co.	023	.00	.00	.00	.005	.00
*SAN BENITO Co.	054	.00	.00	.00	.01	.00
SAN BERNARDINO Co.	031	.00	.00	.00	.005	.00
SAN DIEGO Co.	013	.00	.00	.00	.005	.00
*SAN FRANCISCO Co.	052	.00	.00	.00	.0125	.00
SAN JOAQUIN Co.	038	.00	.00	.00	.005	.00
*SAN MATEO Co.	019	.00	.00	.00	.01	.00
SANTA BARBARA Co.	030	.00	.00	.00	.005	.00
SANTA CLARA Co. Transit District	003	.00	.00	.00	.005	.00
*SANTA CRUZ Co.	041	.00	.00	.00	.01	.00
SONOMA Co.	039	.00	.00	.00	.0025	.00
STANISLAUS Co.	059	.00	.00	.00	.00125	.00
TULARE Co.	060	.00	.00	.00	.005	.00

A11.	TOTAL DISTRICT TAX. Add Column A10. (Enter here and on line 18 on front of return)	$ .00

* This district tax area includes more than one transactions tax district. (See Instructions for Schedule A) ** The City of Calexico Heffernan Hospital District is located in Imperial County. Its boundaries are the same as the City of Calexico. Transactions subject to the Calexico district tax are also subject to the Imperial County Local Transportation Authority Tax.

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STATE BOARD OF EQUALIZATION

State, Local, and District Sales and Use Tax Return

Return and Schedule A Instructions for

BT-401-A REV. 70 (10-96)
AND
BT-401-C REV. 73 (1-97) and REV. 74 (1-97)

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General Information

These instructions are provided to help you complete your California sales and use tax return. If you need help, please call the toll-free Information Center at 1-800-400-7115. Our customer service representatives can help you with general tax questions. They are available from 8:00 a.m. to 5:00 p.m., Pacific time, Monday-Friday, excluding holidays. For TDD (telephone device for the deaf) assistance, please call1-800-735-2929 (TDD phone) or 1-800-735-2922 (voice phone).

Filing Your Return

The BT-401-A and BT-401-C returns are used to report taxes due under the California Sales and Use Tax Law, the Uniform Local Sales and Use Tax Law, and the Transactions (Sales) and Use Tax Law, which are administered by the State Board of Equalization.

You must file a return even if you do not owe taxes for the reporting period. If you do not file a return, your seller's permit could be revoked.

When completing your return, please remember . . .

- You should round off figures to the nearest whole dollar. Round down amounts under 50¢ and round up amounts from 50¢ to 99¢. For example, $201.38 should be entered as $201.00, and $211.75 should be entered as $212.00. Zeros (.00) are preprinted on the return for your convenience.
- You must complete Schedule A, *Computation Schedule for District Tax* (see pages 6-8).
- If you are claiming a deduction for a sale that was reported on an earlier return (for example, you are claiming a deduction for a *bad debt loss* or *returned taxable merchandise*) and if the tax rate in effect at the time of the sale was different than the current rate, you must adjust your entry. Contact the Information Center for assistance.

✍ Sign and Mail Your Return

Sign and mail your return in the enclosed envelope. Also enclose a check or money order payable to the State Board of Equalization (*Note*: Do not enclose a check or money order if you are registered to make payments by electronic funds transfer; you must make your payment electronically). If you pay by check or money order, be sure to write your account number on the payment. If a paid preparer completes the return, he or she must also sign the return. Make a copy of the return for your records.

Returns and payments must be postmarked or received by the Board by the due date shown on the return to be considered timely. If the due date falls on a Saturday, Sunday, or state holiday, returns postmarked or received by the next business day are considered timely. *Note:* Under certain conditions, the Board can approve an extension of the due date for up to one month. If approved, penalty charges would be waived; however, interest charges would still apply. A written request for an extension must be filed prior to or within the period for which the extension would be granted.

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Lines 1 thru 3

Sales • Purchases Subject to Use Tax

Line 1. Total Sales (gross receipts)

Enter your total taxable and nontaxable sales for the reporting period, including lease and rental receipts.

Report all sales in any manner related to California business. You will deduct nontaxable transactions on lines 4 through 10(f).

Notes:

- Include all charges related to your sales, such as labor, service, and shipping and handling charges.
- If you sold any business assets, such as fixtures and equipment, during the reporting period, you must report the sale. If you are filing a final return and reporting the sale of business assets, please call for assistance.
- Your "total sales" may include amounts for California sales or use taxes. If this is the case, be sure to deduct those tax amounts on line 9. If you do not, you will overpay tax.

Line 2. Purchases Subject to Use Tax

Enter your total *purchases* that are subject to tax, as explained below.

Your purchases of merchandise, equipment, and other tangible personal property are subject to tax and must be reported if you

- Purchased the property from an out-of-state retailer who did not collect California use tax, or
- Purchased the property with a resale certificate or other exemption certificate

AND

- Used the property in California for a purpose other than (1) resale or (2) demonstration, retention, or display while holding it for sale in the regular course of business

You must also report your purchase of a vessel or aircraft if you (1) purchased it from an unlicensed retailer who did not charge tax on the transaction and (2) used the property for a purpose other than resale as described above.

Enter the amount you paid for the property (see notes in next column).

Notes:

- If you paid another state's sales or use tax on your purchase, do not include the tax payment as part of your purchase price. You may be eligible for a credit for the other state's tax (see line 20).
- You should report the purchase on the tax return for the reporting period during which you first used the property in California.

Line 3.

Add lines 1 and 2. Enter the result on line 3.

Lines 4 thru 10(f)

Exemptions • Deductions

The following transactions are not subject to tax and will be subtracted from the total on line 3.

You cannot claim a deduction for a transaction unless it has been reported on line 1 or 2 of this return or a previous return. If you did not report the original sale, you cannot claim a deduction related to that sale.

You must maintain records that support all claimed deductions.

Line 4. Sales to Other Retailers for Purposes of Resale

Enter your total sales to other sellers who submitted resale certificates to you for their purchases.

In general, you can accept resale certificates from other sellers who are buying property to resell in the regular course of business. If you obtain a timely and valid resale certificate, taken in good faith, tax will not apply to your sale.

To be valid, resale certificates must contain specific information. For more information, see Regulation 1668, *Resale Certificates*.

Line 5. Nontaxable Sales of Food Products

Enter your *nontaxable* sales of food products sold for human consumption.

Whether food product sales are taxable depends on many conditions, including who makes the sale, where the sale occurs, who the customer is, and what is sold. For example, the following sales are generally taxable and should not be deducted:

- Sales of alcoholic and carbonated beverages
- Sales of hot prepared food products
- Sales of meals or food sold for consumption at your place of business or sold for consumption in a place where admission is charged

For more information on food sales, request a copy of Regulation 1602, *Food Products*, or Regulation 1603, *Taxable Sales of Food Products*. Vending machine operators should order Regulation 1574, *Vending Machine Operators*.

Line 6. Nontaxable Labor

Enter labor charges for *installing* premanufactured property or for *repairing or reconditioning* property to restore it to its original use.

Note: Labor charges for making or fabricating a new product (such as labor charges for making a ring or furniture), or for assembling a product, are generally taxable and should not be deducted. Tax applies even if your customer provides the property that you fabricate.

(Regulation 1546, *Installing, Repairing, Reconditioning in General*)

Line 7. Sales to the United States Government

Enter sales made to:

- The United States government or its unincorporated agencies and instrumentalities, such as the following federal departments: Treasury, Interior, Agriculture, or Defense
- Any incorporated agency or instrumentality of the United States wholly owned by either the United States, or by a corporation wholly owned by the United States
- The American Red Cross, its chapters and branches
- Federal reserve banks, federal credit unions, federal land banks, and federal home loan banks

Note: Sales made to the State of California or to cities and counties and local governments in the state are generally taxable and should not be deducted. They are treated like any other sale.

(Regulation 1614, *Sales to the United States and Its Instrumentalities*)

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Line 8. Sales in Interstate or Foreign Commerce

Enter sales that are exempt from tax as interstate or foreign commerce (sales involving shipments or deliveries from California to points outside this state).

For a sale to be exempt, the sales agreement or contract must require the property to be shipped to an out-of-state point, and you must either

- Use your company vehicle (or other conveyance operated by your business) to ship the property to that location, or
- Deliver the property to a carrier, customs broker, or forwarding agent for shipment outside this state

(Regulation 1620, *Interstate and Foreign Commerce*)

Line 9. Sales Tax

Enter an amount on this line only if the amount you reported on line 1 includes California sales or use taxes.

Enter only the tax amounts that are included on line 1.

(Regulation 1700, *Reimbursement for Sales Tax*)

Line 10(a). Bad Debt Losses

Enter bad debt losses, as described below.

If you have reported a taxable sale and have been unable to collect payment for the sale, you may take a deduction for the bad debt.

Bad debts may take the form of:

- Checks that have been returned to you unpaid by the purchaser's bank and which you have determined to be uncollectible, or
- Amounts from charge or credit sales that you have determined to be uncollectible

The bad debts must be charged off for income tax purposes, or if you are not required to file income tax returns, the bad debts must be charged off in accordance with generally accepted accounting principles.

Enter only the amount of the sale *before* tax. For example, if the merchandise had been sold for $15 plus sales tax, you would claim only $15 as a deduction.

If you claim a bad debt deduction and later recover payment, you must report the payment on the tax return filed for the period in which the recovery payment was made.

You must adjust the amount you report for transactions that occurred during a period when the state or county tax rates were different than the current rates. Call for assistance.

(Regulation 1642, *Bad Debts*)

Line 10(b). Cost of Tax-Paid Purchases Resold Prior to Use

You may claim a deduction on this line if you

- Paid California sales or use tax when purchasing goods or merchandise, and
- Sold the property without first using it (other than retaining, demonstrating, or displaying it while holding it for sale in the regular course of business)

Enter only the amount of the purchase *before* tax. For example, if the property was sold to you for $15 plus tax, you would claim only $15 as a deduction.

You must take this deduction in the reporting period during which you made the sale (otherwise, you must file a claim for refund of the tax).

You must adjust the amount you report for purchases that occurred during a period when the state or county tax rates were different than the current rates. Call for assistance.

(Regulation 1701, *Tax-Paid Purchases Resold*)

Line 10(c). Returned Taxable Merchandise

Enter amounts you credited or refunded to customers for returned taxable merchandise, as described below.

You can take this deduction only if

- You returned or credited to your customer the full sales price, including sales tax charges, *and*
- The customer, in order to obtain the refund or credit, is not required to purchase other property at a price greater than the amount charged for the property returned.

Claim only the amount of the sale *before* tax. For example, if the returned merchandise had been sold for $15 plus sales tax, you would claim only $15 as a deduction.

You must adjust the amount you report for transactions that occurred during a period when the state or county tax rates were different than the current rates. Call for assistance.

(Regulation 1655, *Returns, Defects and Replacements*)

Line 10(d). Cash Discounts on Taxable Sales

If you gave a cash discount to a customer on a taxable sale, enter the amount of the discount here.

You can claim a deduction on this line only if you reported the full (undiscounted) selling price on line 1. Do not use this line if you reported the discounted selling price on line 1 of this return or a previous return. In addition, you must ensure that you do not collect from your customer more tax than the amount due on the discounted price. If you collect more than the amount due on the discounted price, you cannot claim this deduction.

You must adjust your total for this line if any of the transactions occurred during a period when the state or county tax rates were different than the current rates. Call for assistance.

(Regulation 1671, *Trading Stamps and Related Promotional Plans*; Regulation 1700, *Reimbursement for Sales Tax*)

Line 10(e). Section 6377 Manufacturer's 5% State Tax Exemption

Complete this line if

- You made a sale to a purchaser who used a manufacturer's exemption certificate to make his or her purchase, as described below, or
- You are an exempt manufacturer who made a purchase subject to use tax, as described below.

In general, businesses that qualify for the manufacturer's exemption are those who first conducted business in California on or after January 1, 1994. The business must be involved in manufacturing, processing, refining, fabricating, recycling, or research and development. Furthermore, the business must apply to the state for its exempt status and receive approval for the exemption. Specific definitions of qualified persons and of property qualifying as exempt, and rules regarding required exemption certificates, are available from any Board office.

Sales made to exempt manufacturers. Sales of qualified property are exempt from

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a portion (5%) of the state sales tax when they are purchased with a valid manufacturer's certificate (they are not exempt from city, county, or district sales taxes). To compute the amount to be claimed, (1) enter in box 60 the amount of the sale for the exempt property (excluding tax), (2) multiply that figure by 0.8333, and (3) enter the result in box 61.

Notes:

- If your total sales or lease payments exceed $25,000 to any single qualified manufacturer, you must attach a copy of the exemption certificate submitted to you by that individual and, if applicable, a copy of the lease contract.
- The sale for which you are claiming an exemption must have been reported on line 1 of your return.

Qualified purchases made by an exempt manufacturer. If you purchased qualified property and your purchase is subject to use tax (reported on line 2 of your return), the purchase is exempt from a portion (5%) of the state use tax (it is not exempt from city, county, or district use taxes). To compute the amount to be claimed, (1) enter in box 60 the amount of the purchase for the exempt property (excluding tax), (2) multiply that figure by 0.8333, and (3) enter the result in box 61.

(Regulation 1525.2, *Manufacturing Equipment*)

Line 10(f). Other Deductions

You may be entitled to claim other deductions in addition to those allowed on lines 4 through 10(e). Enter the amount for those deductions here. Each deduction must be clearly explained.

Examples of transactions that may be deductible include the following:

- Sales by pharmacists of prescription medicines for use by humans. (Regulation 1591, *Medicines and Medical Supplies, Devices and Appliances*)
- Transportation charges for delivering goods to a purchaser by an independent carrier (the transportation charges must be separately stated on the invoice). If you charge more for delivery than your actual costs, the added amount is subject to tax and cannot be deducted. (Regulation 1628, *Transportation Charges*)
- Sales of animals, seeds, annual plants and fertilizer, used as, or used to produce, food for human consumption. (Regulations 1587, *Animal Life and Feed,* and 1588, *Seeds, Plants and Fertilizers*)

For more information, request a copy of Pamphlet 61, *Sales and Use Taxes: Exemptions and Exclusions.*

Lines 11 thru 26

Tax Calculations

Line 11. Total Nontaxable Transactions Reported on Lines 4 through 10(f)

Add lines 4 through 10(f). Enter the result on line 11.

Line 12. Transactions Subject to State Tax

Subtract line 11 from line 3. Enter the result on line 12.

Line 13. State Tax 6%

Multiply line 12 by 0.06. Enter the result on line 13.

Line 14(a). Transactions Subject to County Tax

Add the amount in box 61 (see line 10e) to line 12. Enter the result on line 14(a).

Line 14(b). County Tax 1/4%

Multiply line 14(a) by 0.0025. Enter the result on line 14(b).

Line 15. Adjustments for Local Tax

Complete this line if you sold or purchased property for use by an aircraft common carrier, as described below. If you make an entry for this line, you may also need to include a schedule that shows where the property was sold or used .

Sales of property to (and purchases made by) aircraft operators are exempt from district tax and partially exempt from local and county tax if

- The aircraft is operated by a common carrier according to the laws of California, the United States, or a foreign government, and
- The property is used or consumed directly and exclusively in the use of the aircraft as a common carrier of persons or property, and
- The property is used or consumed principally outside the county in which the sale was made.

Note: The exemption does not apply to the sale or purchase of fuel and petroleum products.

If you made a sale or purchase that meets the conditions described above, you must enter an amount on line 15, as described below.

Adjustment for taxable sales

The sale of supplies and equipment, other than fuel and petroleum products, purchased and used as described above, is exempt from the 1% local tax.

To calculate this adjustment:

- Be sure the sales price has been included on line 1.
- Enter the sales price on line 15. This amount will be subtracted from the total on line 14(a).

If you are a multiple outlet seller, please attach a schedule showing the sales price by the place of sale. You can attach your own listing, or you can request a copy of form BT-531-X: *Schedule X, Detailed Allocation by County of Sales Exempt from Local Tax.*

Adjustment for purchases

If you purchased property on which you paid state, county, and local tax and used the property as an aircraft common carrier for an exempt purpose, as described above, your purchase is exempt from the 1% local tax.

Enter the purchase price of the property on line 15.

Please attach a schedule showing the purchase price by county of use. You can attach your own listing, or you can request a copy of form BT-531-X: *Schedule X, Detailed Allocation by County of Sales Exempt from Local Tax.*

(Regulation 1805, *Aircraft Common Carriers*)

Line 16. Transactions Subject to Local Tax

Add or subtract line 15 to or from line 14(a). Enter the result on line 16.

Line 17. Local Tax 1%

Multiply line 16 by 0.01. Enter the result on line 17.

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Line 18. District Sales and Use Tax

Complete Schedule A, *Computation Schedule for District Tax*, and enter here the amount from line A11 of the schedule.

You must compete Schedule A. See pages 6 and 7 for more information.

Line 19. Total State, County, Local and District Tax

Add lines 13, 14(b), 17, and 18. Enter the result on line 19.

Line 20. Property Purchased Out of State for Use in California (credit for another state's tax charges)

Enter an amount on this line if

- The property was purchased out of state and brought into California for use, consumption, or storage in this state, and not for resale in the regular course of business, and
- You paid another state's sales or use tax charges on the property, and
- You are not entitled to a tax refund from the other state, and
- Your liability for tax in the other state occurred prior to your use, storage, or consumption of the property in California, and
- You have reported the purchase price on line 2, "Purchases Subject to Use Tax."

Enter the amount of tax paid (see notes in next column).

Notes:

- The amount of your tax credit cannot exceed the total of the applicable California state, county, local and district taxes in effect at the time of the use. For example, if you paid 8% sales tax charged by another state and used the property in California in an area where the total state, county, local, and district tax rate was 7.75%, you could not claim more than a 7.75% credit.
- If you are required to complete either Schedule B or C, attach a separate schedule fully explaining the credit taken on line 20, the location where the property was used, its purchase price, and the amount of tax paid in other states.
- You may be required to present documentation to substantiate the credit taken against California tax (such as a purchase invoice or similar document showing the name and address of the seller, date of purchase, purchase price, and amount of sales or use tax paid).

Please contact the Information Center if you are uncertain as to the correct amount of credit to claim.

Line 21. Net Tax

Subtract line 20 from line 19. Enter the result on line 21.

Line 22. Tax Prepayments

Complete this line only if you are required to make tax prepayments. (Businesses with average monthly taxable transactions of $17,000 or more must make prepayments, once notified by the Board.)

Enter the prepayment amounts in the proper spaces. This credit is limited to the amounts of tax prepaid and should not include penalties or interest charges reported with your prepayments.

Note: If you sell fuel and pay sales tax to your fuel supplier, do not use this line to claim a credit for those tax payments. Credit can be claimed on Schedule G, *Fuel Seller's Supplement to Return*.

Line 23. Remaining Tax

Subtract line 22 from line 21. Enter the result on line 23.

Line 24. Penalty

If your tax payment is made, or your tax return is filed, after the due date shown at the top of the return, you must pay a 10% penalty. Multiply line 23 by 0.10 and enter the result on line 24.

Returns and payments must be postmarked or received by the due date of the return to be considered timely. If the due date falls on a Saturday, Sunday, or state holiday, returns postmarked or received by the next business day will be considered timely.

Businesses required to pay sales and use taxes by electronic funds transfer (EFT):

If you file your return form late (see above), a 10% penalty is due. This is true even if your tax payment was made on time by EFT. If you are required to pay by EFT and do not (you pay by check, for example), an additional 10% penalty applies. Enter the total for all penalties due on line 24.

Line 25. Interest

If your payment is late (see line 24 instructions for an explanation of due dates), you must pay interest charges in addition to penalty charges.

You owe one month's interest for each month or portion of a month the payment is overdue. For example, if your payment is one month and two weeks overdue, you owe two months' interest.

Using the interest rate printed on line 25 of your return, multiply the rate times the total tax owed. Enter the result on line 25.

Reminder: If you owe two or more months' interest, as described above, you must multiply the amount due by the number of months overdue.

Line 26. Total Amount Due and Payable

Add lines 23, 24, and 25. Enter the result on line 26.

TAX AMNESTY

Schedule A

Computation Schedule for District Tax

Complete Schedule A and transfer the amount calculated on line A11 to line 18 on the front of the return. Instructions for Schedule A are provided on the next page. A listing of district taxes and their effective dates is provided on page 8.

What is Schedule A?

Schedule A, *Computation Schedule for District Tax*, is used to determine the amount of tax, if any, that should be distributed to special tax districts.

What are special tax districts?

Special tax districts are voter-approved taxing jurisdictions that encompass a specific geographical area in the state. Most, but not all, are countywide (the Bay Area Rapid Transit District encompasses three counties). Each district imposes a tax that is added to the statewide sales and use tax. District rates vary from 0.125 to 0.50 percent, as shown on the table on page 8.

Who must pay district taxes?

In general, you must report and pay district sales and use taxes if you

- Are a retailer in the district and your merchandise is sold and delivered within the district.
- Are a retailer located outside the district who is *engaged in business* in the district and you sell merchandise for use in the district. You are considered to be engaged in business in the district if you (1) have any type of business location there, (2) deliver into the district using your own vehicles, (3) have an agent or representative in the district who makes sales, takes orders, or makes deliveries.
- Are a dealer of vehicles, vessels, or aircraft, and you sell those items to persons who will register them in the district.
- Collect tax on lease payments you receive for leased property used by the lessee in the district.
- Purchase goods and merchandise without payment of the district tax and use the property in the district for a purpose other than for (1) resale or (2) demonstration, retention, or display while holding it for resale in the regular course of business.

Where can I get more information?

For information on how to apply district taxes, request a copy of Pamphlet 44, *Tax Tips for District Taxes.* For information on district rates by city and county, request a copy of Pamphlet 71, *California City and County Sales and Use Tax Rates.*

Other Schedules

If you have received other schedules to complete, please refer to those schedules for instructions.

TAX AMNESTY

Instructions for Completing Schedule A

Step 1. Calculate which sales, if any, are subject to district tax.

A1. Enter the total from line 16 (see front of the return).

A2/A3. Enter the following sales, which are not subject to district tax (these will be subtracted from the total on line A1):

- Sales of property delivered to customers for use in a location where there is no district tax in effect (for example, property delivered to Kern County, which has no special tax districts).
- Sales of property (other than vehicles, aircraft, and vessels) delivered to customers for use in a district where you are not engaged in business (see page 6, "Who must pay district taxes?" for an explanation of *engaged in business*).

A4. Subtract A2/A3 from A1. Enter the result on A4.

If none of your sales are subject to district tax and you have no adjustments for prior periods, enter $0.00 on lines A4 and A11. You do not need to complete lines A5 through A10.

Step 2. Enter your sales for the appropriate district(s).

A5. Using the total from line A4, list your transactions by the correct districts.

Example. If your total on line A4 showed $3,000 and all transactions were subject to district tax in Los Angeles County, you would enter $3,000 next to "LOS ANGELES Co." in column A5. If the $3,000 total on line A4 represented $2,000 in sales for Los Angeles County and $1,000 in sales for Orange County, you would enter the $2,000 and $1,000 next to the appropriate counties.

Special reporting requirements for Fresno and Imperial counties:

- *Fresno County — transactions made from 7-1-93 through 3-20-96.* During this period, the Fresno Metropolitan Projects Authority (FMPA) district tax was in effect for the City of Fresno and certain areas of the county surrounding the city. Transactions on which you collected the FMPA tax must be entered both for the FMPA and the Fresno County Transportation Authority. Enter the full amount of the transaction(s) next to each district in column A5. Transactions subject only to the Fresno County Transporation Authority should be entered only for that district.
- *Imperial County.* Transactions subject to the City of Calexico Heffernan Hospital District tax are also subject to the Imperial County Local Transportation Authority district tax. Enter the full dollar amount of the transaction(s) both for the Heffernan Hospital District and the Imperial County Local Transportation Authority.

  If a transaction is subject to the Imperial County Local Transportation Authority district tax and not to the City of Calexico Heffernan Hospital District tax, enter the transaction only for the Imperial County Local Transportation Authority.

Step 3. Adjustments

A6/A7. Entries on this line will increase or decrease the amount of tax distributed to a district. Make entries only for those districts that require an adjustment. There does not need to be an entry in column A5 in order to make an adjustment in column A6/A7.

Please attach to your return an explanation of adjustments.

Add and subtract the following adjustments, by district, and enter the result in column A6/A7, for the appropriate district. The result may be either a plus (+) or minus (-) amount.

Add the following:

- *Claimed deductions that were taxed at a lower rate than the current rate.* If you claimed a deduction on the front of your return for bad debts, tax-paid purchases resold, returned merchandise, or cash discounts and if those transactions were originally taxed at a lower rate than the current rate, add the total for those transactions (by district).
- *Items you purchased without paying district tax.* If you purchased goods on which you paid state and local tax but did not pay district tax to the vendor, and if you made a taxable use of the property in a tax district, add the price of the goods for that district.
- *Amounts collected for a discontinued district.* If you collected taxes for a district that has been discontinued and have not paid those taxes to the Board, add the amounts on which those taxes were collected. Do not enter those amounts on line A5. If a discontinued district is not listed, call for assistance.

Deduct the following:

- *Transactions that occurred prior to the effective date of a district.* Deduct any transactions included in line A5 that occurred prior to the effective date of the district tax.
- *Fixed-price contracts.* Deduct the sales price or lease payments (excluding amounts collected as tax) for qualifying fixed-price contracts. A fixed-price contract is one entered into prior to the effective date of the district tax, which (1) fixes the the amount of the sales or lease price and (2) specifically states the amount or rate of tax based on the rate in effect when the contract was executed. Neither party to the contract may have the right to terminate the contract upon notice.
- *Property used outside the district.* If you paid district tax on a purchase and first used the property in a different district, you may need to enter adjustments on A6/A7. Call for assistance.
- *Discontinued districts.* Deduct that portion of the nontaxable transactions on the front of the return for bad debts, tax-paid purchases resold, returned merchandise, or cash discounts that originally included a district tax that has been discontinued.

A8. Add or subtract the amount shown in A6/A7 from the amount on A5. Enter the result on A8.

A9. No entries required. The preprinted figures are the district tax rates.

A10. Multiply A8 by A9. Enter the result on A10. Certain adjustments in A6/A7, may cause the computed amount to be negative.

Step 4. Enter your total district tax.

A11. Add all A10 entries and enter the total on A11. Carry to line 18 on the front of the return.

TAX AMNESTY

Special Taxing Jurisdictions (Districts)

(See page 6 for a discussion of special tax districts.)

TAX AREA	DISTRICT	EFFECTIVE DATE	DISTRICT RATE	COMBINED RATE
Alameda County	Bay Area Rapid Transit District (BART)	4-1-70	1/2%	.01
	Alameda County Transportation Authority (ACTA)	4-1-87	1/2%	
Contra Costa County	Bay Area Rapid Transit District (BART)	4-1-70	1/2%	.01
	Contra Costa Transportation Authority (CCTA)	4-1-89	1/2%	
Del Norte County	Del Norte County District (DNCD)	7-1-93	1/2%	.005
Fresno County	Fresno County Transportation Authority (FCTA)	7-1-87	1/2%	.005
Fresno Metropolitan	Fresno Metropolitan Projects Authority (FMPA) * (effective 7-1-93 through 3-20-96)	7-1-93	1/10%	.001
Imperial County	Imperial County Local Transportation Authority (IMTA)	4-1-90	1/2%	.005
City of Calexico (Imperial Co.)	City of Calexico Heffernan Hospital District (CXHD) **	10-1-92	1/2%	.005
Inyo County	Inyo County Rural Counties Transactions Tax (INRC)	10-1-88	1/2%	.005
City of Clearlake (Lake Co.)	City of Clearlake Public Safety (CLPS) ***	7-1-95	1/2%	.005
Los Angeles County	Los Angeles County Transportation Commission (LACT)	7-1-82	1/2%	.01
	Los Angeles County Transportation Commission (LATC)	4-1-91	1/2%	
Madera County	Madera County Transportation Authority (MCTA)	10-1-90	1/2%	.005
Orange County	Orange County Transportation Authority (OCTA)	4-1-91	1/2%	.005
Riverside County	Riverside County Transportation Commission (RCTC)	7-1-89	1/2%	.005
Sacramento County	Sacramento County Transportation Authority (STAT)	4-1-89	1/2%	.005
San Benito County	San Benito Council of Governments Authority (SBCG)	1-1-89	1/2%	.01
	San Benito County General Fund Augmentation (SBTU)	1-1-94	1/2%	
San Bernardino County	San Bernardino County Transportation Authority (SBER)	4-1-90	1/2%	.005
San Diego County	San Diego County Regional Transportation Commission (SDTC)	4-1-88	1/2%	.005
San Francisco City and County	Bay Area Rapid Transit District (BART)	4-1-70	1/2%	.0125
	San Francisco County Transportation Authority (SFTA)	4-1-90	1/2%	
	San Francisco County Public Finance Authority (SFPF)	10-1-93	1/4%	
San Joaquin County	San Joaquin County Transportation Authority (SJTA)	4-1-91	1/2%	.005
San Mateo County	San Mateo County Transit District (SMCT)	7-1-82	1/2%	.01
	San Mateo County Transportation Authority (SMTA)	1-1-89	1/2%	
Santa Barbara County	Santa Barbara County Local Transportation Authority (SBAB)	4-1-90	1/2%	.005
Santa Clara County	Santa Clara County Transit District (SCCT)	10-1-76	1/2%	.005
Santa Cruz County	Santa Cruz Metropolitan Transit District (SCMT)	1-1-79	1/2%	.01
	Santa Cruz Earthquake Recovery (SCER)	4-1-91	1/2%	
Sonoma County	Sonoma County Open Space Authority (SCOS)	4-1-91	1/4%	.0025
Stanislaus County	Stanislaus Co. Library (STCL)	7-1-95	1/8%	.00125
Tulare County	Tulare County Transactions and Use Tax (TCTU)	10-1-95	1/2%	.005

* The Fresno Metropolitan Projects Authority tax was declared invalid effective 3-20-96. Consequently, sales and purchases made on and after 3-21-96 are not subject to the tax. The district tax was imposed in the City of Fresno and in areas surrounding the city (the district's sphere of influence).

** The City of Calexico Heffernan Hospital District tax is imposed only in the City of Calexico. Transactions that are subject to the hospital district tax are also subject to the Imperial County Local Transportation Authority tax, which is imposed countywide.

*** The City of Clearlake Public Safety District tax is imposed only in the City of Clearlake.

TAX AMNESTY