



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0092
1-916-324-1825 • FAX 1-916-322-4530
www.boe.ca.gov

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State Controller

CYNTHIA BRIDGES
Executive Director

November 7, 2014

Dear Interested Party:

Enclosed are the Agenda, Issue Paper, and Revenue Estimate for the proposed amendment to Regulation 1685.5, *Calculation of Estimated Use Tax – Use Tax Table* which will be discussed at the Business Taxes Committee meeting on November 19, 2014. The proposed amendment updates the definition of the average state, local, and district sales and use tax rate.

Please feel free to publish this information on your website or otherwise distribute it to your associates, members, or other persons that may be interested in this issue.

Due to the amendments being technical in nature, no interested parties meetings were held. I look forward to seeing you at the Business Taxes Committee meeting at **10:00 a.m.** on **November 19, 2014** in Room 121 at the address shown above.

Sincerely,

Susanne Buehler, Chief
Tax Policy Division
Sales and Use Tax Department

SB:tmc

Enclosures

cc: (all with enclosures)

Honorable Jerome E. Horton, Chairman, Fourth District
Honorable Michelle Steel, Vice Chair, Third District
Honorable Betty T. Yee, Member, First District (MIC 71)
Senator George Runner (Ret.), Member, Second District (via email)
Honorable John Chiang, State Controller, c/o Ms. Marcy Jo Mandel
(via email)

Mr. David Hunter, Board Member's Office, Fourth District
Ms. Jaclyn Appleby, Board Member's Office, Fourth District
Mr. Neil Shah, Board Member's Office, Third District
Mr. Tim Treichelt, Board Member's Office, Third District
Mr. Alan LoFaso, Board Member's Office, First District
Ms. Yvette Stowers, Board Member's Office, First District
Mr. Ramon Salazar, Board Member's Office, First District
Mr. Sean Wallentine, Board Member's Office, Second District
Mr. James Kuhl, Board Member's Office, Second District
Mr. Lee Williams, Board Member's Office, Second District
Mr. Alan Giorgi, Board Member's Office, Second District
Ms. Tanya Vandrick, Board Member's Office, Second District
Ms. Natasha Ralston Ratcliff, State Controller's Office
Ms. Cynthia Bridges (MIC 73)
Mr. Randy Ferris (MIC 83)
Mr. David Gau (MIC 101)
Mr. Jeffrey L. McGuire (MIC 43)
Mr. Robert Tucker (MIC 82)
Mr. Bradley Heller (MIC 82)
Mr. Lawrence Mendel (MIC 82)
Mr. John Thiella (MIC 73)
Ms. Kirsten Stark (MIC 50)
Mr. Clifford Oakes (MIC 50)
Mr. Marc Alviso (MIC 101)
Mr. Chris Lee (MIC 101)
Mr. Bradley Miller (MIC 92)
Mr. Robert Wilke (MIC 50)
Ms. Tracy McCrite (MIC 50)

AGENDA — November 19, 2014 Business Taxes Committee Meeting
Proposed Amendments to Regulation 1685.5, *Calculation of Estimated Use Tax – Use Tax Table*

<p>Action 1 — Agreed Upon Items</p> <p>See Agenda, page 2</p>	<p>Alternative 1</p> <p>Approve and authorize publication of proposed amendment to Regulation 1685.5 to updates the definition of the average state, local, and district sales and use tax rate.</p> <p align="center">OR</p> <p>Alternative 2</p> <p>Do not approve proposed amendments to Regulation 1685.5.</p>
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Issue Paper Number 14-008



- Board Meeting
- Business Taxes Committee
- Customer Services and Administrative Efficiency Committee
- Legislative Committee
- Property Tax Committee
- Other

Proposed Amendments to Regulation 1685.5, *Calculation of Estimated Use Tax – Use Tax Table*

I. Issue

Whether the Board should amend subdivision (b)(7) of Regulation 1685.5, *Calculation of Estimated Use Tax – Use Tax Table*, to update the definition of the average state, local, and district sales and use tax rate.

II. Alternative 1 - Staff Recommendation

Staff recommends that the Board approve and authorize publication of the proposed amendments to Regulation 1685.5 as illustrated in Exhibit 2. Staff's proposed amendment updates the definition of the average state, local, and district sales and use tax rate by removing the specific reference to "section 35" of article XIII of the California Constitution.

III. Other Alternative(s) Considered

Do not approve the proposed amendments to Regulation 1685.5.

IV. Background

Revenue and Taxation Code (RTC) section [6452.1](#) authorizes consumers to elect to report their “qualified use tax” on their California income tax returns. RTC section 6452.1, subdivision (d)(2) defines the term “qualified use tax.”

Prior to the 2011 amendments to RTC section 6452.1 made by Statutes 2011, chapter 14 (Sen. Bill No. 86), RTC section 6452.1, subdivision (d)(2)(A) defined “qualified use tax” as a consumer’s actual use tax imposed under the Sales and Use Tax Law (RTC § 6001 et seq.), under section 35 of article XIII of the California Constitution, in conformity with the Bradley-Burns Uniform Local Sales and Use Tax Law (RTC § 7200 et seq.), and in accordance with the Transactions and Use Tax Law (RTC § 7251 et seq.) that has not been paid to a retailer holding a seller’s permit or certificate of registration-use tax. The 2011 amendments added subdivision (d)(2)(A)(i) to RTC section 6452.1 to generally provide that, for one or more single nonbusiness purchases of individual items of tangible personal property each with a sales price of less than one thousand dollars (\$1,000), “qualified use tax” means either of the following: (I) the consumer’s actual use tax “imposed under [the Sales and Use Tax Law], [under] Article XIII of the California Constitution, in conformity with the Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with Section 7200)), or in accordance with the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)) that has not been paid to a retailer holding a seller’s permit or certificate of registration-use tax;” or (II) the consumer’s “estimated amount of use tax as calculated by the [B]oard.” In addition, the 2011 amendments adding subdivision (d)(2)(A)(i)(II) to RTC section 6452.1, require the Board to “annually calculate the estimated amount of use tax due according to a person’s adjusted gross income and by July 30 of each calendar year make available to [the] Franchise Tax Board such amounts in the form of a use tax table.”

Regulation 1685.5 implements, interprets, and makes specific RTC section 6452.1 by prescribing the methodology the Board uses to annually calculate the estimated amount of use tax due according to a person’s adjusted gross income (AGI), and the format of the annual use tax table which the Board is required to make available to the Franchise Tax Board (FTB) by July 30 of each year for inclusion in the instructions to the FTB’s income tax returns. Consumers may elect to use the use tax table to report their estimated use tax liabilities, in accordance with their AGI, for one or more nonbusiness purchases of individual items of tangible personal property each with a sales price of less than one thousand dollars (\$1,000) on their FTB returns.

As prescribed by Regulation 1685.5, the Board calculates a person’s estimated use tax liability by applying a use tax liability factor to the specified AGI for the person’s AGI range. Regulation 1685.5 further provides that the use tax liability factor for each calendar year after June 1, 2013 shall be calculated by multiplying the percentage of income spent on taxable purchases for the preceding calendar year by 0.23, multiplying the product by the average state, local, and district sales and use tax rate, and then rounding the result to the nearest thousandth of a percent.

The “average state, local, and district sales and use tax rate” is defined in subdivision (b)(7) of Regulation 1685.5 as the total of:

- A. “The rates of the statewide sales and use taxes imposed under section 35 of article XIII of the California Constitution and the Sales and Use Tax Law (Rev. & Tax. Code, § 6001 et. seq.) in effect on January 1 of that year;”
- B. “The statewide rate of local tax imposed under the Bradley-Burns Uniform Local Sales and Use Tax Law (Rev. & Tax. Code, § 7200 et seq.) in effect on January 1 of that year;” and

- C. “The weighted average rate of the district taxes imposed under the Transactions and Use Tax Law (Rev. & Tax. Code, § 7251 et seq.) in effect in the various jurisdictions throughout the state on January 1 of that year after taking into account the proportion of the total statewide taxable transaction (by dollar) reported for each jurisdiction during the fourth quarter of the calendar year that is two years prior to the calendar year for which the calculation is made. For example, the total reported taxable transactions (by dollar) for the fourth quarter of 2010 shall be used to determine the weighted average rate of the district tax rates in effect on January 1, 2012, to calculate the weighted average rate of district taxes for calendar year 2012.”

The Board included the definition of “average state, local, and district sales and use tax rate” in the original text of Regulation 1685.5 adopted in 2011. At that time, the only sales and use tax imposed under the California Constitution was imposed under section 35 of article XIII of the California Constitution. However, California voters subsequently approved Proposition 30 in the General Election of 2012, which added section 36 to article XIII of the California Constitution. This constitutional amendment temporarily increases the state sales and use tax rate by one quarter of one percent on and after January 1, 2013. The higher tax rate will be in effect until December 31, 2016.

V. Discussion

In the calculation of the use tax liability factor, the average state, local, and district sales and use tax rate is defined in subdivision (b)(7)(A) as including the rates of the statewide sales and use taxes imposed under section 35 of article XIII of the California Constitution and the Sales and Use Tax Law (Rev. & Tax. Code, § 6001 et seq.) in effect on January 1 of that year.

With the passage of Proposition 30, it was determined that Regulation 1685.5 would need to be amended to make it consistent with the approval of the new sales and use tax imposed by section 36 of article XIII of the California Constitution, which must be included in the calculations of the estimated amount of use tax due according to a person’s AGI for 2013-2016. Therefore, staff considered recommending that the Board amend Regulation 1685.5 to specifically include section 36 of article XIII of the California Constitution in the regulation’s definition of the average state, local, and district sales and use tax rate. However, staff decided not to recommend that alternative because the regulation would need further amendments when the sales and use tax imposed by section 36 sunsets on December 31, 2016, and the regulation would require further amendments any time a new section is added to article XIII of the California Constitution to impose an additional sales and use tax.

Upon further evaluation, staff recommends that the Board amend the definition of the average state, local, and district sales and use tax rate to remove the specific reference to “section 35 of” from the regulation’s current reference to the “sales and use taxes imposed under section 35 of article XIII of the California Constitution.” Removing the reference to any specific section of article XIII makes the regulation consistent with the sales and use taxes imposed by sections 35 and 36 of article XIII of the California Constitution. It also eliminates any future requirements to amend the regulation each time a sales and use tax is added to or deleted from article XIII of the California Constitution. This amendment does not alter the regulation’s definition of the average state, local, and district sales and use tax rate in any other way and does not change the manner in which the Board is required to calculate the estimated amount of use tax due according to a person’s AGI.

No interested parties meeting were held. Staff’s recommended amendments are technical in nature and have no impact on taxpayers.

VI. Alternative 1 - Staff Recommendation

A. Description of Alternative 1

Staff recommends that the Board approve and authorize publication of the proposed amendments to Regulation 1685.5, as illustrated in Exhibit 2. Staff's proposed amendment updates the definition of the average state, local, and district sales and use tax rate by removing the specific reference to "section 35" of article XIII of the California Constitution.

B. Pros of Alternative 1

Alternative 1 makes the definition consistent with the sales and use taxes imposed by sections 35 and 36 of article XIII of the California Constitution. It also eliminates the need for amendments to the definition each time a tax is added to or is deleted from article XIII of the constitution.

C. Cons of Alternative 1

None

D. Statutory or Regulatory Change for Alternative 1

No statutory change is required. However, staff's recommendation does require adoption of amendments to Regulation 1685.5.

E. Operational Impact of Alternative 1

Staff will publish the proposed amendments to Regulation 1685.5 and thereby begin the formal rulemaking process.

F. Administrative Impact of Alternative 1

1. Cost Impact

The workload associated with publishing the regulation is considered routine. Any corresponding cost would be absorbed within the Board's existing budget.

2. Revenue Impact

None. See Revenue Estimate (Exhibit 1).

G. Taxpayer/Customer Impact of Alternative 1

None.

H. Critical Time Frames of Alternative 1

None.

VII. Other Alternatives

A. Description of Alternative 2

Do not amend Regulation 1685.5.

B. Pros of Alternative 2

The BOE will not incur the workload associated with revising the regulation.

FORMAL ISSUE PAPER 14-008

C. Cons of Alternative 2

The calculation will reflect the addition of section 36 of article XIII of the California Constitution but Regulation 1685.5 will not reflect the new section, which may cause confusion for the public.

D. Statutory or Regulatory Change for Alternative 2

None.

E. Operational Impact of Alternative 2

None

F. Administrative Impact of Alternative 2

1. Cost Impact

None.

2. Revenue Impact

None. See Revenue Estimate (Exhibit 1).

G. Taxpayer/Customer Impact of Alternative 2

None.

H. Critical Time Frames of Alternative 2

None

Preparer/Reviewer Information

Prepared by: Tax Policy Division, Sales and Use Tax Department

Current as of: October 30, 2014

REVENUE ESTIMATE

STATE OF CALIFORNIA
BOARD OF EQUALIZATION



Proposed Amendments to Regulation 1685.5, *Calculation of Estimated Use Tax – Use Tax Table*

I. Issue

Whether the Board should amend Regulation 1685.5, *Calculation of Estimated Use Tax – Use Tax Table*, to update the definition of the average state, local, and district sales and use tax rate.

II. Alternative 1 - Staff Recommendation

Staff recommends that the Board approve and authorize publication of the proposed amendments to Regulation 1685.5 as illustrated in Exhibit 2. Staff's proposed amendment updates the definition of the average state, local, and district sales and use tax rate to remove the specific reference to "section 35" of article XIII of the California Constitution.

III. Other Alternative(s) Considered

Do not approve the proposed amendments to Regulation 1685.5.

Background, Methodology, and Assumptions

Alternative 1 – Staff Recommendation

Regulation 1685.5 implements, interprets, and makes specific Revenue and Taxation Code (RTC) section 6452.1 by prescribing the methodology the Board uses to annually calculate the estimated amount of use tax due according to a person's adjusted gross income (AGI), and the format of the annual use tax table which the Board is required to make available to the Franchise Tax Board (FTB) by July 30 of each year for inclusion in the instructions to the FTB's income tax returns. Consumers may elect to use the use tax table to report their estimated use tax liabilities, in accordance with their AGI, for one or more nonbusiness purchases of individual items of tangible personal property each with a sales price of less than one thousand dollars (\$1,000) on their FTB returns.

As prescribed by Regulation 1685.5, the Board calculates a person's estimated use tax liability by applying a use tax liability factor to the specified AGI for the person's AGI range. Regulation 1685.5 further provides that the use tax liability factor for each calendar year after June 1, 2013 shall be calculated by multiplying the percentage of

income spent on taxable purchases for the preceding calendar year by 0.23, multiplying the product by the average state, local, and district sales and use tax rate, and then rounding the result to the nearest thousandth of a percent.

The “average state, local, and district sales and use tax rate” is defined in subdivision (b)(7) as the total of:

- A. The rates of the statewide sales and use taxes imposed under section 35 of article XIII of the California Constitution and the Sales and Use Tax Law (Rev. & Tax. Code, §6001 et. Seq.) in effect on January 1 of that year;
- B. The statewide rate of local tax imposed under the Bradley-Burns Uniform Local Sales and Use Tax Law (Rev. & Tax. Code, §7200 et seq.) in effect on January 1 of that year; and
- C. The weighted average rate of the district taxes imposed under the Transactions and Use Tax Law (Rev. & Tax. Code, §7251 et seq.) in effect in the various jurisdictions throughout the state on January 1 of that year after taking into account the proportion of the total statewide taxable transaction (by dollar) reported for each jurisdiction during the fourth quarter of the calendar year that is two years prior to the calendar year for which the calculation is made. For example, the total reported taxable transactions (by dollar) for the fourth quarter of 2010 shall be used to determine the weighted average rate of the district tax rates in effect on January 1, 2012, to calculate the weighted average rate of district taxes for calendar year 2012.

California voters approved Proposition 30 in the General Election of 2012, which adds section 36 to article XIII of the California Constitution. This constitutional amendment temporarily increases the state sales and use tax rate by one quarter of one percent of the sales price of tangible personal property sold or purchased for use in this state on and after January 1, 2013. The higher tax rate will be in effect until December 31, 2016.

Current practice of the Research and Statistics Section staff is to include all known changes to sales and use tax law in performing the calculations necessary to produce the use tax table. Consequently, there is nothing in the staff recommendation that would have an impact on revenues.

Other Alternatives Considered

Do not approve the proposed amendments to Regulation 1685.5.

Revenue Summary

Alternative 1 – staff recommendation does not have a revenue impact.

The other alternative considered does not have a revenue impact.

Preparation

Mr. Joe Fitz, Chief Economist, Research and Statistics Section, Legislative and Research Division, prepared this revenue estimate. This estimate has been reviewed by Mr. Mark Durham, Manager, Research and Statistics Section, Legislative and Research Division, and Ms. Susanne Buehler, Chief, Tax Policy Division, Sales and Use Tax Department. For additional information, please contact Mr. Fitz at (916) 323-3802.

Current as of October 30, 2014.

REGULATION 1685.5 CALCULATION OF ESTIMATED USE TAX—USE TAX TABLE.

(a) IN GENERAL.

(1) ESTIMATED USE TAX AND USE TAX TABLE. The Board of Equalization (BOE) is required to annually calculate the estimated amount of use tax due according to a person's adjusted gross income (AGI) and make such amounts available to the Franchise Tax Board (FTB), by July 30 of each year, in the form of a use tax table for inclusion in the instructions to the FTB's returns.

(2) WHO IS ELIGIBLE TO USE BOE USE TAX TABLES.

(A) Consumers may elect to use the use tax tables included in the instructions to their FTB returns to report their estimated use tax liabilities for one or more single nonbusiness purchases of individual items of tangible personal property each with a sales price of less than one thousand (\$1,000) on their FTB returns. However, eligible consumers may still calculate their actual use tax liabilities using the worksheets in the instructions to their FTB returns and report their actual use tax liabilities on their FTB returns. Consumers are not required to use the use tax tables included in the instructions to their FTB returns.

(B) The use tax table may not be used to estimate use tax liabilities for business purchases, including purchases made by businesses required to hold a seller's permit or to register with the BOE under the Sales and Use Tax Law and report their use tax liabilities directly to the BOE.

(3) SAFE HARBOR. If eligible consumers use the use tax tables included in the instructions to their FTB returns to estimate their use tax liabilities for qualified nonbusiness purchases and correctly report their estimated use tax liabilities for their qualified nonbusiness purchases in accordance with their AGI ranges, then the BOE may not assess the difference, if any, between the estimated use tax liabilities reported in accordance with the use tax tables and the consumers' actual use tax liabilities for qualified nonbusiness purchases.

(b) DEFINITIONS AND DATA SOURCES.

(1) AGI RANGES. The use tax table shall be separated into fifteen (15) AGI ranges as follows:

(A) AGI less than \$10,000

(B) AGI of \$10,000 to \$19,999

- (C) AGI of \$20,000 to \$29,999
- (D) AGI of \$30,000 to \$39,999
- (E) AGI of \$40,000 to \$49,999
- (F) AGI of \$50,000 to \$59,999
- (G) AGI of \$60,000 to \$69,999
- (H) AGI of \$70,000 to \$79,999
- (I) AGI of \$80,000 to \$89,999
- (J) AGI of \$90,000 to \$99,999
- (K) AGI of \$100,000 to \$124,999
- (L) AGI of \$125,000 to \$149,999
- (M) AGI of \$150,000 to \$174,999
- (N) AGI of \$175,000 to \$199,999
- (O) AGI more than \$199,999

(2) **USE TAX LIABILITY FACTOR OR USE TAX TABLE PERCENTAGE.** For the 2011 calendar year the use tax liability factor or use tax table percentage shall be 0.070 percent (.0007). On June 1, 2012, the BOE shall calculate the use tax liability factor or use tax table percentage for the current calendar year by multiplying the percentage of income spent on taxable purchases for the preceding calendar year by 0.37, multiplying the product by the average state, local, and district sales and use tax rate, and then rounding the result to the nearest thousandth of a percent. On June 1, 2013, and each June 1 thereafter, the BOE shall calculate the use tax liability factor or use tax table percentage for the current calendar year by multiplying the percentage of income spent on taxable purchases for the preceding calendar year by 0.23, multiplying the product by the average state, local, and district sales and use tax rate, and then rounding the result to the nearest thousandth of a percent.

(3) **TOTAL PERSONAL INCOME.** Total personal income shall be determined by reference to the most current personal income data published by the United States Bureau of Economic Analysis.

(4) **TOTAL SPENDING AT ELECTRONIC SHOPPING AND MAIL ORDER HOUSES.** Total spending at electronic shopping and mail order houses shall be determined by reference

to the most current electronic shopping and mail order house spending data published by the United States Census Bureau.

(5) **TOTAL SPENDING ON TAXABLE PURCHASES.** Total spending on taxable purchases shall be determined by:

(A) Determining the percentage, rounded to the nearest tenth of a percent, of total spending at electronic shopping and mail order houses that are not included in the following categories of items, by reference to the most current retail trade product lines statistics by kind of business data published by the United States Census Bureau:

- (i) Groceries and other foods for human consumption off premises, excluding bottled, canned, or packaged soft drinks;
- (ii) Prescriptions;
- (iii) Video Content Downloads;
- (iv) Audio Content Downloads;
- (v) Prepackaged computer software, including software downloads; and
- (vi) All nonmerchandise receipts.

(B) Adding ten billion dollars (\$10,000,000,000) to the total spending at electronic shopping and mail order houses to account for spending that is not included in the spending data published by the United States Census Bureau; and

(C) Multiplying the sum calculated in (B) by the percentage of total spending at electronic shopping and mail order houses that are not included in the categories of items listed in (A) above so that the result does not include spending on nontaxable purchases, and then rounding the result to the nearest tenth of a percent.

(6) **PERCENTAGE OF INCOME SPENT ON TAXABLE PURCHASES.** The percentage of income spent on taxable purchases during a calendar year shall be calculated by dividing the total spending on taxable purchases for that year by the total personal income for that year, multiplying the result by 100, and rounding the result to the nearest tenth of a percent.

(7) **AVERAGE STATE, LOCAL, AND DISTRICT SALES AND USE TAX RATE.** The average state, local, and district sales and use tax rate for a calendar year shall be the total of:

(A) The rates of the statewide sales and use taxes imposed under ~~section 35~~ of article XIII of the California Constitution and the Sales and Use Tax Law (Rev. & Tax. Code, § 6001 et seq.) in effect on January 1 of that year;

(B) The statewide rate of local tax imposed under the Bradley-Burns Uniform Local Sales and Use Tax Law (Rev. & Tax. Code, § 7200 et seq.) in effect on January 1 of that year; and

(C) The weighted average rate of the district taxes imposed under the Transactions and Use Tax Law (Rev. & Tax Code, § 7251 et seq.) in effect in the various jurisdictions throughout the state on January 1 of that year after taking into account the proportion of the total statewide taxable transactions (by dollar) reported for each jurisdiction during the fourth quarter of the calendar year that is two years prior to the calendar year for which the calculation is made. For example, the total reported taxable transactions (by dollar) for the fourth quarter of 2010 shall be used to determine the weighted average rate of the district tax rates in effect on January 1, 2012, to calculate the weighted average rate of district taxes for calendar year 2012.

(c) CALCULATION OF THE ESTIMATED USE TAX LIABILITY.

(1) The estimated use tax liability for the AGI range described in subdivision (b)(1)(A) shall be determined by multiplying \$5,000 by the use tax liability factor or use tax table percentage and then rounding the result to the nearest whole dollar.

(2) The estimated use tax liability for the AGI ranges described in subdivision (b)(1)(B) through (N) shall be determined by multiplying the midpoint of each AGI range by the use tax liability factor or use tax table percentage and then rounding the result to the nearest whole dollar.

(3) The estimated use tax liability for the AGI range described in subdivision (b)(1)(O) shall be determined by multiplying each range members actual AGI by the use tax liability factor or use tax table percentage and then rounding the result to the nearest whole dollar.

(d) USE TAX TABLE FORMAT.

(1) The use tax table for calendar year 2011 shall provide as follows:

Adjusted Gross Income (AGI) Range:	Use Tax Liability
Less Than \$20,000	\$7

\$20,000 to \$39,999	\$21
\$40,000 to \$59,999	\$35
\$60,000 to \$79,999	\$49
\$80,000 to \$99,999	\$63
\$100,000 to \$149,999	\$88
\$150,000 to \$199,999	\$123
More than \$199,999 -Multiply AGI by 0.070% (.0007)	

(2) The use tax tables for calendar year 2012 and subsequent years shall utilize the same format as follows:

Adjusted Gross Income (AGI) Range	Use Tax Liability
Less Than \$10,000	\$
\$10,000 to \$19,999	\$
\$20,000 to \$29,999	\$
\$30,000 to \$39,999	\$
\$40,000 to \$49,999	\$
\$50,000 to \$59,999	\$
\$60,000 to \$69,999	\$
\$70,000 to \$79,999	\$
\$80,000 to \$89,999	\$
\$90,000 to \$99,999	\$
\$100,000 to \$124,999	\$
\$125,000 to \$149,999	\$
\$150,000 to \$174,999	\$
\$175,000 to \$199,999	\$
More than \$199,999 -Multiply AGI by __% (.000__)	

Note: Authority cited: Section 7051, Revenue and Taxation Code. Reference: Section 6452.1, Revenue and Taxation Code.