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Did You Cash in on Black Friday or Cyber Monday Deals? Helpful Holiday Tax Tips for Those Bearing Gifts or Donating to Charities

Sacramento – Many California consumers are already cashing in on early Black Friday and Cyber Monday specials offered online or via smart phone applications. The State Board of Equalization (BOE) reminds you that you may owe use tax for your pre- and post-holiday shopping sprees.

California law imposes tax on in-state purchases, and also imposes tax on items purchased out of state for use in California. When an out-of-state or online retailer doesn't collect the tax for an item delivered to California, the purchaser may owe "use tax," which is simply a tax on the use, storage, or consumption of personal property in California. The purchaser is responsible for paying the use tax on their own, based on the [tax rate for the area](#) in which they live.

SUBTOTAL (3 ITEM):	\$69.95
SHIPPING	FREE
If you didn't pay California sales tax here then you likely owe use tax	
	\$0
GRAND TOTAL	\$69.95

There are two easy ways to pay any use tax you may owe:

- [Register and pay on eReg](#) after each purchase
- As a line item on your state income taxes, using BOE's and the Franchise Tax Board's [use tax calculation based](#) on your adjusted gross income.

Nonprofit and faith-based organizations that hold bazaars, festival, or fireworks sales generally must report sales tax on sales of nonfood items. These organizations may apply for temporary seller's permits for the duration of their fundraisers, and remit the tax to the BOE. Sales tax may apply to items gift-wrapped for sale. If you paid for out-of-state items that are gift wrapped, make sure you are appropriately charged the tax.

California law has required the payment of use tax since 1935, to prevent out-of-state retailers from having a competitive advantage over California-based vendors who were required to report sales tax beginning in 1933. BOE estimates that consumers and businesses that don't report and pay the use tax they owe costs the state more than \$1.1 billion a year. The average California family owes about \$61 in

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use tax each year. Like sales tax, this money helps fund programs such as public education, public safety, and transportation.

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The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$53.7 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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