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BOE Action Simplifies Pricing for Mobile Food Truck Items

Sacramento – The California State Board of Equalization (BOE) acted to streamline pricing for mobile food vendors by changing a regulation to presume that sales tax is included in the listed price of the food. The Board Members' unanimous vote at their November 19, 2013 meeting still requires vendors remit to the state on taxable sales.

Right now, food truck operators must post signs stating that tax is included in the listed price. Many do not, resulting in confusion on the amount of tax to charge customers when sales are made. Operators may sell food from several locations with different tax rates in any given day and have been required to calculate the tax rate that applies to their listed prices for each transaction.

This new regulation will allow food truck operators to charge the same price no matter where they are, and later calculate how much tax they owe for the locations where the sales were made.

The BOE will reach out to mobile food businesses and consumers in multiple languages to inform them of this change.

Following this vote by the Board, the regulation will continue through the rulemaking process. It is expected to become effective July 1, 2014.

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The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects \$52.5 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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