



Special Notice

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New District Tax Rate Changes Effective July 1, 2009

Voters in Los Angeles County approved a new 0.50% district tax in the November 2008 election which will increase their tax rate to 9.75%. Due to currently existing district taxes, the cities listed below in Los Angeles County will have a higher tax rate. Also, the City Council of Laguna Beach located in Orange County voted to repeal the 0.50% Temporary Transactions and Use Tax prior to its scheduled end date lowering their tax rate to 8.75%.

DISTRICT TAX AREA	COUNTY	ACRONYM	CODE	TOTAL TAX RATE EFFECTIVE JULY 1, 2009
Los Angeles County	Los Angeles	LAMT	218	9.75%
*Avalon	Los Angeles	AMHC	219	10.25%
*El Monte	Los Angeles	EMGF	222	10.25%
*Inglewood	Los Angeles	IGWD	220	10.25%
*Pico Rivera	Los Angeles	PCRV	223	10.75%
*South Gate	Los Angeles	SGTE	221	10.75%
Laguna Beach	Orange	LGBH	135	8.75%

* This city currently has a district tax. The total tax rate in this city will increase by 0.50% due to the new district tax in Los Angeles County. All other cities and unincorporated areas in Los Angeles County will have a total tax rate of 9.75%.

Which retailers must collect tax at the new rates?

You must apply the new sales and use tax rate if you:

- Are a retailer in the district and you sell and deliver merchandise within the district.
- Are a dealer of vehicles, undocumented vessels, or aircraft, and you sell to customers who register them at addresses located in the district.
- Collect tax on lease payments you receive for leased property used by the lessee in the district.
- Are a retailer located outside of the district who is engaged in business in the district and you deliver or ship merchandise into the district for use in the district or participate within the district in making the sale. You are considered to be engaged in business in the district if you:
 - a. have any type of business location there,
 - b. deliver into the district using your own vehicles, or
 - c. have an agent or representative in the district for the purpose of taking orders, or selling or delivering merchandise.

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Is there an exemption for fixed-price contracts?

In general, fixed-price contracts and fixed-price lease agreements entered into prior to July 1, 2009, are exempt from these district tax increases. This exemption preserves the business expectations of the parties involved in the fixed-price contract/lease agreement by protecting them from an unanticipated increase in the tax rate. However, the district tax decrease in the city of Laguna Beach should be applied to transactions completed after July 1, 2009. To qualify as a fixed-price contract or a fixed-price lease agreement, neither party can have the unconditional right to adjust the price for an increase in costs or to terminate the contract/lease agreement, and the tax amount or rate must be specifically stated.

When the tax rate changes effective April 1, 2009 were announced, BOE provided additional detailed information about their affect on fixed-price contracts/lease agreements. District tax changes are handled differently than the statewide combined state, county and local sales and use tax rate increase announced at that time. [To view this additional information, click here www.boe.ca.gov/news/pdf/040109_supplement_to_special_notice.pdf.]

How can I be sure an address is located within a district?

District boundaries are generally defined by city and county lines. Do not rely entirely on California zip codes because they will frequently overlap city and county lines. Some cities provide online links allowing you to verify if an address is within their city limits. See our website, www.boe.ca.gov/sutax/cityaddresses.htm, for a listing of available city links. If you do not find the city you are looking for on our website, you may contact the city directly to determine whether or not your business or your customer is located within the city boundaries.

Tax rate charts are available

Tax rate charts (BOE-180, *Sales Tax Reimbursement Schedules*) are available for transactions up to \$100. You may download them from our website or phone us to request copies.

For more information

Visit our website at www.boe.ca.gov or phone a Customer Service Representative at 800-400-7115 (TDD/TTY 800-735-2929). Representatives are available weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays. Assistance is available in languages other than English.