



Special Notice

STATE BOARD OF EQUALIZATION

450 N STREET
SACRAMENTO, CA 95814

New Use Tax Collection Requirements for Out-of-State Retailers Operative September 15, 2012

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BOE WEBSITE AND
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INFORMATION
www.boe.ca.gov

TAXPAYER INFORMATION
SECTION
800-400-7115
TTY
711

On and after September 15, 2012, an out-of-state retailer will be considered engaged in business in California and required to register with the State Board of Equalization (BOE) to collect and remit California use tax if the retailer has a substantial nexus with California. This includes, but is not limited to an out-of-state retailer that:

- 1) Has an affiliate operating in California that refers potential customers to the retailer, by an Internet-based link, Internet website, or otherwise, under specified circumstances, or
- 2) Is a member of a commonly-controlled group and combined reporting group and has a member of the retailer's combined reporting group and commonly-controlled group performing services for the retailer in California that help the retailer establish or maintain a California market for sales of tangible personal property, or
- 3) Maintains, occupies, or uses a place of business in California, has persons operating in California under its authority for the purpose of selling, delivering, installing, assembling, or the taking of orders for tangible personal property, or derives rentals from a lease of tangible personal property situated in California.

If you are a retailer that has a substantial nexus with California on or after September 15, 2012, and you are not already registered with the BOE, you should register for a California Certificate of Registration—Use Tax permit by applying online using [eReg](#) (BOE's online electronic registration service).

Under existing law before and after September 15, 2012, a retailer is considered engaged in business in California and required to register with the BOE to collect California use tax if the retailer: (A) maintains, occupies, or uses a place of business in California; (B) has persons operating in California under its authority for the purpose of selling, delivering, installing, assembling, or the taking of orders for tangible personal property; or (C) derives rentals from a lease of tangible personal property situated in California.

For additional information regarding California's use tax registration and collection requirements, see the amendments to Sales and Use Tax Regulation [1684](#), *Collection of Use Tax by Retailers* (operative on September 15, 2012), or go online to our frequently asked questions (FAQ's) for [New Use Tax Collection Requirements for Out-of-State Retailers Operative September 15, 2012](#).



If you have questions or need more information, please visit our website at www.boe.ca.gov or call our Out-of-State District office at 916-227-6600. You may also contact our Taxpayer Information Section at 800-400-7115 (TTY:711), Monday through Friday 8:00 a.m. to 5:00 p.m. (Pacific time), excluding state holidays.