



# Special Notice

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**STATE BOARD  
OF EQUALIZATION**

450 N STREET  
SACRAMENTO, CA 95814

## Possible Violation of the Bradley-Burns Uniform Local Sales and Use Tax Law Imposition of Additional Local Sales and Use Taxes

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**711**

It has come to our attention that local government officials and other groups interested in pursuing new revenue streams have considered imposing certain taxes on sales of specific items within a local government area. For example, a city may wish to impose an additional local sales tax on the sale of certain specific goods within that city. As the agency that administers the sales and use tax, which includes the Bradley-Burns Uniform Local Sales and Use Tax, in the state of California, the Board of Equalization (BOE) recommends that local governments consider the serious potential ramifications discussed below before imposing such an additional sales or use tax.

### Potential Impacts to Your Local Revenues

Revenue and Taxation Code section (section) 7203.5 provides, in part, that the BOE shall not administer and shall **terminate** its contract to administer any sales or use tax ordinance of a local government if that local government imposes a sales or use tax in **addition** to the Bradley-Burns Uniform Local Sales and Use Tax. Under section 7203.5, the BOE is required to serve a written notice of termination of the contract for the administration of the Bradley-Burns Uniform Local Sales and Use Tax to *any* local government that imposes an **additional** sales or use tax. Such termination of the contract for administration of the Bradley-Burns Uniform Local Sales and Use Tax may have significant financial implications for a local government.

### District Taxes

It is important to note that the discussion above pertains to local sales and use tax and does not apply to Transactions and Use Taxes (district taxes) imposed according to Part 1.6 of Division 2 of the Revenue and Taxation Code (commencing with section 7251). As such, special taxing jurisdictions (STJs) may still pursue district taxes provided the STJs conform to the provisions of the Transactions and Use Tax Law.

### For More Information

If you have any questions regarding the above information, you may contact us at the following:

Board of Equalization  
Audit and Information Section, MIC:44  
PO Box 942879-0044  
Sacramento, CA 94279-0044  
1-916-324-2883

