

# Striking Gold in California

*What You Need to Know  
About Taxes and Your  
Small Business*



Every year in California, thousands of new small businesses start up. Unfortunately, thousands of companies also go out of business each year. The federal and California state tax agencies are working together to promote a better understanding of business tax obligations and to direct you to the appropriate sources within each taxing agency for accurate information. Also, your city or county may have tax or license requirements not covered in this publication. See the government listings in the white pages of your telephone book.

The statements in this booklet are general and are current as of the publication date. Tax law is complex and subject to change. Therefore, if there is a conflict between the law and this booklet, any decisions will be based on the law.

New corporations, partnerships, and other joint ventures may use the index in the back of this booklet to find appropriate sources for their own tax information needs.

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## An Introduction

Now that you have your own business, you have different tax requirements than you had as an employee. Forms you may have to file as a small business owner in California are:

### FEDERAL TAXES

<i>Tax</i>	<i>Report to</i>
On your income	<b>The Internal Revenue Service</b> Form 1040, <i>U.S. Individual Income Tax Return</i> <b>with</b> Schedule C, <i>Profit or Loss from Business</i> or Schedule C-EZ, <i>Net Profit from Business</i> and Schedule SE, <i>Self Employment Tax-Social Security/Medicare Tax for the Business Owner</i>
If you have employees	<b>The Internal Revenue Service</b> Form 941, <i>Employer's Quarterly Tax Return</i> Form W-2, <i>Wage and Tax Statement</i> Form W-3, <i>Transmittal of Wage and Tax Statements</i> and Form 940, <i>FUTA Annual Tax Return</i>
If you sell merchandise	<b>There is no federal sales tax.</b> The Internal Revenue Service administers all federal taxes except Alcohol, Tobacco and Customs Duties. For information on other programs, contact the IRS at the toll-free number or the Internet address listed on the back of this booklet.

## STATE TAXES

<i>Tax</i>	<i>Report to</i>
On your income	<b>The Franchise Tax Board</b> Form 540, <i>California Resident Income Tax Return</i> or Form 540NR, <i>California Nonresident or Part-Year Resident Income Tax Return</i>
If you have employees	<b>The Employment Development Department</b> Form DE 6, <i>Quarterly Wage and Withholding Report</i> , Form DE 88, <i>Payroll Tax Deposit coupon</i> and Form DE 7, <i>Annual Reconciliation Statement</i>
If you sell merchandise	<b>The State Board of Equalization</b> Form BOE-401A, <i>State, Local, and District Sales and Use Tax Return</i> or BOE-401EZ, <i>Short Form - Sales and Use Tax Return</i>

The State Board of Equalization also administers a number of Excise, Fuel, and Environmental Tax and Fee Programs. For information on these other programs, please contact the State Board of Equalization at the toll-free number or Internet address listed on the back of this booklet.

## ...on your income

### *Federal Income Tax*

To report the income from your business, you must file Form 1040, *U.S. Individual Income Tax Return*, instead of 1040EZ or 1040A, and **attach** either a Schedule C, *Profit or Loss from Business*, or a Schedule C-EZ, *Net Profit from Business*. (See IRS Publication 334, *Tax Guide for Small Business*.)

Federal income tax is a pay-as-you-go tax. Formerly, if you were an employee, your employer withheld income tax from your pay. As the owner of your own business, if your taxes are not paid by being withheld, you must make estimated tax payments, using Form 1040-ES, *Estimated Tax for Individuals*. Any tax still due by the due date must be paid with the return. (See IRS Publication 505, *Tax Withholding and Estimated Tax*.)

## What You Need to Know About Taxes

### U.S. INDIVIDUAL INCOME TAX

#### SOLE PROPRIETORS AND SMALL BUSINESS OWNERS

	<i>What form do I use?</i>	<i>When is it due?</i>	<i>Where do I file?</i>
<b>Filing</b>	Form 1040, and attach Schedule C, or Schedule C-EZ and Schedule SE	April 15 of the following year	Mail to the IRS Service Center for your location
<b>Paying Estimates</b>	Payment is submitted with Form 1040-ES *	Four times a year: April 15 June 15 September 15	Mail to the address shown on the form

\* Any tax still due must be paid with the return.

## **...on your income**

### ***State Income Tax***

If you are a California resident, you must file Form 540, *California Resident Income Tax Return*. If you are a new or part-year resident of the State, file Form 540NR, *California Nonresident or Part Year Resident Income Tax Return*. To report the income from your business, attach a copy of your federal tax return including Schedule C, *Profit or Loss from Business*, or C-EZ, *Net Profit from Business*, to the Form 540 or Form 540NR.

California state income tax is a pay-as-you-go tax. If you are an employee, your employer withholds income tax from your pay. As a business owner, if your taxes are not withheld in the normal course of your business, you must make estimated tax payments using Form 540-ES, *Estimated Tax for Individuals*. Any tax still due by the due date must be paid with the return.

## What You Need to Know About Taxes

### CALIFORNIA STATE INCOME TAX SOLE PROPRIETORS AND SMALL BUSINESS OWNERS

	<i>What form do I use?</i>	<i>When is it due?</i>	<i>Where do I file?</i>
<b>Filing</b>	Form 540 or Form 540NR	April 15 of the following year	Mail to the address shown on the form
<b>Paying Estimates</b>	Payment is submitted with Form 540-ES*	Four times a year: April 15 June 15 September 15 January 15	Mail to the address shown on the form

\* Any tax still due must be paid with the return.

## **...if you have employees**

### ***Federal Employment Tax***

Federal law requires you, as an employer, to withhold, report, and pay over to the federal government certain deductions from your employees' wages. You must deduct:

- The employees' federal income tax
- The employees' contribution to Social Security tax
- The employees' contribution to Medicare

As an employer, you must also report and pay a matching contribution to Social Security and Medicare tax (FICA). (See IRS Publication 15, Circular E, *Employer's Tax Guide*.)

You must apply for a federal Employer Identification Number (EIN) from the service center using Form SS-4, *Application for Employer Identification*. Use this EIN to identify your business when you report federal employment taxes. You report these taxes each quarter on Form 941, *Employer's Quarterly Tax Return*.

## What You Need to Know About Taxes

### *Federal Employment Tax, continued*

<b>Quarter</b>	<b>Date Quarter Ends</b>	<b>Due Date of the Return</b>
<b>First</b> January, February, March	March 31	April 30
<b>Second</b> April, May, June	June 30	July 31
<b>Third</b> July, August, September	September 30	October 31
<b>Fourth</b> October, November, December	December 31	January 31 of the following year

At the end of the year (by the following January 31), you must give each of your employees a Form W-2, *Wage and Tax Statement* reporting the employee's total wages earned and the federal and state taxes withheld, plus contributions to benefit plans. You must file copies of all the Forms W-2 and a consolidating Form W-3, *Transmittal of Wage and Tax Statements* with the Social Security Administration by the last day of February.

***Federal Employment Tax, continued***

The law requires you to deposit these taxes on a regularly scheduled basis to an authorized federal depository, generally a bank, if they total \$1,000 or more for the quarter. How often you have to make these deposits depends on the amount of employment taxes you owed previously. As a new employer, you will most likely be required to deposit once a month. Any tax still due by the due date must be paid with the return. (See IRS Publication 15, Circular E, *Employer's Tax Guide*.)

It is important to properly classify people who work for you as employees or independent contractors. Contact the Internal Revenue Service and the Employment Development Department if you have questions or need more information.

## What You Need to Know About Taxes

### FEDERAL QUARTERLY EMPLOYMENT TAX

	<i>What form do I use?</i>	<i>When is it due?</i>	<i>Where do I file?</i>
<b>Filing</b>	Form 941	April 30 July 31 October 31 January 31 of the following year	Mail to the IRS Service Center for your location
<b>Filing</b>	Form W-2	January 31 of the following year	Give to your employees
<b>Filing</b>	Copies of Form W-2 and Form W-3	February 28 of the following year	Mail to the Social Security Administration Data Operations Center, Wilkes-Barre, PA 18769-0001
<b>Making Deposits</b>	Payment is submitted with Form 8109, <i>Federal Tax Deposit Coupon</i>	Generally, you will be a monthly depositor or a twice a week depositor	Pay to an authorized financial institution (bank)

## **...if you have employees**

### ***FUTA Tax***

#### ***(Federal Unemployment Tax Act)***

The law requires you, as an employer, to pay a tax that is used to administer your state's unemployment programs. You report this tax annually on Form 940 or Form 940-EZ, *Federal Unemployment Tax Act (FUTA) Returns*. You use the same Employer Identification Number (EIN) that you reported on Form 941, *Employer's Quarterly Tax Return*. You must make federal tax deposits for accumulated FUTA taxes that total over \$100 at the end of any quarter. Any tax still due by the due date must be paid with the return. (See IRS Publication 15, Circular E, *Employer's Tax Guide*.)

## What You Need to Know About Taxes

### FUTA TAX

	<i>What form do I use?</i>	<i>When is it due?</i>	<i>Where do I file?</i>
<b>Filing</b>	Form 940 or Form 940-EZ	January 31 of the following year	Mail to the IRS Service Center for your location
<b>Making Deposits</b>	Payment is submitted with Form 8109 <i>Federal Tax Deposit Coupon</i>	April 30 July 31 October 31 January 31 of the following year	Pay to an authorized financial institution (bank)

## **...if you have employees**

### ***State Employment Tax***

State law requires you to register with the Employment Development Department (EDD) as soon as you pay wages over \$100 in a calendar quarter. When you register, you must provide EDD with your federal Employer Identification Number. (The IRS calls this your EIN; the EDD calls this your FEIN.) EDD will assign you a State employer account number which will be preprinted on all your EDD reports to identify your business to the State.

You must report and pay the following employment taxes to the EDD:

- Unemployment Insurance
- Employment Training Tax
- State Disability Insurance
- California Personal Income Tax

***State Employment Tax, continued***

Unemployment Insurance contributions and Employment Training Tax are paid by you. State Disability Insurance and California Personal Income Tax are withheld from your employees' wages.

You must report your employees' wages and the California Personal Income Tax you withheld each quarter to the EDD on Form DE 6, *Quarterly Wage and Withholding Report*. At the end of the year (by the following January 31), you file Form DE 7, *Annual Reconciliation Statement*.

These taxes, like your personal income tax, are pay-as-you-go. State law requires you to pay Unemployment Insurance contributions and Employment Training Tax quarterly. You may need to pay the taxes you withheld from your employees' wages (State Disability Insurance and California Personal Income Tax) more often, generally on the same

*State Employment Tax, continued*

date your federal deposit is due. You will pay all California employment taxes directly to the Employment Development Department (EDD) using form DE 88, *Payroll Tax Deposit* coupon (See DE 44, *California Employer's Guide*).

It is important to properly classify people who work for you as employees or independent contractors. Contact the Internal Revenue Service and the Employment Development Department if you have questions or need more information.

## What You Need to Know About Taxes

### CALIFORNIA STATE EMPLOYMENT TAX

	<i>What form do I use?</i>	<i>When is it due?</i>	<i>Where do I file?</i>
<b>Filing</b>	Form DE 6	April 30 July 31 October 31 January 31 of the following year	Mail to the Employment Development Department P.O.Box 826288 Sacramento, CA 94230-6288
<b>Filing</b>	Form DE 7	January 31 of the following year	Mail to the Employment Development Department P.O.Box 826286 Sacramento, CA 94230-6286
<b>Paying</b>	Payment is submitted with form DE 88 coupon	Generally, due when your federal deposit is due and depending on the amount of PIT withheld.	Pay to the Employment Development Department P.O. Box 826276 Sacramento, CA 94230-6276

## **...if you sell merchandise**

### ***State Sales Tax***

If your business sells merchandise (for example, clothing, furniture, office equipment, etc.) within the State of California, then California law requires you to register with the State Board of Equalization. You must get a seller's permit and report and pay sales tax on your taxable sales, and pay any use tax due on items purchased to help you run your business. You will most likely report your taxes using form BOE-401-A, *State, Local and District Sales and Use Tax Return* or BOE-401-EZ, *Short Form Sales and Use Tax Return*. How often you must report and the method used to pay your sales tax depends on the amount of your taxable sales (see State Board of Equalization publication No.73, *Your California Seller's Permit*).

## What You Need to Know About Taxes

### CALIFORNIA STATE SALES TAX

	<i>What form do I use?</i>	<i>When is it due?</i>	<i>Where do I file?</i>
<b>Filing</b>	Form BOE-401-A or Form BOE-401-EZ	At the end of the month following each reporting period: Monthly Quarterly or Annually	Mail to the Board of Equalization P.O.Box 942879 Sacramento, CA 94279-0001
<b>Paying</b>	Payment is submitted with Form BOE-401-A or Form BOE-401-EZ	When the return is due (See above)	Mail to the Board of Equalization P.O. Box 942879 Sacramento, CA 94279-0001

## ...Electronically

Enjoy the benefits of filing and paying electronically. The IRS and state taxing agencies want you to know about the fastest and easiest ways to file and pay your taxes.

The table below reflects the services each agency provides. A description of each service is provided on pages 21 and 22. Contact the appropriate agency for more information (toll-free telephone numbers and Internet addresses are listed on the back cover of this booklet).

<i>Agency</i>	<i>E-file</i>	<i>Telefile</i>	<i>EFT</i>	<i>Credit Card</i>
BOE	✓		✓	✓
EDD		✓	✓	
FTB	✓		✓	✓
IRS	✓	✓	✓	✓

### *Electronic Filing or E-file*

If you can access the Internet, you can e-file your tax return on-line from the convenience of your work, home, school, or other public web access location. Tax preparation software is available at computer retail outlets and on the Internet. If you use the services of a tax preparer, you can ask your tax professional to e-file for you.\*

### *Telefile*

If you have a small number of employees, you can avoid the paper chase by using Telefile. Filing by phone is easy and with Telefile you can also make your tax payments. For your convenience, Telefile is available toll-free, 24 hours a day, 7 days a week. Telefile will even calculate the taxes due based on the information you provide.

\*E-filing at the BOE is available only through Electronic Return Originators. Information is located on the BOE website. The website address is listed on the back of this booklet.

### *Electronic Funds Transfer or EFT*

Want to stop writing checks? EFT provides you a more efficient way to pay taxes. It allows financial institutions to transfer money from your bank account directly to the State or federal bank account electronically.

### *Credit Card*

Another method of paying your taxes is by charging your tax payments using a credit card. You may pay your taxes by using Discover/NOVUS, MasterCard, or American Express.

*...Small Business Resources*

***CalGold Permit Assistance Centers***

800-Gov-1STOP (800-468-1786)

[www.calgold.ca.gov](http://www.calgold.ca.gov)

Provides businesses with information on permits and other requirements of California agencies at all levels of government.

***California Municipal Business Tax Association***

[www.cmbta.org](http://www.cmbta.org)

Provides information on city business license information.

***Service Corp of Retired Executives (SCORE)***

800-634-0245

[www.score.org](http://www.score.org)

Provides quality volunteer business-management counseling and education to current and prospective business owners in the formation, growth, and success of their small business.

*Small Business Resources, continued*

***Small Business Development Centers  
(SBDC)***

800-303-6600

<http://commerce.ca.gov/business/small>

Provides the ABCs for business success through one-on-one consulting, training workshops, education seminars, and other resources.

***Trade and Commerce Agency -  
Office of Small Business***

916-322-5790

<http://commerce.ca.gov/business/small>

Provides assistance to small businesses regarding licensing, prompt payment, capital access, and advocacy.

## Helpful Tax Publications

### *How to Order*

The IRS and the State taxing agencies of California produce many free publications to help you fill out your tax returns and to answer your tax questions. To find which publications you want, look first at the index in the back of this book under your topic. All publications and forms can be ordered by telephone. Also, most forms and publications can be downloaded from the Internet.

**IRS** - Internal Revenue Service (federal taxes)

800-TAX-FORM

800-829-3676

[www.irs.gov/forms\\_pubs/index.html](http://www.irs.gov/forms_pubs/index.html)

**FTB** - Franchise Tax Board (state income tax)

800-338-0505

[www.ftb.ca.gov/forms/index.htm](http://www.ftb.ca.gov/forms/index.htm)

**EDD** - Employment Development Department

(state employment tax)

888-745-3886

[www.edd.ca.gov/formpub.htm](http://www.edd.ca.gov/formpub.htm)

**BOE** - Board of Equalization (state sales tax)

800-400-7115

[www.boe.ca.gov/boelist.htm](http://www.boe.ca.gov/boelist.htm)

## Helpful Tax Publications

This is a partial listing of publications offered by the Internal Revenue Service, Franchise Tax Board, Employment Development Department, and State Board of Equalization. You may want to order one or more of the publications listed below.

### *Internal Revenue Service*

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Pub 1, *Your Rights as a Taxpayer* - explains your rights in each step in the tax process.

Pub 1SP, *Derechos del Contribuyente* - (Spanish version of Publication 1).

Pub 15 (*Circular E*), *Employer's Tax Guide* - forms 940, 941, 941E.

Pub 15A, *Employers Supplemental Tax Guide* - covers employer vs independent contractor issues and alternative withholding methods

Pub 17, *Your Federal Income Tax (For Individuals)* - takes you step-by-step through your individual tax return. Forms 1040 (Schedules A, B, D, E, EIC, R, SE), 1040A, 1040EZ, 2106, 2119, 2441, 3903, W-2.

Pub 334, *Tax Guide for Small Business* - explains the tax responsibilities of the sole proprietor. Forms 1040 (Schedule C)

Pub 505, *Tax Withholding and Estimated Tax* - Forms W-4, 1040-ES.

Pub 509, *Tax Calendars for the Current Year*

## Helpful Tax Publications

### *Internal Revenue Service, continued*

Pub 510, *Excise Taxes* - covers in detail the various federal excise taxes reported on Form 720 (for example, fuel taxes, tax on heavy trucks, etc.) Also describes other excise taxes and which other forms to use. Forms 11-C, 637, 720, 730, 6197, 6627, 8743, 8807.

Pub 525, *Taxable and Nontaxable Income*

Pub 529, *Miscellaneous Deductions* - identifies expenses you may be able to take as deductions on Form 1040, such as expenses of producing income.

Pub 531, *Reporting Tip Income* - explains how tip income is taxed and rules for keeping records and reporting tips.

Pub 533, *Self-Employment Tax* - explains payment of Self-Employment tax. This is Social Security and Medicare tax for people who work for themselves. Form 1040 (Schedule SE).

Pub 535, *Business Expenses*

Pub 536, *Net Operating Loss*

Pub 538, *Accounting Periods and Methods*

Pub 541, *Tax Information on Partnerships* - Form 1065 (Schedules K, K-1).

Pub 542, *Tax Information on Corporations* - Forms 1120, 1120A.

Pub 552, *Recordkeeping for Individuals*

Pub 553, *Highlights of Current Tax Year Changes*

## Helpful Tax Publications

### *Internal Revenue Service, continued*

Pub 556, *Examination of Returns, Appeal Rights, and Claims for Refund* - Forms 1040X, 1120X.

Pub 560, *Retirement Plans for the Self-Employed* - explains tax considerations relevant to retirement plans available to self-employed individuals, such as the simplified employee pensions (SEPs) and Keogh plans. Forms 5305-SEP, 5500EZ.

Pub 583, *Taxpayers Starting a Business* - Forms 1040 (Schedule C).

Pub 587, *Business Use of Your Home* - explains rules for claiming a deduction for business use of your home and what expenses may be deducted.

Pub 590, *Individual Retirement Arrangements (IRAs)* - explains IRA tax rules and penalties. This publication also includes tax rules for simplified employee pension (SEP) plans. Forms 1040, 1040A, 5329, 8606.

Pub 594, *Understanding the Collection Process* - defines your rights and duties as a taxpayer who owes federal taxes. This publication also explains how the IRS fulfills its legal obligation to collect these taxes.

Pub 594SP, *Comprendiendo el Proceso de Cobro* (Spanish version of Publication 594).

Pub 596, *Earned Income Credit* - explains who receives the credit, how to figure and claim it, and how to receive advanced credit payments. Forms 1040, 1040A (Schedule EIC), W-5.

Pub 596SP, *Credito por Ingreso del Trabajo* (Spanish version of Publication 596).

## Helpful Tax Publications

### *Internal Revenue Service, continued*

Pub 850, *English-Spanish Glossary of Words and Phrases Used in Publications Issued by the Internal Revenue Service*

Pub 908, *Tax Information on Bankruptcy* - Forms 982, 1040, 1041.

Pub 911, *Tax Information for Direct Sellers* - describes how to figure income from direct sales, such as selling consumer products door-to-door, at sales parties or by appointment in someone's home. Form 1040 (Schedules C, SE)

Pub 946, *How To Depreciate Property* - Form 4562

Pub 966, *Electronic Federal Tax Payment System* - a system of making federal tax deposits with an electronic transfer of funds by telephone or computer. Eliminates filling out Form 8109 and trips to the bank.

Pub 1544, *Reporting Cash Payments of Over \$10,000* - explains when and how persons in a trade or business must file Form 8300 when they receive cash payments of more than \$10,000 from one buyer, and discusses substantial penalties for not filing.

Pub 927, *Exempt Organizations*

Pub 1004, *Individual Income Tax Calendar/Corporation Tax Calendar*

Pub 1016, *Nonresident Withholding - Real Estate Guidelines* - explains your responsibilities as a buyer of California real estate, purchased from a nonresident seller.

## Helpful Tax Publications

### ***Franchise Tax Board***

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Pub 1018, *Your California Personal Income Tax Responsibilities*

Pub 1024, *Entertainment Industry Withholding Guidelines*

Pub 1029, *Tax Practitioner Contacts* - provides information for tax practitioner services.

Pub 1031, *Guidelines for Determining Resident Status*

Pub 1038, *Instructions for Corporations Requesting a Tax Clearance Certificate*

Pub 1060, *Guide for Corporations Starting Business in California*

Pub 1083CORP, *Frequently Asked Questions About California's Corporation Taxes*

FTB 1123, *State Income Tax and Small Business*

FTB 1209, *English/Spanish Glossary of Tax Terms*

FTB 1305, *Western Regional e-file Contacts*

FTB 4058, *Taxpayer Bill of Rights*

FTB 4201, *Tips on 1099 Reporting for Businesses*

## Helpful Tax Publications

### ***Employment Development Department***

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DE 44, *California Employer's Guide* - explains your state payroll tax responsibilities and reporting requirements if you have employees. Also includes the California Personal Income Tax Withholding schedules.

DE 45, *Completed Forms Samples* - provides examples of completed forms.

DE 88ALL-I, *Instructions for Preparing Payroll Tax Deposit coupon (DE 88ALL)* - provides general information on payroll tax deposit requirements.

DE 195, *Employer's Bill of Rights* - explains your rights during the employment tax process.

DE 195/S, *Declaracion de Derechos de los Empleadores/ Patrones (Spanish version of DE 195)*.

DE 231, *Employment* - explains who is an employer, who is a statutory employee, and who is a common law employee.

DE 231A, *Wages* - defines wages and when to report them.

DE 231B, *Automotive Repair Industry*

DE 231C, *Cosmetologists*

DE 231E, *Restaurant and Hotel Industries* - defines the value of meals and lodging provided to an employee, and explains how to report tips.

DE 231EB, *Taxability of Employee Benefits* - explains employee benefits, and when they are subject to employment taxes.

## Helpful Tax Publications

### ***Employment Development Department,*** *continued*

DE 231EC, *Elective Coverage for Employers and*

*Self-Employed Individuals* - explains the options for coverage under Disability Insurance and Unemployment Insurance.

DE 231EE, *Exempt Employment* - explains which types of employees or work are not subject to certain employment taxes.

DE 231ES, *Employment Work Status Determination* - explains how to request a determination of employee or independent contractor status.

DE 231G, *Construction Industry*

DE 231H, *Manufacturing Industry*

DE 231I, *Services Industry*

DE 231K, *Casual Labor*

DE 231N, *Salespersons*

DE 231PIT, *Personal Income Tax Wages Reported on the Quarterly Wage and Withholding Report (DE 6)*

DE 231PS, *Personal Income Tax Withholding Supplemental Wage Payments, Moving Expense Reimbursement* - identifies whether moving expense reimbursements should be considered wages.

## Helpful Tax Publications

### ***Employment Development Department, continued***

DE 231Q, *Social Security/Medicare/SDI Taxes Paid by an Employer* - explains how to calculate gross wages without employee deductions, when the employer pays FICA and State Disability Insurance.

DE 231SE, *Statutory Employees (Agent/Commission Drivers, Traveling/City Salespersons, Construction Workers, Homeworkers, Artists, and Authors)* - identifies who is an employee by State law.

DE 231T, *Tips* - defines tips as wages, explains how to report tips, and who is responsible for reporting them.

DE 231TA, *Employment Tax Audit Process*

DE 231Y, *New Employee Reporting* - defines “new hires” and explains an employer’s new hire reporting requirements.

DE 231Z, *California System of Experience Rating* - explains how Unemployment Insurance rates are established and calculated.

DE 292, *Problem Resolution Office*

DE 573, *Avoid Unplanned Tax Liabilities* - describes some of the common pitfalls for new employers, and provides methods to avoid creating employment tax liabilities.

DE 573/S, *Evite La Responsabilidad de Pagar Impuestos Que No Planeaba (Spanish version of DE 573)*.

## Helpful Tax Publications

### ***Employment Development Department,*** *continued*

DE 631TL, *State Tax Lien* - defines a lien, describes the effects of the lien, and lists what is required to obtain a release of lien.

DE 3395, *Value of Meals and Lodging* - explains how to determine what portion of meals and lodging are includable as wages.

### ***State Board of Equalization***

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Some of these publications are printed in other languages. If a translated version is currently available, one or more of the following letters appears after the title to show the translation.

*S - Spanish, C - Chinese, V - Vietnamese, K - Korean*

No. 1, *Sales and Use Tax Law* - an extract of the Revenue and Taxation Code dealing with sales  
No. 2, *Uniform Local Sales & Use Tax Law and Transactions & Use Tax Law* - an extract of the Revenue and Tax Code

No. 9, *Tax Tips for Construction and Building Contractors*

No. 17, *Appeals Procedures* - explains the sales tax laws' appeals procedures.

No. 21, *State Board of Equalization* - provides an overview of the agency's responsibilities.

No. 22, *Tax Tips for the Dining and Beverage Industry*  
(S, K)

## Helpful Tax Publications

### ***State Board of Equalization, continued***

- No. 24, *Tax Tips for Liquor Stores (K)*
- No. 25, *Tax Tips for Auto Repair Garages and Service Stations (S)*
- No. 26, *Tax Information Index*
- No. 27, *Tax Tips for Drug Stores*
- No. 31, *Tax Tips for Grocery Stores (C, K, S, V)*
- No. 32, *Tax Tips for Sales to Purchasers from Mexico (S)*
- No. 34, *Tax Tips for Motor Vehicle Dealers (New & Used)*
- No. 35, *Tax Tips for Interior Designers and Decorators*
- No. 36, *Tax Tips for Veterinarians*
- No. 37, *Tax Tips for the Graphic Arts Industry*
- No. 38, *Tax Tips for Advertising Agencies*
- No. 42, *Resale Certificate Tips*
- No. 44, *Tax Tips for District Taxes* - describes how local district taxes are administered.
- No. 46, *Tax Tips for Leasing of Tangible Personal Property in California*
- No. 47, *Tax Tips for Mobilehomes and Factory-Built Housing*

## Helpful Tax Publications

### ***State Board of Equalization, continued***

No. 51, *Guide to Board of Equalization Services*  
(C, K, S, V)

No. 54, *Tax Collection Procedures*

No. 58-A, *How to Inspect and Correct Your Records*

No. 61, *Sales and Use Tax: Exemptions and Exclusions* -  
a list of the most common exemptions and exclusions.

No. 62, *Tax Tips for Locksmiths*

No. 64, *Tax Tips for Jewelry Stores*

No. 66, *Tax Tips for Retail Feed and Farm Supply Stores*

No. 68, *Tax Tips for Photographers, Photo Finishers and  
Film Processing Laboratories*

No. 70, *The California Taxpayers Bill of Rights* -  
describes the taxpayers' rights under California sales tax laws.  
(S, K, C, V)

No. 71, *California City and County Sales and Use Tax  
Rates* - a list of sales and use tax rates by city and county.

No. 73, *Your California Seller's Permit* - a general guide to  
getting a seller's permit and filing the tax return. (S, K, C, V)

No. 74, *Closing Out Your Seller's Permit* - tells you how to  
close out your seller's permit. (S)

No. 75, *Interest and Penalty Payments*

## Helpful Tax Publications

### *State Board of Equalization, continued*

No. 76, *Audits* - describes what happens if you are audited for sales tax.

No. 80, *Electronic Funds Transfer Program: Information Guide*.

No. 100, *Shipping and Delivery Charges*

No. 101, *Sales Delivered Outside California*

No. 102, *Sales to the US Government*

No. 103, *Sales for Resale*

No. 104, *Sales to Residents of Other Countries*

No. 105, *District Taxes and Delivered Sales*

No. 106, *Gift Wrapping Charges*

No. 107, *Do You Need a California Seller's Permit?*

No. 108, *When is Labor Taxable?*

No. 109, *Are Your Internet Sales Taxable?*

No. 111, *Operators of Swap Meets, Flea Markets & Special Events*

No. 112, *Purchases from Out-of-State Vendors*

## Index of Topics

The following index lists topics from each of the taxing agencies which may be of interest to you. The number after each topic is the publication number you use to order a free copy. The letters before each number indicate which agency to order the publication from. Refer to the section titled **HELPFUL TAX PUBLICATIONS** for brief descriptions of the publications.

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Internal Revenue Service publications are indicated by **IRS**.

Franchise Tax Board publications are indicated by **FTB**.

Employment Development Department publications are indicated by **DE**.

State Board of Equalization publications are indicated by **BOE**.

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## Notes

## **Telephone Numbers and Internet Addresses**

**IRS** - Internal Revenue Service (federal taxes)

**800-TAX-1040**

**800-829-1040**

**[www.irs.gov](http://www.irs.gov)**

**FTB** - Franchise Tax Board (state income tax)

**800-852-5711**

**[www.ftb.ca.gov](http://www.ftb.ca.gov)**

**EDD** - Employment Development Department  
(state employment tax)

**888-745-3886**

**[www.edd.ca.gov](http://www.edd.ca.gov)**

**BOE** - State Board of Equalization (state sales tax)

**800-400-7115**

**[www.boe.ca.gov](http://www.boe.ca.gov)**

For additional information from our agencies  
visit the California Tax Information Center

**[www.taxes.ca.gov](http://www.taxes.ca.gov)**