

SCHEDULE Q – TAX RECOVERY

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

YOUR ACCOUNT NUMBER	REPORTING PERIOD
---------------------	------------------

SECTION A. TAX RECOVERY INFORMATION *A list of tax rates can be found on www.cdtfa.ca.gov.*

(1) TAX RECOVERY TYPE(S)	(2) ORIGINAL TRANSACTION PERIOD	(3) REGISTERED LOCATION (Y/N)	LOCAL TAX		DISTRICT TAX		(6) ORIGINAL TRANSACTION AMOUNT	(7) TAX RATE	(8) TAX RECOVERY AMOUNT
			(4) PLACE OF SALE		(5) PLACE OF SALE, DELIVERY, OR JOBSITE				
			COUNTY	CITY	COUNTY	CITY			
BAD DEBT LOSSES ON TAXABLE SALES									
							\$.00		\$.00
							.00		.00
							.00		.00
COST OF TAX-PAID PURCHASES RESOLD									
							.00		.00
							.00		.00
							.00		.00
RETURNED TAXABLE MERCHANDISE									
							.00		.00
							.00		.00
							.00		.00
CASH DISCOUNTS ON TAXABLE SALES									
							.00		.00
							.00		.00
							.00		.00
TOTAL SECTION A – TAX RECOVERY									\$.00

SECTION A1. PARTIAL STATE TAX EXEMPTION ADJUSTMENTS FOR PRIOR PERIODS

(1) PARTIAL STATE TAX EXEMPTION TYPE	(2) ORIGINAL TRANSACTION PERIOD	(3) TRANSACTION AMOUNT	(4) PARTIAL EXEMPTION RATE <i>(see instructions)</i>	(5) PARTIAL STATE TAX ADJUSTMENT
FARM EQUIPMENT AND MACHINERY		\$.00		\$.00
MANUFACTURING AND RESEARCH AND DEVELOPMENT EQUIPMENT		.00		.00
RACEHORSE BREEDING STOCK		.00		.00
TELEPRODUCTION EQUIPMENT		.00		.00
TIMBER HARVESTING EQUIPMENT AND MACHINERY		.00		.00
DIESEL FUEL USED FOR FARMING AND FOOD PROCESSING		.00		.00
MOTOR VEHICLE FUEL (MVF)		.00		.00
ZERO-EMISSION TRANSIT BUS		.00		.00
DIESEL FUEL USED IN A DIESEL-POWERED HIGHWAY VEHICLE (Exp. 9-30-23)		.00		.00
ZERO-EMISSION MOTOR VEHICLE		.00		.00
TOTAL PARTIAL STATE TAX EXEMPTION ADJUSTMENT AMOUNT				\$.00

SECTION B. DIESEL FUEL ADJUSTMENTS—Motor Vehicle Fuel Sellers Only

(1) DIESEL TRANSACTION PERIOD	(2) TRANSACTION AMOUNT	(3) DIESEL RATE <i>(see instructions)</i>	(4) DIESEL ADJUSTMENT
	\$.00		\$.00
	.00		.00
	.00		.00
TOTAL DIESEL FUEL ADJUSTMENT			\$.00

SECTION C. BAD DEBT LENDER LOSSES—Registered Bad Debt Lenders Only

(1) TRANSACTION DATE	(2) SELLER'S PERMIT NUMBER UNDER WHICH THE TAX WAS ORIGINALLY REPORTED	(3) TAX AREA CODE	(4) DISTRICT JURISDICTION		(5) TRANSACTION AMOUNT	(6) TAX RATE	(7) TAX RECOVERY AMOUNT
			COUNTY	CITY			
					\$.00		\$.00
					.00		.00
					.00		.00
					.00		.00
TOTAL BAD DEBT LENDER LOSSES AMOUNT							\$.00

TOTAL PRIOR PERIOD TAX RECOVERY AMOUNT <i>(add totals from Section A, B, and C, minus the amount in Section A1, and enter the total here and on line 20b of CDTFA-401-A, State, Local, and District Sales and Use Tax Return, and CDTFA-401-GS, State, Local, and District Sales and Use Tax Return—Motor Vehicle Fuel)</i>	\$.00
--	--------

INSTRUCTIONS FOR COMPLETING CDTFA-531-Q, SCHEDULE Q—TAX RECOVERY**PRIOR PERIOD TAX RECOVERY****Tax Recovery Types**

- Bad debt losses on taxable sales ([Regulation 1642](#), *Bad Debts*)
- Cost of tax-paid purchases resold ([Regulation 1701](#), *Tax-Paid Purchases Resold*)
- Returned taxable merchandise ([Regulation 1655](#), *Returns, Defects and Replacements*)
- Cash discounts on taxable sales ([Regulation 1700](#), *Reimbursement for Sales Tax*)

SECTION A. TAX RECOVERY INFORMATION

Complete CDTFA-531-Q to claim a tax recovery for prior period(s). Amounts claimed on CDTFA-531-Q may only consist of tax recovery items where the original taxable sale was in a prior period and the tax recovery is in the current period. If you have tax recovery items that should have been claimed in a prior period, you will need to amend the prior period return or file a claim for refund for those transactions rather than claiming them in the current period. For example, if you made a taxable sale in the first quarter of 2021, and the customer returned the merchandise in the second quarter of 2022, the returned merchandise tax recovery item may only be claimed on the return for the second quarter of 2022. If the second quarter 2022 return has already been filed, an amended return or claim for refund will need to be filed for the second quarter 2022.

COLUMN 1 TAX RECOVERY TYPE(S)

- Bad debt losses on taxable sales
- Cost of tax-paid purchases resold
- Returned taxable merchandise
- Cash discounts on taxable sales

COLUMN 2 ORIGINAL TRANSACTION PERIOD

Enter the reporting period of the original sales transaction for the tax recovery type you are claiming. If you are a bad debt lender, please go to Section C, *Bad Debt Lender Losses*.

COLUMN 3 REGISTERED LOCATION

Was this sale from your registered location with the California Department of Tax and Fee Administration (CDTFA)? Please indicate yes or no.

COLUMN 4 LOCAL TAX—PLACE OF SALE

For sales made at registered locations, enter the county and city of the sales location originally reported on [CDTFA-530](#), *Schedule C—Detailed Allocation by Location of Sales and Use Tax Transactions*. Otherwise, enter the county and city of the customer location or jobsite originally reported on [CDTFA-531](#), *Schedule B—Detailed Allocation by County of Sales and Use Tax Transactions*.

COLUMN 5 DISTRICT TAX—PLACE OF SALE, DELIVERY, OR JOBSITE

Report the original sales transactions to the correct district by entering both the county and city locations originally reported on [CDTFA-531-A2](#), *Schedule A2—Computation Schedule for District Tax—Long Form*.

COLUMN 6 ORIGINAL TRANSACTION AMOUNT

Enter the amount of the sale excluding tax. For example, if you sold merchandise for \$100 plus sales tax of \$8.00 and were unable to collect any amount of the sale, you would claim only the \$100 in this column.

- Bad Debt Losses on Taxable Sales—Enter the amount being written off, according to Regulation 1642.
- Cost of Tax-Paid Purchases Resold Prior to Use—Enter the amount of the purchase excluding tax, according to Regulation 1701.
- Returned Taxable Merchandise—Enter the amount of the sale, excluding tax and restocking fees, according to Regulation 1655.
- Cash Discounts on Taxable Sales—Enter the amount of discount taken by the customer (for example, two percent discount on \$100, enter \$2) according to Regulation 1700.

COLUMN 7 TAX RATE

Enter the original tax rate charged to the customer on the transaction. For a list of historic tax rates by location, visit www.cdtfa.ca.gov.

COLUMN 8 TAX RECOVERY AMOUNT

Multiply column 6 by column 7, and enter the amount in column 8. For example, \$100 x 8% = \$8.00; enter the \$8.00. If any portion of the recovery amount includes original transactions made at a partially exempt rate, you will need to also complete *Section A1. Partial State Tax Exemption Adjustments for Prior Periods* to obtain the correct recovery amount.

TOTAL SECTION A—TAX RECOVERY

Enter the sum of all the tax recovery amounts listed in column 8. This is your total tax recovery for *Section A, Tax Recovery Information*.

SECTION A1. PARTIAL STATE TAX EXEMPTION ADJUSTMENTS FOR PRIOR PERIODS

Complete this section if any portion of a tax recovery listed in *Section A. Tax Recovery Information* includes original transactions made at a partially exempt rate. This will calculate the correct tax recovery amount.

COLUMN 1 TAX RECOVERY TYPE(S)

- Farm Equipment and Machinery ([Regulation 1533.1](#), *Farm Equipment and Machinery*)
- Manufacturing and Research and Development Equipment ([Regulation 1525.4](#), *Manufacturing, Research and Development, and Electric Power Equipment*)
- Racehorse Breeding Stock ([Regulation 1535](#), *Racehorse Breeding Stock*)
- Teleproduction or Other Postproduction Service Equipment ([Regulation 1532](#), *Teleproduction or Other Postproduction Service Equipment*)
- Timber Harvesting Equipment and Machinery ([Regulation 1534](#), *Timber Harvesting Equipment and Machinery*)
- Diesel Fuel Used in Farming Activities or Food Processing ([Regulation 1533.2](#), *Diesel Fuel Used in Farming Activities or Food Processing*)
- Motor Vehicle and Aircraft Fuels ([Regulation 1598](#), *Motor Vehicle and Aircraft Fuels*)
- Zero-Emission Transit Bus (Revenue and Taxation Code [R&TC] [section 6377](#))
- Diesel Fuel Used in a Diesel-Powered Highway Vehicle (R&TC [section 6357.4](#))
- Zero-Emission Vehicle (R&TC [section 6368.2](#))

COLUMN 2 ORIGINAL TRANSACTION PERIOD

Enter the reporting period of the original sales transaction that had a partial exemption.

COLUMN 3 TRANSACTION AMOUNT

Enter the amount of the sale not including tax. For example, if you sold merchandise for \$10,000 plus sales tax of \$550.00 and were unable to collect any amount of the sale, you would claim \$10,000 in this column.

COLUMN 4 PARTIAL EXEMPTION RATE

Enter the appropriate rate from the table below into column 4.

EXEMPTION TYPE	PERIODS									
	10/1/23— current	1/1/23— 9/30/23	10/1/22— 12/31/22	1/1/17— 9/30/22	1/1/16— 12/31/16	7/1/14— 12/31/15	1/1/13— 6/30/14	7/1/11— 12/31/12	7/1/10— 6/30/11	4/1/09— 6/30/10
Farm Equipment and Machinery	5%	5%	5%	5%	5.25%	5.50%	5.50%	5.25%	6.25%	6.25%
Manufacturing and Research and Development Equipment	3.94%	3.94%	3.94%	3.94%	4.19%	4.19%				
Racehorse Breeding Stock	5%	5%	5%	5%	5.25%	5.50%	5.50%	5.25%	6.25%	6.25%
Teleproduction or Other Postproduction Service Equipment	5%	5%	5%	5%	5.25%	5.50%	5.50%	5.25%	6.25%	6.25%
Timber Harvesting Equipment and Machinery	5%	5%	5%	5%	5.25%	5.50%	5.50%	5.25%	6.25%	6.25%
Diesel Fuel Used in Farming Activities or Food Processing	5%	5%	5%	5%	5.25%	5.50%	5.50%	5.25%	6.25%	6.25%
Motor Vehicle and Aircraft Fuels	5%	5%	5%	5%	5.25%	5.25%	5.25%	5%	6%	
Zero-Emission Transit Bus*	3.94%	3.94%	3.94%	3.94%						
Diesel Fuel Used in Diesel-Powered Highway Vehicle**		3.94%	3.94%							
Zero-Emission Motor Vehicle***	3.94%	3.94%								

* The Zero-Emission Transit Bus exemption became effective 10/9/2019. ** Diesel Fuel Used in Diesel-Powered Highway Vehicle became effective 10/1/22 and expired 9/30/23. *** The Zero-Emission Motor Vehicle Exemption became effective 1/1/2023.

COLUMN 5 PARTIAL STATE TAX ADJUSTMENT

Multiply the transaction amount in column 3 by the exemption rate in column 4 to calculate the partial state tax adjustment amount.

TOTAL PARTIAL STATE TAX EXEMPTION ADJUSTMENT AMOUNT

Add all the partial state tax adjustments listed in column 5.

SECTION B. DIESEL FUEL ADJUSTMENTS—Motor Vehicle Fuel Sellers Only

Complete this section if any portion of a diesel fuel tax recovery is listed in *Section A. Tax Recovery Information* includes diesel fuel sales subject to the additional state tax. This will increase the tax recovery amount to include the additional state tax originally paid for diesel fuel sales.

COLUMN 1 DIESEL TRANSACTION PERIOD

Enter the period of the original diesel fuel sales transaction(s).

COLUMN 2 TRANSACTION AMOUNT

Enter the amount you are claiming excluding tax. For example, if you sold diesel fuel for \$500 plus sales tax, and were unable to collect any amount of the sale, you would enter a positive \$500 in this column.

COLUMN 3 DIESEL RATE

Enter the additional state tax rate on diesel fuel.

PERIOD	RATE
7/1/11—6/30/12	1.87%
7/1/12—6/30/13	2.17%
7/1/13—6/30/14	1.94%
7/1/14—10/31/17	1.75%
11/1/17 and after	5.75%

COLUMN 4 DIESEL ADJUSTMENT

Multiply the transaction amount in column 2 by the diesel rate in column 3, and enter the diesel fuel adjustment amount in column 4.

TOTAL DIESEL FUEL ADJUSTMENTS

Add all the diesel fuel adjustments listed in column 4.

SECTION C. BAD DEBT LENDER LOSSES—Registered Bad Debt Lenders Only

If you are registered with CDTFA as a bad debt lender, you may be entitled to claim certain bad debt losses. There are requirements to qualify for this tax recovery credit. For detailed information, please see [Regulation 1642](#), *Bad Debts*.

COLUMN 1 TRANSACTION DATE

Enter the date of the original sales transaction.

COLUMN 2 SELLER'S PERMIT NUMBER UNDER WHICH THE TAX WAS ORIGINALLY REPORTED

Enter the seller's permit number belonging to the seller of the original sales transaction.

COLUMN 3 TAX AREA CODE

Enter the five-digit tax area code of original sales location.

Please see [CDTFA-531-FL1](#), *Listing of City and Unincorporated County Codes for CDTFA-531-F, Schedule F; CDTFA-531-H Schedule H; and CDTFA-531-Q, Schedule Q*, for additional information on tax area codes.

COLUMN 4 DISTRICT JURISDICTION (COUNTY AND CITY)

Report the original sales transactions to the correct district by entering both the county and city locations originally reported on [CDTFA-531-A2](#), *Schedule A2 – Computation Schedule for District Tax – Long Form*.

COLUMN 5 TRANSACTION AMOUNT

Enter the amount of the sale not including tax. For example, if the original seller sold merchandise for \$10,000 plus \$800 sales tax and you were unable to collect any amount of the sale, you would claim only the \$10,000 in this column.

COLUMN 6 TAX RATE

Enter the original tax rate charged to the customer on the transaction. For a complete list of historic tax rates by location, visit www.cdtfa.ca.gov.

COLUMN 7 TAX RECOVERY AMOUNT

Multiply the transaction amount in column 5 by the tax rate in column 6, and enter the total in the tax recovery amount column.

TOTAL BAD DEBT LENDER LOSSES AMOUNT

Add all amounts in column 7, and enter the total here.

TOTAL PRIOR PERIOD TAX RECOVERY AMOUNT

Enter the sum of Sections A, B, and C, minus Section A1 as referred by the "<." Enter the amount here and on line 20b of [CDTFA-401-A](#), *State, Local, and District Sales and Use Tax Return*, and [CDTFA-401-GS](#), *State, Local, and District Sales and Use Tax Return—Motor Vehicle Fuel*, to receive your tax recovery credit.

For more information, please visit our website at www.cdtfa.ca.gov. You may also call our Customer Service Center at 1-800-400-7115 (CRS:711). From the main menu, select the option *Special Taxes and Fees*. Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.