



SPECIAL NOTICE

CALIFORNIA DEPARTMENT
OF TAX AND FEE
ADMINISTRATION
450 N Street
Sacramento, CA 95814

GAVIN NEWSOM
Governor

NICOLAS MADUROS
Director

CDTFA WEBSITE
www.cdtfa.ca.gov

CUSTOMER SERVICE CENTER
1-800-400-7115

CRS:
711

Marketplace Sellers May Be Affected by New Marketplace Facilitator Act Beginning October 1, 2019

If you are a marketplace seller that sells tangible merchandise through a marketplace, such as an Internet website, beginning October 1, 2019, you may not be responsible for the sales or use tax on your marketplace sales for delivery to California customers.

Beginning October 1, 2019, a *marketplace facilitator* that is registered or required to be registered as a retailer with the California Department of Tax and Fee Administration (CDTFA) will generally be responsible for paying the sales tax or collecting and paying the use tax on all retail sales for delivery to California customers facilitated through its marketplace.

This new requirement is included in the *Marketplace Facilitator Act*, added by [Assembly Bill 147¹](#) (Stats. 2019, ch. 5) and amended by [Senate Bill 92²](#) (Stats. 2019, ch. 34).

General definitions

The following are the general definitions for terms used in the *Marketplace Facilitator Act*:

- **Marketplace** – a physical or electronic place where a marketplace seller sells or offers for sale tangible merchandise for delivery in this state.
- **Marketplace facilitator** – in general, a person who contracts with marketplace sellers to facilitate the sale of the marketplace sellers' products through a marketplace operated by the person or a related person when other statutory requirements are met.
- **Marketplace seller** – a person who has an agreement with a marketplace facilitator and makes retail sales of tangible merchandise through a marketplace owned, operated, or controlled by a marketplace facilitator.

Marketplace sellers

If you are a marketplace seller, beginning October 1, 2019, you are not responsible for reporting and paying the sales and use tax to the CDTFA on retail sales of your tangible merchandise facilitated through a marketplace owned, operated, or controlled by a marketplace facilitator that is registered or required to be registered with the CDTFA as a retailer.

General registration and filing information

Many marketplace sellers may not need to be registered with CDTFA. However, whether a marketplace seller is required to be registered with CDTFA will depend on several variables, including the location of the property being sold and the amount of sales to California customers. Please see our online guide, *Marketplace Facilitator Act*, at www.cdtfa.ca.gov/industry/MPFAct.htm, for additional information.

If you are required to be registered and file returns with the CDTFA, please include those marketplace-facilitated sales in your reported total sales on your sales and use tax return. You may claim a deduction as "other" on your return for those facilitated sales on and after October 1, 2019.

¹ http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB147

² http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB92

Special Notice

*Marketplace Sellers May Be
Affected by New Marketplace
Facilitator Act Beginning
October 1, 2019*

How do I know if the marketplace facilitator is required to collect the California tax on sales of my merchandise?

You should obtain an agreement with, or other written document from, the marketplace facilitator that indicates the marketplace facilitator is registered with the CDTFA as a retailer and is responsible for the collection and payment of tax on your sales made through its marketplace. Alternatively, you may obtain the seller's permit number or account number of the marketplace facilitator. This seller's permit or account number may be verified on our [Verify a Permit, License, or Account](#) webpage.

For more information

See our online guide, *Marketplace Facilitator Act*, at www.cdtfa.ca.gov/industry/MPFAct.htm. You may also call our Customer Service Center at 1-800-400-7115 (CRS:711). Customer service representatives are available Monday through Friday from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.