



SPECIAL NOTICE

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1-800-400-7115

CRS
711

UPDATES FOR RETAILERS OF COINS AND BULLION: Exemption Threshold Increase for Bulk Sales of Monetized Bullion, Nonmonetized Gold or Silver Bullion, and Numismatic Coins Now Effective July 1, 2023

The effective date of the recent increase to the exemption threshold for bulk sales of monetized bullion, nonmonetized gold or silver bullion, and numismatic coins (coins and bullion) changed from January 1, 2023, to July 1, 2023. Bulk sales of coins and bullion valued at \$2,000 and above made after July 1, 2023, are exempt from sales and use tax (tax).

Exemption threshold effective date changes

Recent legislation¹ changed the effective date of adjustments to the bulk sales threshold amount. Beginning July 1, 2023, the bulk sales exemption threshold increased to \$2,000.

Excess tax reimbursement

If you collected tax on your sales of coins and bullion valued at or above \$1,500 but less than \$2,000 during first or second quarters of 2023, you must either report and pay it on your sales and use tax returns or refund your customers the excess tax reimbursement collected. If you previously reported and paid the tax to CDTFA and have refunded or plan to refund your customers the excess tax collected, you may file a claim for refund.² You should retain documentation to support any excess tax refunded.

How is the rate calculated?

We are required³ to calculate what the exemption threshold would be if adjusted for changes in the California Consumer Price Index on or before October 1 of each year. The law requires that when the inflation adjusted threshold amount equals or exceeds the operative threshold by five hundred dollars (\$500), the threshold automatically increases to that amount, rounded to the nearest multiple of \$500, as of the specified effective date.

Future threshold effective date changes

Increases to the exemption threshold for bulk sales of coins and bullion occurring on or after January 1, 2024, will be operative the first day of the second calendar quarter beginning after the effective date of amendments to Regulation 1599.⁴ For example, if Regulation 1599 is amended to reflect a new exemption threshold on January 5, 2024, the effective date of the new exemption threshold would be July 1, 2024. We anticipate that the current threshold will remain in effect for several years. We will notify you of any threshold changes in the future.

Additional help

You may contact our Customer Service Center at 1-800-400-7115 (CRS:711). Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.

Visit our website at www.cdtfa.ca.gov/subscribe/ to subscribe to our email lists and receive newsletters, tax and fee updates, and other announcements.

¹ leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB889

² See Regulation 1700, *Reimbursement for Sales Tax*, for more information on excess tax reimbursement at www.cdtfa.ca.gov/lawguides/vol1/sutr/1700.html. Additionally, more information on filing a claim for refund is available in publication 117, *Filing a Claim for Refund*, at www.cdtfa.ca.gov/formspubs/pub117

³ leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=RTC§ionNum=6355

⁴ www.cdtfa.ca.gov/lawguides/vol1/sutr/1599.html