



SPECIAL NOTICE

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

GAVIN NEWSOM

Governor

AMY TONG

Secretary
Government Operations Agency

NICOLAS MADUROS

Director

CDTFA WEBSITE
www.cdtfa.ca.gov

CUSTOMER SERVICE CENTER
1-800-400-7115

CRS
711

Qualified Purchaser Now Defined as a Person Who Makes More Than \$10,000 in Purchases Subject to Use Tax per Calendar Year January 1, 2024, through December 31, 2028

State law¹ requires businesses that are “qualified purchasers” to register with the California Department of Tax and Fee Administration (CDTFA). Beginning January 1, 2024, the definition of a “qualified purchaser” is changing² from a person that receives at least \$100,000 in gross receipts from business operations to one who makes more than \$10,000 in purchases subject to use tax³ per calendar year if the use tax imposed on those purchases has not otherwise been paid to a retailer engaged in business in this state or authorized to collect the tax. This change will be in effect for tax years beginning January 1, 2024, through December 31, 2028, after which the definition of a “qualified purchaser” will revert back to a person receiving at least \$100,000 in gross receipts per calendar year from business operations.

Who needs to be registered?

You must be registered with us to directly report and pay use tax if your business:

- Makes more than \$10,000 in purchases³ subject to use tax in the preceding calendar year, and
- Did not otherwise pay tax on those purchases to a retailer engaged in business in this state or authorized to collect the tax.

If you are currently registered with us as a qualified purchaser and you meet the requirements stated above, you must continue to be registered to report and pay use tax on your use tax return.

Can I close my account?

If you are currently registered with us as a qualified purchaser, and you do not meet the two requirements stated above, then your account can be closed. Please complete CDTFA-345-QP, *Qualified Purchaser – Registration Update*,⁴ and mail it to your local CDTFA Office.⁵ If you close your account, any purchases made subject to use tax may be reported and paid on your Franchise Tax Board income tax return or directly to us by visiting our Online Services⁶ system. Select *File a Return* under the *Limited Access Functions*, and then select *One-Time Use Tax and/or Lumber Return*.

For more information

Please visit our guide on the Qualified Purchasers Program.⁷

If you have questions about this notice, you may call our Customer Service Center at 1-800-400-7115 (CRS:711). Customer service representatives are available weekdays 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 Revenue and Taxation Code section 6225

² Assembly Bill 1097 (Stats. 2023, ch. 355) leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB1097

³ The purchase of vehicles, vessels, or aircraft are excluded from the “more than \$10,000 in purchases” when determining if a person is a qualified person.

⁴ www.cdtfa.ca.gov/formspubs/cdtfa345qp-web.pdf

⁵ www.cdtfa.ca.gov/office-locations.htm

⁶ www.cdtfa.ca.gov/services/

⁷ www.cdtfa.ca.gov/taxes-and-fees/qualified-purchaser.htm