

Instructions for Completing CDTFA-401-GS, State, Local, and District Sales and Use Tax Return

You Can Easily File Your Return Online

Filing your return online is an efficient method of filing your sales and use tax return. When you file your return online with the California Department of Tax and Fee Administration (CDTFA), the system calculates tax due based on the sales and deduction information you enter. Online filing helps reduce errors by prompting you when items are missed. By ensuring the accuracy of your return, you can avoid interest, overpayment, and penalties due to reporting incorrect information. By filing your return online, you avoid additional costs for postage or having your return lost in the mail.

Once you have completed and transmitted your return to the CDTFA, the return is automatically posted to your account.

You can also view previously filed online returns, file amendments, and file your return early and set a future date to make your payment, as long as the payment is made prior to the due date of the return.

To file your return online, go to www.cdtfa.ca.gov and select *File a Return*.

Making Your Payment

There are three easy and convenient payment options available. *Note:* Never send cash payments through the mail.

ACH Debit Method

You can file and pay your return in one easy transaction. This is the preferred method for making a payment on a return.

- Enter your banking information (bank account number and bank routing number).
- Select a payment date. Payments may be held for any banking day you select up to the tax due date.

Credit Card Payment

You can pay by credit card through a third-party vendor:

- American Express®, Discover®, MasterCard®, and Visa® cards are accepted. A service fee of 2.3 percent of the transaction amount will be charged by the third-party vendor. This service fee is not paid to or retained by the CDTFA.

You must return to the online filing system after making your credit card payment to complete filing your return.

Paper Check

- Choose this option to print out a payment voucher to mail in with your check.
- Print the confirmation page and payment voucher. This voucher is only available immediately after filing your return.
- Mail in your check, with the account number written on the memo line, with the payment voucher. Make your check or money order payable to the California Department of Tax and Fee Administration. Keep a copy for your records.

Payment Methods When Filing Paper Returns

- **Check or Money Order:** Make your check or money order payable to the California Department of Tax and Fee Administration and write your account number on the check or money order. Be sure to enclose your payment with your return.
- **Credit Card:** You can charge your tax return payment if you have an American Express®, Discover®, MasterCard®, or Visa® credit card. Other cards cannot be accepted. To make credit card payments, visit our website at www.cdtfa.ca.gov, or call 1-855-292-8931. The credit card processing vendor will charge a service fee of 2.3 percent of the amount charged. This service fee is not paid to or retained by the CDTFA.

If you are required by the CDTFA to pay taxes by Electronic Funds Transfer (EFT), you must continue to use that method. Additional information is available on our website at www.cdtfa.ca.gov.

General Information

These instructions are provided to assist you with completing your **CDTFA-401-GS, State, Local, and District Sales and Use Tax Return**. If you need assistance, please call our Customer Service Center toll-free at 1-800-400-7115 (CRS:711). Customer service representatives can help you with questions Monday through Friday from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.

You must file a return even if you do not owe taxes for the reporting period. If you are unable to file your return on time, you may qualify for an extension. A request for an extension of time to file a tax return may be submitted online by logging in to your account with your username and password on our website at onlineservices.cdtfa.ca.gov and selecting the *Relief Request* option.

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Due on or before – Enter the due date of the return.

Period begin date – Enter the first day for the reporting period. For instance, if you are reporting on the first quarter of 2020, the date would be January 1, 2020.

Period end date – Enter the last day of the reporting period. For instance, if you are reporting on the first quarter of 2020, the date would be March 31, 2020.

Account number – Enter your account number which can be found on your seller’s permit.

If you are filing an amended return, check the box to indicate that this filing represents an amended return.

Lines 1 through 3—Page 1

Sales • Purchases Subject to Use Tax

Line 1. Total Sales

Enter your total taxable and nontaxable sales for the reporting period, including lease and rental receipts.

Report all sales (in any manner) related to California business. You will deduct current period nontaxable transactions in Sections A through E on page 3.

Notes:

- Include all charges related to your sales, such as labor, service, and shipping and handling charges.
 - Used Vehicle Dealers: Also include charges related to your vehicle sales (for example, document fees, smog certification fee, mandatory warranties, etc.).
- If you sold any business assets, such as fixtures and equipment, during the reporting period, you must report the sale. If you are filing your final return and reporting the sale of the business assets, see the last bullet under *Line 2. Purchases Subject to Use Tax*.
- Your total sales may include amounts for California sales or use taxes. If this is the case, be sure to deduct those tax amounts on Section A line 9. If you do not, you will overpay tax.

Line 2. Purchases Subject to Use Tax

Enter your total purchases that are subject to use tax, as explained below.

Your purchases of merchandise, equipment, and other tangible personal property are subject to use tax and must be reported if you:

- Purchased the property from an out-of-state retailer who did not collect California use tax, **or**
- Purchased the property with a resale certificate or other exemption certificate, **and** used the property in California for a purpose other than:
 - Resale or
 - Demonstration, retention, or display while holding it for sale in the regular course of business.

You must also report your purchase of a vessel or aircraft if you:

- Purchased it from an unlicensed retailer who did not charge tax on the transaction, and
- Used the property for a purpose other than resale as described above.

Enter the amount you paid for the property.

Notes:

- If you paid another state’s sales or use tax on your purchase, do not include the tax payment as part of your purchase price. You may be eligible for a credit for the other state’s tax (see instructions for line 20c).
- If you are reporting property purchased with a resale certificate, report the purchase price on the tax return for the reporting period during which you first used the property in California.
- If you are reporting property purchased from an out-of-state retailer who did not charge you California tax, report the purchase price on the tax return for the reporting period during which you first used the property in California.

- If you are closing out your seller’s permit and have sold fixtures and equipment, you should report the sales price and identify the sale as “fixtures and equipment” on line 2 of your final sales and use tax return. You must also report any inventory you intend to retain for your own use or for use as a gift, that was purchased for resale without the payment of tax or tax reimbursement, on line 2 of your final sales and use tax return and identify it as “retained inventory.”
- Sales of inventory to another retailer or to the purchaser of your business are not taxable, but should be reported as “Sales for Resale” on line 4 of your return. A resale certificate should be obtained from the buyer and saved in your records. For more detailed information, see [publication 74](#), *Closing Out Your Account*.

Line 3. Total

Add lines 1 and 2. Enter the result on line 3.

Page 3

Nontaxable Sales, Current Period Tax Recoveries and Deductions, and Current Period Partial Tax Exemptions

Full deductions in Section A and B are transactions not subject to tax and will be subtracted from the total on line 3. Report your current period partial tax exempt transactions from Section C and D on Section D, line 6 and on page 1, line 20a. Complete [CDTFA-531-Q](#), *Schedule Q—Tax Recovery*, to claim prior period tax recovery credits on page 1, line 20b.

You must maintain records that support all claimed deductions.

Section A. Nontaxable Sales (deductions)—Page 3

Any transaction(s) under this section must be included on line 1, Total Sales on page 1.

Line 4. Sales to Other Retailers for Purposes of Resale

Enter your total sales to other sellers who submitted resale certificates to you for their purchases.

In general, you can accept resale certificates from other sellers who are buying property to resell in the regular course of business. If you obtain a timely and valid resale certificate, taken in good faith, tax will not apply to your sale. For more information, see [CDTFA-230](#), *General Resale Certificate*.

To be valid, resale certificates must contain specific information. For more information, see [Regulation 1668](#), *Sales for Resale*.

You can verify the validity of a seller’s permit by calling our Seller’s Permit Verification service at 1-888-225-5263 or by visiting our website at www.cdtfa.ca.gov.

Note: VEHICLE AUCTIONEERS—If you are a vehicle auctioneer claiming a deduction under line 4 for vehicles sold at an auction, you must complete the [CDTFA-531-AA](#), *Schedule AA—Vehicle Auction House Sales* and provide it with your sales and use tax return.

Line 5. Nontaxable Sales of Food Products

Enter your nontaxable sales of food products sold for human consumption.

Whether food product sales are taxable depends on many conditions, including who makes the sale, where the sale occurs, who the customer is, and what is sold. For example, the following sales are generally taxable and should not be deducted:

- Sales of alcoholic and carbonated beverages
- Sales of hot prepared food products
- Sales of meals or food sold for consumption at your place of business or sold for consumption in a place where admission is charged

For more information on food sales, see [Regulation 1602](#), *Food Products*, or [Regulation 1603](#), *Taxable Sales of Food Products*. Vending machine operators should see [Regulation 1574](#), *Vending Machine Operators*, and [publication 118](#), *Vending Machine Food Sales*.

Line 6. Nontaxable Labor (repair and installation)

Enter labor charges for installing premanufactured property or for repairing or reconditioning property to restore it to its original use.

Note: Labor charges for making or fabricating a new product (such as labor charges for making a ring or furniture), or for assembling a product, are generally taxable and should not be deducted. Tax applies even if your customer provides the property that you fabricate. For more information, see [Regulation 1546](#), *Installing, Repairing, Reconditioning in General*, and [publication 108](#), *Labor Charges*.

Line 7. Sales to the United States Government

Enter sales made to:

- The United States government or its unincorporated agencies and instrumentalities, such as the following federal departments: Treasury, Interior, Agriculture, or Defense
- Any incorporated agency or instrumentality of the United States wholly owned by either the United States or by a corporation wholly owned by the United States
- The American Red Cross, its chapters and branches
- Federal reserve banks, federal credit unions, federal land banks, and federal home loan banks

Note: Sales made to the State of California or to cities, counties, and local governments in the state are generally taxable and should not be deducted. They are treated like any other sale. For more information, see [Regulation 1614](#), *Sales to the United States and its Instrumentalities*, or [publication 102](#), *Sales to the United States Government*.

Line 8. Sales in Interstate or Foreign Commerce

Enter sales that are exempt from tax as interstate or foreign commerce (sales involving shipments or deliveries from California to points outside the state).

For a sale to be exempt, the sales agreement or contract must require the property to be shipped to an out-of-state point, and you must either:

- Use your company vehicle (or other conveyance operated by your business) to ship the property to that location, or
- Deliver the property to a carrier, customs broker, or forwarding agent for shipment outside the state.

For more information, see [Regulation 1620](#), *Interstate and Foreign Commerce*, or [publication 101](#), *Sales Delivered Outside California*.

Line 9. Sales Tax (if any) Included on Line 1

Enter only the California sales or use tax amounts that are included on line 1. For more information, see [Regulation 1700](#), *Reimbursement for Sales Tax*.

Line 10. Other Deductions

You must retain records which explain each deduction claimed.

You may be entitled to claim other deductions in addition to those allowed on lines 4 through 9. Enter the amount for those deductions on line 10.

Examples of transactions that may be deductible include the following:

- Sales of Medicinal Cannabis. The exemption only applies to retail sales on or after November 9, 2016, of medicinal cannabis, medicinal cannabis concentrate, edible medicinal cannabis products, or topical cannabis as those terms are defined in Business and Professions Code section 26001. To obtain the exemption, qualified patients or their primary caregiver need to provide their valid *Medical Marijuana Identification Card* issued by the California Department of Public Health, under section 11362.71 of the Health and Safety Code, and a valid government issued identification card at the time of purchase. For more information, see Tax Guide for Cannabis Businesses online at www.cdtfa.ca.gov.
- Sales by pharmacists of prescription medicines for use by humans. For more information, see [Regulation 1591](#), *Medicines and Medical Devices*.
- Transportation charges for delivering goods to a purchaser by an independent carrier (the transportation charges must be separately stated on the invoice). If you charge more for delivery than your actual costs, the added amount is subject to tax and cannot be deducted. For more information, see [Regulation 1628](#), *Transportation Charges*, or [publication 100](#), *Shipping and Delivery Charges*.

- Sales of animals, seeds, plants and fertilizer, used as, or used to produce, food for human consumption. For more information, see [Regulation 1587, Animal Life, Feed, Drugs and Medicines](#), [Regulation 1588, Seeds, Plants and Fertilizers](#), and [Tax Guide for Agricultural Industry](#) online at www.cdtfa.ca.gov.

For more information, request a copy of [publication 61, Sales and Use Taxes: Exemptions and Exclusions](#).

Section B. Current Period Tax Recoveries and Deductions

If you have tax recovery deductions or adjustments prior to the period covered by your return, you will be required to complete [CDTFA-531-Q](#) to claim those credits.

Line 1. Bad Debt Losses on Taxable Sales

Enter bad debt losses, as described below.

If you have reported a taxable sale and have been unable to collect payment for the sale, you may take a deduction for the taxable sales portion of the bad debt.

Bad debts may take the form of:

- Checks that have been returned to you unpaid by the purchaser's bank and which you have determined to be uncollectible, or
- Amounts from charge or credit sales that you have determined to be uncollectible.

The bad debts must be charged off for income tax purposes or, if you are not required to file income tax returns, the bad debts must be charged off in accordance with generally accepted accounting principles.

Enter only the amount of the sale before tax. For example, if you sold merchandise for \$15 plus sales tax and were unable to collect any amount for the sale, you would claim \$15 as a deduction.

If you claim a bad debt deduction and later recover a payment, you must report the payment on the tax return filed for the period in which the recovery payment was made. For more information, see [Regulation 1642, Bad Debts](#).

Line 2. Cost of Tax-Paid Purchases Resold Prior to Use

Claiming cost of tax-paid purchases resold prior to use (excludes motor vehicle fuel and/or diesel fuel)

You may claim a deduction on this line if you:

- Paid California sales or use tax when purchasing goods or merchandise, and
- Sold the property without first using it (other than retaining, demonstrating, or displaying it while holding it for sale in the regular course of business).

Enter only the amount of the purchase price before tax. For example, if the property was sold to you for \$15 plus tax, you would claim only \$15 as a deduction. For more information, see [Regulation 1701, Tax-Paid Purchases Resold](#).

Claiming Cost of Tax-Paid Purchase Resold Prior to Use for Motor Vehicle Fuel (MVF) and Diesel

Tax recoveries reported in Section B where original transactions were eligible for a partial state tax exemption on MVF in Section D.

In order to recover only the partial state tax rate originally paid, you must make an adjustment to Section D, if any tax recovery deductions were reported in Section B where the original transaction was eligible for the partial state tax rate exemption listed in Section D.

If no adjustment is made, tax will be recovered at the current higher state tax rate, and your return will be underpaid.

You may also visit the CDTFA Industry and Tax and Fee Guides under [Tax Guide for Motor Vehicle Dealers](#) on our website at www.cdtfa.ca.gov for additional text relating to this deduction.

Section D, Line 1 – Transactions from the current filing period

- Subtract any eligible tax recoveries from your current partial state exemption on MVF transactions and enter the net amount in Section D, line 1.

Schedule Q – Transactions from a prior period

- To make an adjustment for tax recoveries eligible for a partial state exemption on MVF where the original transaction occurred during a prior period, please complete [CDTFA-531-Q, Schedule Q–Tax Recovery](#), and make no adjustment to Section D, line 1.

Tax Recoveries Reported as Subjected to the Additional State Tax on Diesel Sales on Line 13b

In order to recover the additional state tax rate originally paid, you must make an adjustment to the diesel sales measure on line 13b, if any tax recovery deductions were reported in Section B where the original transaction was subjected to the additional state tax rate on diesel fuel.

If no adjustment is made, tax will be recovered at the current lower state tax rate, and your return will be overpaid.

Line 13b – Transactions from the current filing period

- If you have current tax recoveries subjected to the additional state tax on diesel fuel to report, subtract those tax recoveries from your current diesel sales transactions and enter the net amount on line 13b.

Schedule Q – Transactions from a prior period

- To make an adjustment for tax recoveries subjected to the additional state tax on diesel fuel where the original transaction occurred during a prior period, please complete [CDTFA-531-Q, Schedule Q–Tax Recovery](#), and make no adjustment to line 13b.

Line 3. Returned Taxable Merchandise

Enter amounts you credited or refunded to customers for returned taxable merchandise, as described below. You can take this deduction only if:

- You returned or credited to your customer the full sales price, including sales tax charges, and
- The customer, in order to obtain the refund or credit, is not required to purchase other property at a price greater than the amount charged for the property returned.

Claim only the amount of the sale before tax. For example, if the returned merchandise had been sold for \$15 plus sales tax, you would claim only \$15 as a deduction. For more information, see [Regulation 1655, Returns, Defects and Replacements](#).

Line 4. Cash Discounts on Taxable Sales

If you gave a cash discount to a customer on a taxable sale, enter the amount of the discount here. You can claim a deduction on this line only if you reported the full (undiscounted) selling price on line 1. Do not use this line if you reported the discounted selling price on line 1 of this return or a previous return. In addition, you must ensure that you do not collect from your customer more tax than the amount due on the discounted price. If you collect more than the amount due on the discounted price, you cannot claim this deduction. For more information, see [Regulation 1671, Trading Stamps and Related Promotional Plans](#), and [Regulation 1700, Reimbursement for Sales Tax](#).

Section C. Current Period Partial Tax Exemptions at 0.05 Partial Exemption Rate

Exemption Certificate Requirements

Retailers who wish to claim a partial exemption must obtain from purchasers a timely, valid exemption certificate as described in [Regulation 1667, Exemption Certificates](#). The CDTFA has designed a specific certificate for this purpose entitled, *Certificate of Partial Exemption*. The certificate is available on our website at www.cdtfa.ca.gov or by calling our Customer Service Center at 1-800-400-7115 (CRS:711). Retailers must retain the completed certificate for a period of not less than four years.

Line 1. Farm Equipment Machinery

For a description of exempt farm equipment and who is eligible to claim this exemption see [publication 66, Agricultural Industry, Regulation 1533.1, Farm Equipment and Machinery](#), and *Tax Guide for Agricultural Industry* online at www.cdtfa.ca.gov.

Complete this line to claim a partial exemption for the sale, storage, use, or other consumption of qualified farm equipment, machinery and their parts as described below. The partial exemption also applies to qualified lease payments for farm equipment and machinery rentals.

Who can claim a partial exemption?

You can claim this partial exemption if you are a person engaged in an agricultural business described in Codes 0111 to 0291 of the Standard Industrial Classification (SIC) Manual or are a person that assists such classified person by performing an agricultural service described in Codes 0711 to 0783 of the SIC manual.

What type of equipment is eligible?

- “Implements of husbandry,” as defined in Revenue and Taxation Code section 411. Such property generally includes any tool, machinery, equipment, appliance, device, or apparatus. The farm equipment, machinery, and parts must be used primarily in producing and harvesting agricultural products. “Primarily” means 50 percent or more of the time.
- Property as defined in Chapter 1, Division 16 of the Vehicle Code used exclusively in agricultural operations. Such property under certain conditions includes lift carriers, tip-bed type trailers, trailers and semi-trailers having no bed, spray or fertilizer applicator rigs, nurse rigs or equipment auxiliaries, row dusters, trap wagons, fertilizer nurse tanks or trailers, cotton trailers, truck tractors, and truck tractor and semi-trailer combinations. Vehicles primarily designed for the transportation of persons or property on a highway are generally not considered implements of husbandry and, therefore, do not qualify for this partial exemption.

Line 2. Diesel Fuel Used in Farming and Food Processing

For additional information for this exemption refer to [publication 66](#), *Agricultural Industry*, [Regulation 1533.2](#), *Diesel Fuel Used In Farming Activities or Food Processing*, and *Tax Guide for Agricultural Industry* online at www.cdtfa.ca.gov.

Complete this line to claim a partial tax exemption for the sale, storage, use, or other consumption of diesel fuel used in farming or food processing activities.

The diesel fuel must be consumed during the activities of a farming business as set forth in Internal Revenue Code (IRC) 263A or food processing. A farming business is a business that grows crops, fruit- or nut-bearing trees, sod, or nursery plants. Farming activities also include transporting these crops, fruit or nut-bearing trees, sod, or nursery plants to the marketplace.

Line 3. Timber Harvesting Equipment and Machinery

For additional information for this exemption refer to [Regulation 1534](#), *Timber Harvesting Equipment and Machinery*.

Complete this line to claim a partial exemption of the sales and use tax for the sale, use, or other consumption of timber harvesting equipment, machinery, and their parts. Such equipment and machinery must be designed for use 50 percent or more of the time off-road in commercial timber harvesting and be used 50 percent or more of the time in timber harvesting.

A qualified person is a person who is engaged in commercial timber harvesting. Commercial timber harvesting involves the cutting or removal, or both, of timber and other solid wood forest products from timberlands for commercial purposes. The partial exemption also applies to a qualified person’s lease payments for qualified commercial timber harvesting equipment and machinery rentals.

Timber is considered to be trees of any species, excluding nursery stock, harvested for forest products. Some examples of these products include firewood, Christmas trees, biomass, poles, and pilings.

Typical off-road commercial harvesting equipment and machinery and their general use, that may be eligible for this partial exemption include:

- Tractors or rubber-tired skidders—move the logs from the woods to the logging trucks
- Front-end loaders—load logs onto trucks
- Feller-bunchers—cut very small trees
- Cable yarders—harvest trees on very steep slopes by suspending the logs on a cable
- Chippers—chip small logs and brush into very small pieces
- Chainsaws—used to cut down trees

Line 4. Motor Vehicle Fuel (MVF)

Effective July 1, 2010, sales of MVF are partially exempt from tax. Since the exemption for the sale of MVF is only a partial exemption, a portion of the state sales tax, the local and district taxes still apply. Sellers of MVF must complete this section on [CDTFA-401-GS](#), *State, Local, and District Sales and Use Tax Return*.

If you need assistance reporting tax recoveries on MVF sales, please contact our Customer Service Center at 1-800-400-7115 (CRS:711).

Section D. Current Period Partial Tax Exemptions at 0.039375 Partial Exemption Rate

Line 1. Manufacturing and Research & Development Equipment Exemption

For additional information for this exemption, refer to [Regulation 1525.4](#), *Manufacturing and Research & Development Equipment*, or see our *Tax Guide for Manufacturing and Research & Development Equipment Exemption* located at www.cdtfa.ca.gov.

This transaction is partially exempt from the total sales and use tax rate. It remains subject to 3.3125 percent of the total sales and use tax rate, plus any applicable district taxes.

Complete this line to claim a partial state tax exemption for the sale, storage, use, or other consumption of qualified manufacturing and research and development equipment, as described below.

To be eligible under this law, the purchaser must meet all three of these conditions:

- Be engaged in certain types of business, also known as a “qualified person”
- Purchase “qualified property”
- Use that “qualified property” for the uses allowed by this law

Line 2. Zero-Emission Transit Bus Exemption

Complete this line to claim a partial state tax exemption for sales and leases of zero-emission technology transit buses by the following qualifying purchasers:

- City, county, or city and county; or
- Transportation or transit district; or
- Public agencies that provide transit services to the public.

This transaction is partially exempt from the total sales and use tax rate. It remains subject to 3.3125 percent of the total sales and use tax rate, plus any applicable district taxes.

The reduced sales or use tax rate is applied to the total selling price of the vehicle before any incentives, such as a voucher from Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), are applied. To report your sales of eligible zero-emission technology buses on your sales and use tax return, report the total selling price in your total sales.

For additional information for this exemption, refer to Revenue and Taxation Code section 6377.

Prior Period Tax Recovery (CDTFA-531-Q)

To claim a tax recovery from a prior period, complete [CDTFA-531-Q](#) to claim a tax recovery credit on page 1, line 20b.

Page 1

Line 11. Total Nontaxable Transactions Reported

This is your total nontaxable transaction(s) from Section B, line 6 on page 3 of your return. This amount will be subtracted from the total of your sales and purchases to arrive at the amount on which tax is calculated.

Line 12. Transactions Subject to Tax

Subtract line 11 from line 3. Enter the result on line 12.

Line 13a. State Tax 6 Percent

Multiply line 12 by 0.06. This is the amount of state tax. For a breakdown of the state tax rate see [Detailed Description of the Sales and Use Tax Rate](#) located on our website at www.cdtfa.ca.gov.

Line 13b. Additional State Tax on Diesel Sales

Enter your total taxable diesel fuel transactions (without tax) for the period in the box labeled “Diesel Sales.”

Note: Your taxable diesel fuel transactions should be included in the total sales reported on line 1 and/or purchases on line 2. The amount entered in the “Diesel Sales” box is not a tax-included amount. If you enter a tax-included amount you will end up paying more than you actually owe. Multiply the amount entered in the box labeled “Diesel Sales” by 5.75 percent (0.0575). Enter the result on line 13b.

Line 14. County Tax 1/4 Percent

Multiply line 12 by 0.0025. This is the amount of county taxes. Enter the result on line 14.

Line 15. Local Tax 1 Percent

Multiply line 12 by 0.01. This is the amount of local taxes. Enter the result on line 15.

Line 16. District Tax

If your transaction(s) occur in more than one taxing jurisdiction (higher than the current state tax rate), you must complete [CDTFA-531-A2](#), *Schedule A2, Computation Schedule for District Tax—Long Form*. Instructions are included with the schedule.

Line 17. Total State, County, Local, and District Tax

Line 17 represents the total tax liability for this reporting period. Add lines 13a, 13b, 14, 15, and 16. Enter the result on line 17.

Line 18. Excess Tax Collected

If you have overcharged your customers and collected more sales tax than the amount reported due, enter the amount of sales tax that you have over-collected.

Line 19. Total Tax Amount

Add line 17 and line 18 to find the total amount of tax due. Enter the result on line 19.

Line 20a. Credit for Current Period Tax Exemptions

Complete Section C and D on page 3 of the return. The Total Current Period Partial Exemption Amount on page 3, Section D, line 6 should be entered on page 1, line 20a.

Line 20b. Credit for Period Tax Recovery

Complete [CDTFA-531-Q](#), *Schedule Q—Tax Recovery*, and enter the total recovery adjustment amount on page 1, line 20b. Instructions are included with CDTFA-531-Q.

Line 20c. Credit for Tax Paid to Other States

Complete [CDTFA-531-P](#), *Tax Paid to Other State(s)*, and enter the total credit for tax paid to other state(s) amount on page 1, line 20c. Instructions are included with CDTFA-531-P.

Line 20d. Credit for Sales Tax Prepaid to Fuel Suppliers

Note: FUEL SELLERS—Please complete [CDTFA-531-G](#), *Schedule G—Fuel Seller's Supplement to Sales and Use Tax Return*, and submit it with [CDTFA-401-GS](#). The amount entered on line G-2 of the schedule should also be entered on line 20d of the return.

Line 20e. Total Credit

Add lines 20a, 20b, 20c, and 20d. Enter the result on line 20e.

Line 21. Net Tax

Subtract line 20e from line 19. Enter the result on line 21.

Line 22. Less Tax Prepayments

Complete this line if you made any tax prepayments. (Businesses with average monthly taxable transactions of \$17,000 or more must make prepayments, once notified by the CDTFA.)

Enter the prepayment amounts in the proper spaces. This credit is limited to the amounts of tax prepaid and should not include penalties or interest charges reported with your prepayments. If you are reporting a zero prepayment for any period because you had no taxable transactions, you must check the box below the appropriate prepayment field to certify that you had no prepayment due.

Note: FUEL SELLERS—If you sell fuel and pay sales tax to your fuel supplier, do not use this line to claim a credit for those tax payments. Credit can be claimed on [CDTFA-531-G](#), *Schedule G—Fuel Seller's Supplement to Sales and Use Tax Return*.

Line 23. Net Tax Less Prepayments

Subtract line 22 from line 21. Enter the result on line 23.

Line 24. Vehicle Sales Tax Paid to DMV

Complete [CDTFA-531-MV](#), *Schedule MV—Used Vehicle Dealer — Sales Report*, and enter the total amount from column C on the schedule on line 24 of this return.

Line 25. Remaining Tax

Subtract line 24 from line 23. Enter the result on line 25.

Line 26. Penalty

If your tax payment is made, or your tax return is filed, after the due date shown at the top of the return, you must pay a 10 percent penalty. Multiply line 23 by 0.10 and enter the result on line 26.

Returns and payments must be postmarked or received by the due date of the return to be considered timely. If the due date falls on a Saturday, Sunday, or state holiday, returns postmarked or received by the next business day will be considered timely.

Businesses required to pay sales and use taxes by Electronic Funds Transfer (EFT) may also be subject to a 10 percent penalty for failure to pay by EFT (payment made by check, for example). However, a 10 percent maximum penalty applies to returns and return payments.

Line 27. Penalty Paid to DMV for Late Payments of Sales Tax

Complete [CDTFA-531-MV](#), Schedule MV—Used Vehicle Dealer — Sales Report, and enter the total amount from column D on the schedule on line 27 of this return.

Line 28. Penalty Due

Subtract line 27 from line 26. Enter the result on line 28. If line 28 is less than 0, enter 0.

Note: USED VEHICLE DEALERS:

- If you made timely sales tax payments to DMV but are filing a late sales and use tax return, your return is subject to a late filing penalty of 10 percent.
- If you paid penalties to the DMV, you can reduce the amount of penalty due up to the amount of penalties you paid the DMV. If the amount entered on line 27 results in line 28 being less than 0, enter 0.

Line 29. Interest

If your payment is late (see line 26 in the instructions above for an explanation of due dates), you must pay interest charges in addition to penalty charges.

You owe one month of interest for each month or portion of a month the payment is overdue. For example, if your payment is one month and two weeks overdue, you owe two months of interest.

Reminder: If you owe two or more months' interest, as described above, you must multiply the amount due by the number of months overdue.

Line 30. Total Amount Due and Payable

Add lines 25, 28, and 29. Enter the result on line 30. See page 1 for acceptable payment methods.

Line 31. Sales at State-Designated Fairgrounds

As of July 1, 2018, you must report the portion of sales reported on line 1 for which the place of sale is on or within the real property of a state-designated fair, or any real property of a state-designated fair that is leased to another party. Enter the amount of sales you made on state-designated fairgrounds on line 31. The amount reported on line 31 is only for informational purposes and is not to be used for calculating any sales or use tax on this return. A complete listing of state-designated fairs is available on our website at www.cdtfa.ca.gov/taxes-and-fees/state-fairgrounds-list.htm.

Completing your return

To complete your return, please include your signature, printed name and title, date, email address, and telephone number.

If your return was completed by someone other than you, please include your preparer's name and telephone number.

Make a copy of this return for your records.

If paying by check or money order, remember to make your check or money order payable to California Department of Tax and Fee Administration. Write your account number on your check or money order.

Send your return to:

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
PO BOX 942879
SACRAMENTO CA 94279-8009