



TAX INFORMATION BULLETIN

Are You Submitting Your Sales and Use Tax Payments Correctly?

There are many payment options available through our online services system. Below are the most frequently used payment types and a brief description of each. After selecting the correct payment type, it is important to enter the correct period end date when required.

If your account has a quarterly prepayment filing requirement, you must indicate the payment type by selecting *Prepayment 1* or *Prepayment 2* for the applicable quarter when making your online prepayments. *If you are making a prepayment and you select another payment type, you may be billed for not fulfilling your prepayment requirement.*

Payment Type	Filing Period End Date Needed	Description
Return Payment	Yes	Specific return tax liability for the quarter you select.
Prepayment 1	Yes	First prepayment for the quarter you select.
Prepayment 2	Yes	Second prepayment for the quarter you select.
Period Payment	Yes	Use this payment type to designate a payment to a specific period, such as: <ul style="list-style-type: none"> • Billed Audit liability • Additional tax due on a specific period Do not use this for a return payment or prepayment.
Account Payment	No	Use this payment type to pay a tax liability for an account with multiple periods. Do not use this for a return payment or prepayment.

Due Dates for Quarterly Return Payment and Prepayment

Reporting Period	Period Ending Date	Due Date	Payment Type
1st Quarter (January-March)			
First Prepayment	3/31/YY	2/24/YY	Prepayment 1
Second Prepayment	3/31/YY	3/24/YY	Prepayment 2
Quarterly Return	3/31/YY	4/30/YY	Return Payment
2nd Quarter (April-June)			
First Prepayment	6/30/YY	5/24/YY	Prepayment 1
Second Prepayment	6/30/YY	6/24/YY	Prepayment 2
Quarterly Return	6/30/YY	7/31/YY	Return Payment
3rd Quarter (July-September)			
First Prepayment	9/30/YY	8/24/YY	Prepayment 1
Second Prepayment	9/30/YY	9/24/YY	Prepayment 2
Quarterly Return	9/30/YY	10/31/YY	Return Payment
4th Quarter (October-December)			
First Prepayment	12/31/YY	11/24/YY	Prepayment 1
Second Prepayment	12/31/YY	12/24/YY	Prepayment 2
Quarterly Return	12/31/YY	1/31/YY	Return Payment

Please note: The chart above references due dates for sales and use tax prepayments and quarterly return payments based on a standard calendar year. If you are not filing on a standard calendar year basis, refer to your approved calendar for applicable due dates to ensure your return payments and prepayments will be received timely. In addition, if the due date falls on a weekend or state holiday, the due date is extended to the next business day.

For more information on prepayment due dates and other filing instructions, please see CDTFA-367-SUT, *Filing Instructions for Sales and Use Tax Accounts on a Quarterly and Prepayment Filing Basis*, at www.cdtfa.ca.gov/DownloadFile.ashx?path=/formspubs/cdtfa367sut.pdf.

New Billing Process for Delinquent Returns

Beginning in July 2022, we will implement a new automated billing process for taxpayers that fail to file timely returns. We will send you a reminder to [file](#) and a statement of the proposed amount to be billed prior to issuing an automated bill.

You can file your return online at any time. If you cannot pay the amount due, you can request a [payment plan](#) online after logging in with your username and password.

Taxpayers' Bill of Rights Meeting

The annual Taxpayers' Bill of Rights meeting is an opportunity for the public to provide feedback, make suggestions, or express concerns regarding the administration of the tax and fee programs managed by the California Department of Tax and Fee Administration. The 2022 meeting is scheduled for September 15, 2022, online via Microsoft Teams.

If you are interested in attending the meeting, please call the Taxpayers' Rights Advocate (TRA) Office at 1-888-324-2798 or visit our website at www.cdtfa.ca.gov/tra/ for more information. If you are unable to attend the meeting, you can submit your comments, suggestions, or concerns in writing to the TRA Office by email at txrtsweb@cdtfa.ca.gov or by mail to:

450 N Street, MIC:70
P.O. Box 942879
Sacramento, CA 94279-0070

The TRA Office is available throughout the year to assist you if you are unable to resolve an issue through normal channels, such as speaking with a supervisor.

Skip the Visit to a Field Office and Pay Online!

You do not need to visit a local office to make your payment. You can make your payment online using your checking account, savings account, credit card, or debit card. Making online payments is easy, fast, and convenient.

If you visit one of our local offices and need to make a payment, we will guide you to one of our kiosks where you can make your payment electronically.

Visit our [Online Services](#) webpage to find options for making a payment. We also offer [video tutorials](#) available on our website that show you how to make a payment. We can also walk you through the process over the phone or through our online Chat feature. Please contact your [local office](#), call our Customer Service Center at 1-800-400-7115 (CRS:711), or click the Chat icon on the homepage of our [website](#). Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.

Cannabis Excise Tax Markup Rate

The cannabis markup rate will decrease from 80 percent to 75 percent for the period of July 1, 2022, through December 31, 2022.

For more information regarding the cannabis markup rate, please see our special notice, *Cannabis Markup Rate Decreases to 75 Percent on July 1, 2022*, at www.cdtfa.ca.gov/formspubs/L851.pdf.

New Tax and Reporting Requirements for Retailers of Electronic Cigarettes Containing or Sold With Nicotine

Effective July 1, 2022, retailers of electronic cigarettes containing or sold with nicotine are required to collect, report, and pay the California Electronic Cigarette Excise Tax (CECET). The CECET is 12.5 percent of the retail sales price of electronic cigarettes containing or sold with nicotine for use in this state. Retailers are required to collect this tax from purchasers at the time of sale. The first CECET return and tax payment are due by October 31, 2022. This return and payment cover the period July 1, 2022, through September 30, 2022.

If we have not already registered you with a CECET permit (account), you are responsible for registering with us using our Online Services at onlineservices.cdtfa.ca.gov. In-state retailers may register with us beginning June 1, 2022. Out-of-state retailers may register with us beginning September 1, 2022, to report any sales of electronic cigarettes containing or sold with nicotine on and after July 1, 2022. If you are an out-of-state retailer needing a CECET account and we have not registered you prior to September 1, 2022, please call us at 1-800-400-7115 and select the "Special Taxes and Fees" option from the main menu for assistance with registration.

For more information, please see our *Tax Guide for California Electronic Cigarette Excise Tax* at www.cdtfa.ca.gov/taxes-and-fees/electronic-cigarette-excise-tax.htm.

New Tax Rate for Other Tobacco Products

The new tax rate for other tobacco products (products other than cigarettes) is 61.74 percent of the wholesale cost, effective July 1, 2022, through June 30, 2023. The tax rate is subject to change annually.

For more information, please see our special notice, *New Tax Rate on Other Tobacco Products Effective July 1, 2022, through June 30, 2023*, at www.cdtfa.ca.gov/formspubs/L852.pdf. Current and historical tobacco products tax rates are posted on the *Tax Rates – Special Taxes and Fees* webpage, under the *Cigarette and Tobacco Products Tax* heading, at www.cdtfa.ca.gov/taxes-and-fees/tax-rates-stfd.htm#cigarettetax.

Effective May 3, 2022, Cigarette Manufacturer Korea Tobacco & Ginseng Corporation and All Related Brands Were Removed From the California Tobacco Directory

The California Attorney General's Office removed cigarette manufacturer Korea Tobacco & Ginseng (KT&G) Corporation along with all its related cigarette brands (Carnival, THIS, and Timeless Time) from the *California Tobacco Directory*. Please see below for KT&G Corporation's cigarettes sell-off periods:

- June 12, 2022—last day distributors and wholesalers may purchase, sell, or possess these cigarettes for sales in California. After this date, distributors may not stamp these cigarettes for sale in California.
- July 2, 2022—last day retailers may purchase, sell, possess, or transport these cigarettes in California.
- After these dates, these cigarettes are considered contraband and subject to seizure.

For more information, please visit the California Attorney General's Office website at oag.ca.gov/home and view the *May 3, 2022, Notice to All License Distributors and Wholesalers* at oag.ca.gov/system/files/media/notice-removal-ktg-050322.pdf for distributor and wholesaler responsibilities and sell-off periods.

New Devices Subject to the Covered Electronic Waste Recycling Fee

The Department of Toxic Substances Control adopted new regulations effective December 20, 2021. These new regulations include organic light-emitting diode (OLED)-containing display devices and liquid crystal display (LCD)-containing smart displays as covered electronic devices. These devices will be subject to the covered electronic waste recycling fee beginning July 1, 2022. The amendments also defined "smart displays" and provided a category for LCD-containing tablets, which were previously categorized under the LCD-containing laptop category.

For more information, please see our special notice, *New Devices Subject to the Covered Electronic Waste Recycling Fee Starting July 1, 2022*, at www.cdtfa.ca.gov/formspubs/L857.pdf.

Oil Spill Prevention and Administration Fee – Registration, Reporting, and Invoicing Requirements

Oil Spill Prevention and Administration (OSPA) Fee Registration and Reporting Requirements for Renewable Fuel Facility Operators

As of July 22, 2021, renewable fuel production facility operators and renewable fuel receiving facility operators (RF facility operators) are required to register with us for an OSPA fee account. Beginning January 1, 2022, RF facility operators are required to collect the OSPA fee from the owner, file monthly returns online, and pay the fee directly to us (see [Assembly Bill 148](#) (Stats. 2021, ch. 115)).

Please register to pay the fee using our online services at onlineservices.cdtfa.ca.gov. Choose *Register for a Permit, License, or Account* under the *Registration* heading. Then select *Register a New Business Activity* from the list of Registration Options.

For more information on the new registration and reporting requirements, please see our special notice, *Renewable Fuel Registration and Reporting Requirements for the Oil Spill Prevention and Administration Fee*, at www.cdtfa.ca.gov/formspubs/L821.pdf, and for the OSPA fee, please see our *Oil Spill Prevention and Administration Fee & Oil Spill Response Fee Guide* at www.cdtfa.ca.gov/taxes-and-fees/oil-spill-prev-resp-adm-fee.htm.

Invoicing Requirements for OSPA Fee Payers

Only marine terminal operators, refinery operators, renewable fuel production facility operators, and renewable fuel receiving facility operators are required to collect the OSPA fee on transactions or activities that would result in an OSPA fee liability.

The OSPA fee you collect must be separately stated on the invoice you provide to the owner of the crude oil, petroleum products, or renewable fuel. You must also separately state the fee amount you collect on the shipping documents you provide to another marine terminal operator, refinery operator, renewable fuel production facility operator, or renewable fuel receiving facility operator on any transaction or activity that would result in an oil spill fee liability.

Excess Fee Reimbursement – Oil Spill Prevention and Administration Fee

The OSPA Fee law does not prohibit a taxpayer from including the OSPA fee expense in the costs for services provided or products sold. However, the OSPA fee must not be separately stated as a charge for reimbursement on a transaction or activity that does not result in a fee liability. A separately stated fee charge on a transaction or activity that does not result in a fee liability is considered excess fee reimbursement.

Excess fee reimbursement is defined as any amount charged by a taxpayer on an activity or transaction that does not result in an oil spill fee liability or is more than the fee due and represented as an oil spill fee reimbursement. Any excess fee reimbursement must be paid to us unless it is refunded by the taxpayer to their customer.

Sign Up Now

We have begun to transition away from the Limited Access Codes (LACs) feature in June 2022. All taxpayers registering for the first time must create a profile with a username and password. We will also no longer provide LACs to newly registered accounts. Newly-registered accountholders must use their online profile to file returns and make payments.

If you have not created an online profile with a username and password, we encourage you to [Sign Up Now](#) at onlineservices.cdtfa.ca.gov. You can access your accounts, file returns and reports, and make payments using our online services system. Your online profile gives you valuable access to perform many account activities online such as:

- Managing multiple accounts
- Requesting relief from penalties and interest
- Requesting filing extensions
- Saving and updating banking and account information
- Viewing return and payment history
- Receiving alerts and correspondence

If you need assistance with creating a username and password, please see our video tutorials webpage at www.cdtfa.ca.gov/services/#Tutorials or 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.

For More Information

All telephone numbers are toll-free.

Internet

www.cdtfa.ca.gov
www.taxes.ca.gov

Customer Service Center

1-800-400-7115
(CRS:711)

Seller's Permit Verification

1-888-225-5263
www.cdtfa.ca.gov

Taxpayers' Rights Advocate

1-888-324-2798
www.cdtfa.ca.gov/tra

Tax Evasion Hotline

1-888-334-3300

State Legislation

<https://leginfo.legislature.ca.gov/>

More Articles Available Online

There are occasions when we have more articles than we have space for in this print version of the *Tax Information Bulletin*. The additional articles are available online at www.cdtfa.ca.gov/taxes-and-fees/tax-bulletins.htm.

New and Revised Publications Available Online

For new and revised publications, see our website at www.cdtfa.ca.gov/formspubs/pubs.htm.

Thank you for connecting with us.

