

**Revised Final Statement of Reasons for the Proposed Adoption of
Amendments to California Code of Regulations, Title 18, Section 1620.1,
Sales of Certain Vehicles and Trailers for Use in Interstate or Out-of-State
Commerce, and New Section 1620.15, Sales of Vehicles for Use Exclusively
Out-of-State or in Interstate or Foreign Commerce**

Update of Information in the Initial and Final Statement of Reasons

On January 28, 2026, the California Department of Tax and Fee Administration (Department) withdrew the rulemaking file from Office of Administrative Law review. On March 5, 2026, the Department notified interested parties that:

- The Department made changes to the text of the proposed amendments to California Code of Regulations (CCR), title 18, section (Regulation) 1620.1, Sales of Certain Vehicles and Trailers for Use in Interstate or Out-of-State Commerce, and the text of new Regulation 1620.15, Sales of Vehicles for Use Exclusively Out-of-State or in Interstate or Foreign Commerce;
- The Department prepared an addendum to the initial statement of reasons that further clarifies the necessity for the proposed amendments to subdivisions (a)(4), (b)(3), and (c)(1) and (2) of Regulation 1620.1 and the necessity for the provisions included in subdivisions (a)(4), (6), and (10), (b)(3), and (c)(1) and (2) of new Regulation.1620.15; and
- The Department was providing interested parties with an opportunity to submit written comments regarding the changes to the text of the proposed amendments to Regulation 1620.1, the changes to the text of new Regulation 1620.15, and/or the addendum for a period of 15 days.

The Department subsequently adopted the proposed amendments to Regulation 1620.1 and new Regulation 1620.15 with the changes provided to interested parties on March 5, 2026, and the Department did not make any further changes.

The Department did not receive any written comments regarding the proposed regulatory action, including the changes to text of the proposed amendments to Regulation 1620.1, the changes to the text of new Regulation 1620.15, and the addendum, and the Department did not receive any written requests for a public hearing to comment on the proposed regulatory action.

The factual basis, specific purposes, and necessity for, the problems to be addressed by, and the anticipated benefits from the adoption of the proposed regulatory action are the

same as provided in the initial statement of reasons and further provided in the addendum.

The Department did not rely on any data or any technical, theoretical, or empirical study, report, or similar document in proposing or adopting the proposed regulatory action that was not identified in the initial statement of reasons, or which was otherwise not identified or made available for public review prior to the close of the public comment period.

In addition, the factual basis has not changed for the Department's initial determination that the proposed regulatory action will not have a significant adverse economic impact on business, the Department's determination that the proposed regulatory action is not a major regulation, as defined in Government Code (GC) section 11342.548 and CCR, title 1, section 2000, and the Department's economic impact assessment, which determined that the proposed regulatory action:

- Will neither create nor eliminate jobs in the State of California nor result in the creation of new businesses or the elimination of existing businesses within the State of California;
- Will not affect the expansion of businesses currently doing business within the State of California; and
- Will not affect the benefits of Regulations 1620.1 and 1620.15 to the health and welfare of California residents, worker safety, or the state's environment.

No Mandate Imposed on Local Agencies or School Districts

The Department has determined that the adoption of the proposed amendments to Regulation 1620.1 and new Regulation 1620.15 will not impose a mandate on local agencies or school districts, including a mandate that requires state reimbursement under part 7 (commencing with section 17500) of division 4 of title 2 of the GC.

Determination Regarding Alternatives

The Department determined that no alternative to the adoption of the proposed amendments to Regulation 1620.1 and new Regulation 1620.15 would be more effective in carrying out the purposes for which they are proposed, would be as effective and less burdensome to affected private persons than the adopted regulations, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law.

The Department did not reject any reasonable alternative to the proposed amendments to Regulation 1620.1 and new Regulation 1620.15 that would lessen any adverse impact the proposed regulatory action may have on small business.

No reasonable alternative has been identified and brought to the Department's attention that would lessen any adverse impact the proposed action may have on small business, be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposed action.