



New Online System is Live!

What is New? What Do I Need to Do?

On May 7, 2018, our new Online Services System went live. With our new system you will need to re-register to allow for your security code to be mailed to you to the physical address we have on file. Your current User ID and Password will not work in the new system. Until your new registration is complete, you will be able to utilize your Express Login Code (referred to now as the Limited Access Code) to perform basic functions.

What New Features Are Available With the New Online Services?

- Real-time access to account information
- Filing and payment history
- Secure messaging
- Account maintenance
- Amend a return (for filing periods beginning May 2018)
- File a claim for refund or a petition for redetermination
- Add a contact
- Request a Power of Attorney

What Tax Programs Were Transitioned to the New Online Services?

- Sales and Use Taxes
- Prepaid Mobile Telephony Services Surcharge (other than telecommunication service suppliers)
- Lumber Products Assessment
- Cigarette and Tobacco Products Retailer Licensing Fee
- Cigarette and Tobacco Products Internet Purchases
- Covered Electronic Waste (eWaste) Recycling Fee
- California Tire Fee

Our remaining tax programs will be moved into the new system in the spring of 2019 and 2020. During the transition phase, our website will direct you to the correct login page based upon the account type.

Cannabis Tax Updates

New tab on our online cannabis guide

Our *Tax Guide for Cannabis Businesses* located on our website at www.cdtfa.ca.gov/industry/cannabis.htm has a new tab that provides additional information for the cannabis industry. The new *Tax Facts* tab addresses specific issues that the cannabis industry may be facing. The CDTFA continually updates the guide as more information becomes available.

Sign up to receive cannabis updates

Additionally, the *Tax Facts* are emailed to our Cannabis Outreach Subscribers. To ensure you receive the latest *Tax Facts*, along with news on cannabis tax compliance and related issues like CDTFA special notices, news releases, and proposed regulatory changes, please sign up for our Cannabis Outreach email listserve at www.cdtfa.ca.gov/subscribe.

New Sales and Use Tax Rates Operative April 1, 2018

The tax rate changes listed below apply only within the indicated city or county limits. The new tax rates are available to view and download as a spreadsheet, on our webpage [California City & County Sales & Use Tax Rates](#). Go to our website at www.cdtfa.ca.gov and select *Tax and Fee Rates* then choose *Sales and Use Tax Rates* (scroll down to "Download" for the spreadsheet).

To find the specific tax rate for your area or business location, go to the [California City & County Sales & Use Tax Rates](#) webpage on our website and select *Find a Sales and Use Tax Rate by Address* under the Current Tax Rates section. You may also call our Customer Service Center at 1-800-400-7115 (TTY:711) where representatives are available to assist you Monday through Friday from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.

DISTRICT TAX RATE INCREASED				
Citywide	New Code	Acronym	Prior Rate	New Rate
City of Burlingame (located in San Mateo County)	623	BUEG	8.750%	9.000%
City of Farmersville (located in Tulare County)	629	FAMG	8.250%	8.750%
City of Hawthorne (located in Los Angeles County)	611	HAWG	9.500%	10.250%
City of Larkspur (located in Marin County) ¹	613	LSGT	8.750%	9.000%
City of Palm Springs (located in Riverside County)	621	PLSS	8.750%	9.250%
City of Santa Barbara (located in Santa Barbara County)	625	SBIG	7.750%	8.750%
City of Vacaville (located in Solano County) ²	557	VCGT	7.625%	8.125%
City of Woodlake (located in Tulare County)	627	WLKG	7.750%	8.750%
Countywide	New Code	Acronym	Prior Rate	New Rate
Mendocino County (The rate applies in all unincorporated areas)	615	MMHT	7.375%	7.875%
City of Fort Bragg	616		8.375%	8.875%
City of Point Arena	617		7.875%	8.375%
City of Ukiah	618		8.375%	8.875%
City of Willits	619		7.875%	8.375%
DISTRICT TAX RATE DECREASING				
City	New Code	Expiring Acronym	Prior Rate	New Rate
City of La Mirada (located in Los Angeles County) ³	594	LMGT	10.250%	9.500%
City of Nevada City (located in Nevada County)	630	NVGT	8.750%	8.375%

¹ The city increased its existing tax (LKSG) of 0.50 percent to 0.75 percent and extended the expiration date indefinitely, for a net increase of 0.25 percent in the total tax rate.

² The city increased its existing tax (VACG) of 0.25 percent to 0.75 percent and extended the expiration date for 20 years, for a net increase of 0.50 percent in the total tax rate.

³ The 0.25 percent Measure H district tax (LACH) will become operative in the City of La Mirada upon expiration of the city district tax.

Note: Two other existing district taxes were extended by voters in November 2017:

- Stanislaus County (STCL) 0.125 percent tax set to expire June 30, 2018, will be extended for 12 more years until June 30, 2030.
- The City of El Monte in Los Angeles County (EMGF) 0.50 percent tax set to expire March 31, 2019, will be extended until March 31, 2029.



New District Tax Codes for Napa County and District Tax Extended in Stanislaus County Operative July 1, 2018

The information listed below applies only within the indicated city or county limits. The new tax codes, acronym, and expiration date will be available to view and download as a spreadsheet prior to July 1, 2018, on our webpage entitled [California City & County Sales & Use Tax Rates](#). Go to our website at www.cdtfa.ca.gov and select *Tax and Fee Rates*, then choose *Sales and Use Tax Rates* (scroll down to "Download" for the spreadsheet).

To find the specific tax rate for your area or business location, go to the [California City & County Sales & Use Tax Rates](#) webpage and select *Find a Sales and Use Tax Rate by Address* under the *Current Tax Rates* section. (*Please note: The new rates will not be available here until July 1, 2018.*) You can also call our Customer Service Center at 1-800-400-7115 (TTY:711) where representatives are available to assist you Monday through Friday from 8:00 a. m. to 5:00 p.m. (Pacific time), except state holidays.

NEW DISTRICT TAX CODES AND ACRONYM				
Countywide	Code	Acronym	Rate	New Rate
Napa County ¹ (The rate applies in all unincorporated areas and any cities in Napa County that do not have district taxes)	631	NVTA	7.75%	7.75%
City of St. Helena (located in Napa County)	632		8.25%	8.25%

¹ There is no change in the tax rate in Napa County. The existing 0.50 percent tax (NCFP) will expire, and a new 0.50 percent tax (NVTA) will become operative as of July 1, 2018. The old codes for Napa County (065) and the City of St. Helena (501) should not be used on or after July 1, 2018.

Additionally, the Stanislaus County (STCL) 0.125 percent tax set to expire June 30, 2018, was extended to June 30, 2030, by California voters on November 7, 2017. There is no change to the tax rate and the existing codes will continue to be used.

New Reporting Requirement for Sales Made on State-Designated Fairgrounds Effective July 1, 2018

Effective July 1, 2018, if you are a retailer who makes sales of tangible personal property on the real property of a state-designated fair (state-designated fairground), you must separately state the amount of those sales on your sales and use tax return ([Assembly Bill 1499](#)). The separately reported amount will be used for funding allocation purposes only. *There is no additional tax or fee due on these sales.*

New reporting requirement

The separately stated amount must include sales that take place at any time and at any event on the state-designated fairground, not just during an actual fair.

Sales that take place on state-designated fairgrounds include over-the-counter sales on the fairgrounds and also may include sales in which the property is shipped or delivered to or from the fairground. For more information about sales that are considered to take place on the fairgrounds, please see our [Tax Guide for Reporting Requirement for Sales on State-Designated Fairgrounds](#) webpage at www.cdtfa.ca.gov/industry/state-fairgrounds.htm.

How to separately report state-designated fairground sales

Starting July 1, 2018, the online and paper returns will include an additional line for you to report sales that take place on a state-designated fairground. Reporting an amount on this line does not change the way you fill out any other part of the return. You should continue to report the amounts from these transactions as you currently do, and in addition, report them on the new line for fairground sales.

When filing your return online, you will be asked whether you made any sales of tangible personal property on a state-designated fairground. If you select:

- **Yes.** You will be taken to the next screen which will ask you to enter the amount of sales of tangible personal property you made on a state-designated fairground. Instructions and a link to a complete list of state-designated fairgrounds will be provided on this screen to assist you in completing this field. After you enter the amount, you will then proceed to the next screen to complete all other areas of your return.
- **No.** You will proceed to the next screen to complete all other areas of your return as you did prior to this new requirement.

For more information on the new reporting requirement and to see a list of the fairgrounds in this state, please see [Tax Guide for Reporting Requirement for Sales on State-Designated Fairgrounds](#) webpage at www.cdtfa.ca.gov/industry/state-fairgrounds.htm.



Limited Tax Exclusion for Pawnbrokers

As of June 27, 2017, certain transfers by pawnbrokers may no longer be subject to tax. [Revenue and Taxation Code \(RTC\) section 6010.15](#) now provides that when a pawnbroker transfers property back to the person that had pledged the property to the pawnbroker as security for a loan, it is no longer taxable under certain conditions.

New law

As of June 27, 2017, through December 31, 2021, tax does not apply to transactions in which a borrower buys back their pledged property from a pawnbroker if all of the following conditions are met:

- The buyback occurs within 6 months of the borrower defaulting on the loan (the date title to the property vests with the pawnbroker).
- The borrower pays the remaining unpaid loan balance, including any charges and interest, as of the date the borrower defaults, together with one of the following:
 - For loans of less than \$2,500, the borrower must pay the allowable charges and interest from the date of default to the date the borrower buys back the pledged property.
 - For loans of \$2,500 or more, the borrower must pay charges and interest due based on the last monthly contractual interest rate from the date of default to the date the borrower buys back the pledged property.
- The borrower has proof, such as a receipt or similar document, that they originally paid sales tax on the item.

For more information on charges and interest allowed by pawnbrokers, please refer to [Chapter 2 \(Pawnbroker Regulations\) of Division 8 of the California Financial Code](#).

Registration

If you are a pawnbroker and do not already hold a seller's permit, you are required to register with the CDTFA to report and pay sales tax on your merchandise sales sold at retail or on consignment. To register, please visit our website at www.cdtfa.ca.gov and select *Register*.

CDTFA regulatory process

The CDTFA may revise [Regulation 1569, Consignees and Lienors of Tangible Personal Property for Sale](#), to implement the changes provided in RTC section 6010.15. If you would like to receive notices of interested parties meetings and other materials for this issue, please email your request to: BTFD-BTC.InformationRequests@cdtfa.ca.gov.

For more information

If you have additional questions regarding this change, you may call our Customer Service Center at 1-800-400-7115 (TTY:711). Customer service representatives are available Monday through Friday from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.

Message from the Taxpayers' Rights Advocate

The dedicated team in the Taxpayers' Rights Advocate (TRA) Office stands ready to assist taxpayers and fee payers when they are unable to resolve matters through normal channels.

If you have suggestions for improving CDTFA services or changing a tax or fee policy or procedure, please come share your ideas and concerns at the CDTFA's Annual Taxpayers' Bill of Rights meeting. You are also invited to comment on any issues identified in the Taxpayers' Rights Advocate's Annual Report, available at www.cdtfa.ca.gov/tra.

The 2018 Taxpayers' Bill of Rights meeting will be held on July 11, in Sacramento. The meeting will begin at approximately 9:00 a.m.

Although you are not required to make advance arrangements to speak, it will help us to prepare if you contact the TRA Office at 1-888-324-2798 or via the email link at www.cdtfa.ca.gov/tra beforehand to let us know your topic. You are welcome to submit written comments for the public record without appearing at the meeting. To learn more about the meeting, please visit the CDTFA's Taxpayers' Bill of Rights Meetings webpage at www.cdtfa.ca.gov/tra/tbor-meetings.htm.

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
(TTY: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.

California Department of Tax and Fee Administration

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