

**Notice of Changes to the Text and Addendum to the Initial 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**

To Interested Parties,

Notice is hereby given that the California Department of Tax and Fee Administration (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 has also prepared an addendum to the initial statement of reasons (ISR) for the adoption of the amendments to Regulation 1620.1 and new Regulation.1620.15.

Changes to the Text of Regulation 1620.1

The Department double underlined the word “it” in the proposed amendments to subdivision (a)(3) of Regulation 1620.1 because the word is not in the current text of the regulation and the Department is proposing to add the word “it” as part of the proposed amendments.

The Department changed the references to “subdivision (c)” in the amendments to renumbered subdivision (b)(3) of Regulation 1620.1 to refer to “subdivisions (c) and (d)” because a properly completed affidavit must satisfy the general requirements of subdivision (c) and the requirements for lessors in subdivision (d). The Department also changed “the essential elements” required by subdivisions (c) and (d) to “all the elements” required by subdivisions (c) and (d) in the amendments to renumbered subdivision (b)(3) of Regulation 1620.1 to further clarify that the Department will not presume that a manufacturer or remanufacturer accepted an affidavit in good faith, unless it satisfies all the general requirements of subdivision (c) and the requirements for lessors in subdivision (d).

The Department added a new first sentence to new subdivision (c)(2) of Regulation 1620.1 to further clarify that a purchaser may use a form provided by the Department for use as an affidavit for the Revenue and Taxation Code (RTC) section 6388 exemption but is not required to use such a form. The Department also changed the reference to “subdivision (c)” in new subdivision (c)(2) of Regulation 1620.1 to refer to “subdivisions (c) and (d)” because a properly completed form provided by the Department for use as an affidavit will satisfy the general requirements of subdivision (c) and the requirements for lessors in subdivision (d).

The Department deleted the underline from the comma after the word “state” in the proposed amendments to subdivision (c)(3) of Regulation 1620.1 because the comma is in the current text

of the regulation and the Department is proposing to delete the comma as part of the amendments.

The Department also added references to Government Code (GC) sections 15570.22 and 15570.24 and RTC section 20 to Regulation 1620.1's authority note because those statutes clarify that the references to the "board" in RTC section 7051 mean the Department. (ISR, footnote 1.)

Changes to the Text of Regulation 1620.15

The Department underlined the text of new Regulation 1620.15 to illustrate that it is all new text proposed to be added to the CCR.

The Department added "or leasing" to subdivision (a)(1) of new Regulation 1620.15 because the Department previously determined that the term "dealer" includes a person in the business of selling or leasing vehicles. (ISR, pp. 5 and 8.) The Department added new subdivision (a)(2) to new Regulation 1620.15 to define "Department" to mean the California Department of Tax and Fee Administration because the Department previously determined that it was necessary to clarify the meaning of the references to the "Department" in the regulation. (ISR, pp. 8.) The Department also renumbered old subdivision (a)(2) of new Regulation 1620.15 as new subdivision (a)(3) and deleted old subdivision (a)(3) from Regulation 1620.15 because the Department previously determined that it is not necessary to define lessee in the regulation.

The Department replaced subdivisions (a)(10)(A), (B), and (C) of new Regulation 1620.15 with new subdivisions (a)(10)(A)(i), (ii), and (iii). The changes delete the text that defined "vehicle" for purchases prior to January 1, 2020, because the Department determined that that text is no longer necessary, and the changes keep the text that defines "vehicle" for purchases on January 1, 2020, through October 7, 2023, because there are still audits and appeals regarding that period. The Department is also adding a new subdivision (a)(10)(B) to new Regulation 1620.15 to clarify that a "vehicle is mobile transportation equipment subject to the provisions of Regulation 1661, Leases of Mobile Transportation Equipment, unless excluded by Regulation 1661" because the Department previously determined that it was necessary to add the same language to the definitions of "vehicle" in renumbered subdivision (a)(4) of Regulation 1620.1 and subdivision (a)(10) of new Regulation 1620.15. (ISR, p. 12.)

The Department changed "the essential elements required by subdivision (c)" to "all the elements required by subdivisions (c) and (d)" in the second sentence of subdivision (b)(3) of new Regulation 1620.15 because the Department will not presume that a manufacturer, remanufacturer, or dealer accepted an affidavit in good faith, unless it satisfies the general requirements of subdivision (c) and the requirements for lessors in subdivision (d).

The Department added "from this state" to the end of subdivision (c)(1)(F) of new Regulation 1620.15 because the Department previously determined that it was necessary to clarify that the subdivision requires an affidavit to include the date of removal of the vehicle from this state. (ISR, p. 10.)

The Department replaced “the appropriate period of either 30 days or 75 days after the date of delivery of the vehicle to the purchaser” with “30 days after the date of delivery of the vehicle to the purchaser if the vehicle was manufactured or remanufactured outside this state or 75 days after the date of delivery to the purchaser if the vehicle was manufactured or remanufactured in this state” in subdivision (c)(1)(G) of new Regulation 1620.15 because the Department previously determined that it was necessary to specifically clarify the appropriate periods. (ISR, p. 10.)

The Department added a new first sentence to subdivision (c)(2) of new Regulation 1620.15 to further clarify that a purchaser may use a form provided by the Department for use as an affidavit for the RTC section 6388.5 exemption but is not required to use such a form. The Department replaced the reference to the “California Department of Tax and Fee Administration” with a reference to “Department” in second sentence in subdivision (c)(2) of new Regulation 1620.15. The Department also changed the reference to “subdivision (c)(1)” in the second sentence in subdivision (c)(2) of new Regulation 1620.15 to refer to “subdivisions (c)(1) and (d)” because a properly completed form provided by the Department for use as an affidavit will satisfy the general requirements of subdivision (c)(1) and the requirements for lessors in subdivision (d).

The Department inserted “include” in the second sentence in subdivision (c)(3) of new Regulation 1620.15 because the word was inadvertently omitted and the sentence is incomplete without it.

The Department also added references to GC sections 15570.22 and 15570.24 and RTC section 20 to new Regulation 1620.15’s authority note because those statutes clarify that the references to the “board” in RTC section 7051 mean the Department. (ISR, footnote 1.)

Reasons for the Addendum

The addendum further clarifies the necessity for the proposed amendments to subdivisions (a)(4), (b)(3), and (c)(1) and (2) of Regulation 1620.1 provided in the ISR. The addendum also further clarifies the necessity for the provisions included in subdivisions (a)(4), (6), and (10), (b)(3), and (c)(1) and (2) of proposed new Regulation 1620.15 provided in the ISR.

Text of the Changes

The Department has prepared a revised version of the text of the proposed amendments to Regulation 1620.1 with the changes clearly indicated in double strikeout and double underline format, except for the changes that deleted the underline from the comma after the word “state” in the proposed amendments to subdivision (c)(3). The Department has also prepared a revised version of the text of the new Regulation 1620.15 with the original text in single underline and the changes clearly indicated in double underline and double strikeout format. The Department is also making the addendum and revised versions of the text of the proposed amendments to Regulation 1620.1 and new Regulation 1620.15 available to the public by placing them in the rulemaking file and posting them on the Department’s website at www.cdtfa.ca.gov. If you wish to review the rulemaking file, it is available for your inspection at 651 Bannan Street, Suite 100,

Sacramento, California, from 8:00 a.m. to 5:00 p.m. Monday through Friday, excluding state holidays.

Contact Persons

Questions regarding the substance of the changes to the text of the proposed amendments to Regulation 1620.1, changes to the text of new Regulation 1620.15, and the addendum should be directed to Robert Prasad, Program Policy Specialist, by telephone at (916) 309-5296, by e-mail at PPDD-BTC.InformationRequests@cdtfa.ca.gov, or by mail at California Department of Tax and Fee Administration, Attn: Robert Prasad, MIC:50, 651 Bannon Street, Suite 100, PO Box 942879, Sacramento, CA 94279-0050.

Written comments regarding the changes to the text of the proposed amendments to Regulation 1620.1, changes to the text of new Regulation 1620.15, and the addendum, and other inquiries concerning the proposed regulatory action should be directed to Ms. Kim DeArte, Regulations Coordinator, by telephone at (916) 309-5227, by fax at (916) 322-2958, by e-mail at CDTFARegulations@cdtfa.ca.gov, or by mail at California Department of Tax and Fee Administration, Attn: Kim DeArte, MIC: 50, 651 Bannon Street, Suite 100, PO Box 942879, Sacramento, CA 94279-0050. Kim DeArte is the designated backup contact person to Robert Prasad.

Written Comments Regarding the Changes

Any interested person may 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. The written comment period ends on March 20, 2026. The Department will consider the statements, arguments, and/or contentions contained in written comments regarding the changes to the text of the proposed amendments to Regulation 1620.1, changes to the text of new Regulation 1620.15, and the addendum that are received by Ms. DeArte at the postal address, email address, or fax number provided above, prior to the close of the written comment period, before the Department decides whether to adopt the revised versions of the proposed amendments to Regulation 1620.1 and new Regulation 1620.15.