

Tax Information for City and County Officials

Local Sales and Use Tax Transactions (Sales) and Use Tax

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PREFACE

We have prepared this publication to explain how the Board of Equalization (BOE) administers laws that govern locally imposed sales or transactions, and use taxes. The information is designed to help city and county officials understand tax programs and how they can use our services. We have also included information on annexation procedures as they relate to sales, transactions, and use tax programs.

If you have questions that are not answered in this publication, please visit www.boe.ca.gov or call our Taxpayer Information Section at 800-400-7115. Customer service representatives are available to answer your questions weekdays between 8:00 a.m. and 5:00 p.m. (Pacific time), except state holidays.

We welcome your suggestions for improving this or any other publication. Please send your suggestions to:

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To contact your Board Member, see www.boe.ca.gov/members/board.htm.

Note: This publication summarizes the law and applicable regulations in effect as of the date of printing. However, changes in the law or in regulations may occur. If there is a conflict between the text in this publication and the law, the law will always be controlling.

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STATE, LOCAL, AND DISTRICT TAXES

The BOE administers local taxes under the *Bradley-Burns Uniform Local Sales and Use Tax Law* and district taxes under the *Transactions and Use Tax Law*, which are divisions of the Revenue and Taxation Code.

Recent Developments

Effective October 23, 2009, Revenue and Taxation Code section 6225, *Registration for Use Tax*, requires that a “qualified purchaser” be registered with the BOE and report and pay use tax owed. Under this new legislation, a “qualified purchaser” means a person that receives at least \$100,000 in gross receipts per calendar year, is not required to hold a seller’s permit or certificate of registration, is not a holder of a use tax direct payment permit, or is not registered with BOE to report use tax.

As of July 1, 2009, the Public Utilities Code, section 130350.5, allows the County of Los Angeles to impose an additional .50 percent (1/2 percent) transactions and use tax for up to 30 years. The Public Utilities Code allows Los Angeles County to impose up to 2.5 percent in additional transactions and use tax while all other counties may impose up to 2 percent.

Effective April 1, 2009, the Budget Stabilization Constitutional Amendment added Revenue and Taxation Code sections 6051.7 and 6201.7 increasing the state sales and use tax rate on the sale of, and on the storage, use or other consumption of, tangible personal property, by one percent to a rate of 7.25 percent from April 1, 2009, until July 1, 2011. This increased the statewide base tax rate to 8.25 percent.

In August 2008, the BOE established a *Statewide Compliance and Outreach Program (SCOP)*. Under this program, BOE conducts field visits of businesses in selected areas around the state for routine license checks. This program is part of a statewide effort to increase tax compliance and make sure all retailers are treated uniformly.

Effective January 1, 2008, section 7269, *Limitation on Redistributions of District Taxes*, was added to the Revenue and Taxation Code. This section establishes a limiting statute on redistribution of district tax similar to the limiting statutes of local tax jurisdictions which have been in effect since 1959 under section 7209. Section 7269 limits a redistribution of district tax to two quarterly periods prior to the BOE obtaining knowledge of an improper distribution.

[Regulation 1807](#), *Petitions for Reallocation of Local Tax* and [Regulation 1828](#), *Petitions for Distribution or Redistribution of Transactions and Use Tax*, were amended to change the review and appeals process of the petitions. Regulation 1828 also clarifies the limitation period for redistributions. A three-year statute of limitations is applicable for redistributions where the date of knowledge is prior to January 1, 2008. As of January 1, 2008, redistributions can only include amounts from the two calendar quarters prior to the date of knowledge.

[Regulation 1802](#), *Place of Sale and Use for Purposes of Bradley-Burns Uniform Local Sales and Use Taxes*, changed the place of sale for sales of jet fuel. Prior to January 2008, for retailers who had only one place of business in California, or those that negotiated their sales out of state, the local tax on jet fuel sales was allocated according to a company’s physical location where the sale or purchase was made. As of January 1, 2008, the “place of sale” is now the point of delivery where the fuel is pumped into the aircraft.

[Regulation 1802\(c\)\(2\)](#), *Place of Sale and Use for Purposes of Bradley-Burns Uniform Local Sales and Use Taxes*, and [Regulation 1699\(a\)](#), *Permits*, were changed to broaden the conditions where warehouse selling locations are issued permits.

1. Out-of-State Retailer whose California presence is limited to a “stock of goods” location:

Regulation 1802(c)(2) states, “If an out-of-state retailer does not have a permanent place of business in this state other than a stock of tangible personal property, the place of sale is the city, county, or city and county from which delivery or shipment is made. Local tax collected by the BOE for such sales will be distributed to that city, county, or city and county.”

According to [Regulation 1699](#):

- A permit is required for each stock of goods location making retail deliveries in California consistent with retail sales orders negotiated out-of-state.
- Local tax on these orders must be allocated to the stock of goods location from which delivery is made.
- Permits are assigned Account Characteristic Code 007.

2. Out-of-State Retailer whose California presence is not limited to a stock of goods location.

If a retailer has a permanent place of business in this state in addition to its stock of goods location, “the place of sale, in cases where the sale is negotiated out-of-state and there is no participation by the retailer’s permanent place of business in this state, is the city, county, or city and county from which delivery or shipment is made. Local tax collected by the BOE for such sales will be distributed to the city, county, or city and county from which delivery or shipment is made.”

- A permit is required for each stock of goods location making retail deliveries in California according to retail sales orders negotiated out-of-state.
- Local tax on these orders must be allocated to the California stock of goods location from which delivery is made.
- Permits are assigned Account Characteristic Code 026.
- Sales orders negotiated at California locations, delivered from an in-state stock of goods, must continue to be allocated to the place where the principal negotiations for the sale take place.

Table 1

Allocation Guidelines for Allocation of Local Tax – Warehouse Sales

Sales are Negotiated	Merchandise Shipped From	Shipping Terms	Allocation Procedure
In California	California Inventory	Any	On Schedule C – Opposite the location where sales were negotiated
In California	Out-of-State Inventory	FOB Destination	
Outside California	California Inventory owned by the seller	Any	On Schedule C – Opposite the location the goods were shipped from
Outside California	Out-of-State Inventory	FOB Shipping Point	On Schedule B – Opposite the county of destination
Outside California	Out-of-State Inventory	FOB Destination	
In California	Out-of-State Inventory	FOB Shipping Point	On Schedule B – Opposite the county of destination
Outside California	(Drop shipments) Inventory owned by the supplier	Any	On Schedule B – Opposite the county of destination

Please note: For allocation of local tax, the place that the sale is negotiated is considered to be the place that the order is taken, without regard to the fact that the order must be forwarded elsewhere for acceptance, approval of credit, shipment, or billing. In those instances where orders are not taken at a registered place of business (orders taken by traveling sales people), the place of sale will be considered to be the place of business to which sales people report.

Statewide Sales and Use Taxes

Under the California Sales and Use Tax Law, the sale of tangible personal property is subject to sales or use tax unless exempt or otherwise excluded. When the sales tax applies, the use tax does not apply and the opposite is true. The sales tax is imposed on all retailers for the privilege of selling tangible personal property in the state of California and is measured by the retailer’s gross receipts. Use tax is imposed on the purchaser of tangible personal property from any retailer not required to pay sales tax to the state, for storage, use, or other consumption in this state and is measured by the sales price of the property purchased. However, if an out-of-state retailer is engaged in

business in this state, it is required to register with the BOE and collect the use tax from the purchaser at the time of making the sale.

Components of the Statewide Sales and Use Tax

There is an 8.25 percent statewide sales and use tax base rate that is collected by the BOE. The base rate is composed of a state portion and a local portion for cities and counties.

Since April 1, 2009, the state portion has been seven percent while the Bradley-Burns local sales and use tax rate has been 1.25 percent (one percent local and 0.25 percent county transportation fund). The following table shows the tax components and their authorizing Revenue and Taxation Code sections.

Table 2

Components of the Statewide Sales and Use Tax Rate

Jurisdiction (Fund)	R&T Code	Pre-4/1/09 Rate	Post-4/1/09 Rate
State (General Fund)	6051, 6201	4.75%	4.75%
State (Local Revenue Fund, SLRF)	6051.2, 6201.2	0.50%	0.50%
State (Local Public Safety Fund, LPSF)	S. 35, Art. XIII	0.50%	0.50%
State (General Fund, ASUT)	6051.3, 6201.3	0.25%	0.25%
State (Fiscal Recovery Fund)	6051.5, 6201.5	0.25%	0.25%
Local (County Transportation Fund)	7203.1	0.25%	0.25%
Local (City or County Operations)	7203.1	0.75%	0.75%
State (Budget Stabilization Fund)	6051.7, 6201.7	0.00%	1.00%
BASE STATEWIDE RATE		7.25%	8.25%

The state has deposited the 0.25 percent state tax increase into the Fiscal Recovery Fund to pay for bonds issued for deficit reduction. Cities and counties will be reimbursed for the 0.25 percent reduction to local sales and use tax revenues in January and May of each year using property tax revenues collected and disbursed by their respective counties. The reduction to the local sales and use tax rate will continue until the Director of Finance notifies the BOE that the State of California's obligations for the bonds have been satisfied.

Taxpayers have not changed how they allocate and report the local sales and use tax on their returns and accompanying schedules. The BOE is handling the necessary adjustments for the 0.25 percent reduction administratively.

Of the one percent local portion, cities and counties are able to use 0.75 percent to support general operations. The remaining 0.25 percent is designated by statute for county transportation purposes and may be used only for road maintenance or the operation of transit systems. Counties have been receiving this 0.25 percent for transportation purposes since 1972 when sales tax was first levied on gasoline.

The state sales and use tax rate is subject to change upon action by the California Legislature. The rates quoted in this publication are correct as of the date of printing; however, you should consult with one of our local field offices if you have questions regarding rate changes.

Redevelopment Agencies

Redevelopment agencies are dedicated to improving California communities by combating the blight in declining neighborhoods and business districts. Beginning January 1, 1986, redevelopment agencies were authorized to impose a sales and use tax at a rate of one percent or less, to be credited against the city's sales and use tax. Effective January 1, 1994, the law authorizing the creation of new redevelopment agencies for sales and use tax purposes was repealed. Some redevelopment agencies that were approved prior to that date remain in effect and continue to receive sales and use tax revenues. New redevelopment agencies are still permitted for property tax purposes.

District Taxes

In addition to the state and local taxes, the BOE administers transactions (sales) and use taxes for voter-approved special taxing districts. In two elections that were held on April 13, 2010, and June 8, 2010, voters approved five new district taxes that became operative October 1, 2010.

As of October 1, 2010, there are 119 special taxing districts in the state with tax rates for each district ranging from 0.10 percent to one percent. Of these districts, there are 18 city-county combinations and 10 counties with multiple district taxes in effect. The statewide tax rate where there are no special taxes in effect is 8.25 percent. The combined state, local, and special district tax rates range from 8.375 percent (Nevada, Solano, and Stanislaus Counties) to a current maximum (in the cities of Pico Rivera and South Gate) of 10.75 percent.

SALES TAX COMPARED TO USE TAX

Sales Tax Allocation

Local tax allocation is based on whether the transaction is subject to sales tax or use tax. The sale is subject to sales tax if the retailer's registered place of business in California participates in the sale and title of the goods passes to the customer within this state. If both conditions are not met, the applicable tax is use tax. Local tax allocation procedures differ between sales and use tax. The allocation of local sales tax is determined by the nature of the participation of the retailer's registered place of business in the sale.

If a retailer has one registered place of business in California and it participates in the sale, the local sales tax is allocated to the jurisdiction in which that place of business is located.

If a retailer has more than one registered place of business in California and only one place of business participates in the sale, the local sales tax is allocated to the jurisdiction where that place of business is located. However, if more than one place of business participates in the sale, the local sales tax is allocated to the jurisdiction in which that place of business is located where the principal negotiations are carried out.

In order to receive a seller's permit for a location from the BOE, a place of business must:

- Be one in which the retailer has a proprietary interest (that is, ownership or lease).
- Be a location where employees customarily negotiate sales.
- Be one in which the retailer has employees permanently stationed or attributed there.

or

- Be a location where a stock of goods is held in California and from which deliveries are made by the seller's personnel according to orders placed out of state. (Effective April 1, 2006, sellers with California sales locations are required to have seller's permits for such stock of goods locations even though in-state offices are maintained.)

When a retailer obtains a seller's permit for a place of business, a tax area code is assigned to identify the business location. Generally, the local sales tax is allocated to the assigned tax area code of the taxpayer's registered place of business. When a sale cannot be identified with a permanent place of business in this state, the local sales tax is allocated to the local jurisdictions through countywide or statewide pools. Accordingly, certain sellers are authorized to report their local sales tax either on a countywide or statewide basis. These may include auctioneers, construction contractors making sales of fixtures, catering trucks, itinerant vendors, vending machine operators, and other permit holders who operate in more than one local jurisdiction, but are unable to readily identify the particular jurisdiction where the taxable transaction takes place. Special allocation procedures apply to auctioneers and construction contractors in specific circumstances (see [Exhibit A](#)).

Use Tax Allocation

Use tax is imposed on the purchase for storage, use, or other consumption in this state of tangible personal property purchased from a retailer. When title to property transfers to the California customer outside this state, the transaction is subject to use tax regardless of whether any registered place of business of the retailer participates in the sale. The local use tax is generally allocated through a countywide pool to the local jurisdictions in the county where the property is put to its first functional use. The ship-to-address is presumed to be the place of use. Examples of taxpayers who report use tax allocated through the countywide pool include construction contractors who are consumers of materials used in the improvement of real property and whose job site is regarded as the place of business, out-of-state sellers who ship goods directly to consumers in the state from a stock of goods located outside the state, and California sellers who ship goods directly to consumers in the state from a stock of goods located outside the state.

Local use tax reported on line 2 of the sales and use tax return should be reported by the retailer using the tax area code assigned to the registered business location if the use is made at that registered business location; otherwise, it should be reported to the county of use. Local use tax may be directly allocated to the jurisdiction of use in certain circumstances (see [Special Allocation Procedures](#)).

Sales Made Through the Internet

As the volume of Internet commerce continues to increase, more and more local jurisdictions are expressing concern over prospective reductions in sales and use tax revenue. Internet retailers located in California are required to pay sales and use tax and report local tax revenues like other retailers. Use tax applies to purchases over the Internet from out-of-state retailers the same way as it does to purchases made by telephone and mail order. That is, if the Internet retailer has the necessary physical presence (nexus) in California, they are considered to be engaged in business in this state and must collect use tax when goods are delivered to purchasers in this state.

SPECIAL ALLOCATION PROCEDURES

Use Tax Direct Payment Permits

Effective January 1, 1998, section 7051.3 was added to the Revenue and Taxation Code, to create the *Use Tax Direct Payment Permit*, which, under specified circumstances, we may issue to qualified taxpayers. Applicants must certify to us either of the following:

- The applicant is the purchaser for its own use or is the lessee of tangible personal property (generally excluding vehicle leases) at a cost of \$500,000 or more in the aggregate during the calendar year immediately preceding the application for the permit; or
- The applicant is a county, city and county, or redevelopment agency. For your convenience, we have included [BOE-400-DP, Application for Use Tax Direct Payment Permit](#), in this publication as [Exhibit B](#).

Holders of a *Use Tax Direct Payment Permit* may issue a use tax direct payment exemption certificate to any registered retailer or seller from whom they make purchases that are subject to use tax. Subsequently, holders must self-assess and report the use tax due on the purchase(s) for which the certificate was issued. The local use tax will be reported and subsequently distributed to the jurisdiction in which the first functional use of the tangible personal property occurs, rather than through the countywide pooling process.

Please note: This provision applies to use tax transactions only. Exemption certificates may not be issued if the transaction is subject to sales tax. Visit our [website](#) for the full text of the statute or call our Audit and Information Section at 916-324-2883 for more information.

Leases

Generally, the tax on leases of tangible personal property is use tax. Therefore, local tax on rental receipts should be reported to the local taxing jurisdiction where the property is used. For many lessors, because of the type and characteristics of property leased and the method of recordkeeping, it may be extremely difficult or even impossible to determine the precise location where the property is actually used. Accordingly, administrative guidelines have been established to determine the reporting of local use tax on leases of equipment other than motor vehicles.

Regardless of whether those leases are negotiated in state or out of state, the local use tax is reported by the taxpayer on [BOE-531, Schedule B—Detailed Allocation by County of 1% Uniform Local Sales and Use Tax](#), opposite the county of use. For taxpayers who maintain a single permanent place of business and make short-term leases of tangible personal property, the local use tax should be reported to the taxpayer's place of business. See [Table 2](#) for more information.

Table 3

Local Tax Allocation Guidelines for Leases

Lease Type and Place Negotiated	Allocation Guidelines
Mobile Transportation Equipment (MTE): Lease negotiated in state	Local use tax allocated to lessor's place of business on Schedule C.
MTE: Lease negotiated out of state	Local use tax allocated on Schedule B opposite county of use.
General equipment: Lease negotiated in state or out of state	Local use tax allocated on Schedule B opposite county of use.

Long-Term Leases of New Passenger Motor Vehicles

Section 7205.1 of the Revenue and Taxation Code sets forth rules for local tax reporting regarding long-term leases of passenger motor vehicles, and certain types of mobile transportation equipment. A long-term lease is defined as a lease for a term exceeding four months. The provisions of section 7205.1 are summarized as follows:

- If the lessor is a California new motor vehicle dealer (defined in section 426 of the Vehicle Code), the place of use for reporting the local use tax is the dealer’s place of business.
- If the lessor is a “leasing company” as defined in Table 3, the place of use for reporting local use tax is the lessor’s place of business.
- If the lessor is not a California new motor vehicle dealer or a leasing company and purchases a vehicle from a California new motor vehicle dealer, the place of use for reporting the local use tax is the business location of the dealer from whom the lessor purchases the vehicle.
- In the case of an out-of-state lessor who purchases a vehicle from an out-of-state source and arranges for a courtesy delivery by a California dealer, the local tax will be reported as follows:
 1. If the vehicle is taken from the in-state dealer’s resale inventory, the local tax should be reported to the dealer’s place of business.
 2. If the in-state dealer does not hold title to the vehicle but merely serves to prepare the vehicle for delivery and process documentation, the local tax should be reported to the lessee’s jurisdiction via the countywide pool.
- Lessors required to report the local use tax to the location of the dealer will do so using [BOE-531-F, Schedule F—Detailed Allocation by City of 1% Uniform Local Sales and Use Tax](#), which will be provided with their sales and use tax returns.

Table 4

Local Tax Allocation for Motor Vehicle Leases, effective January 1, 1999
(Except One-Way Rental Trucks)

Type of Lessor	Type of Transaction	1% Local Tax Allocation to	
		Leases Exceeding Four Months	Leases of Four Months or Less
California new Motor Vehicle Dealer/Lessor	Lease of motor vehicle*	Dealer/Lessor’s sales location	Dealer/Lessor’s sales location
California “Leasing Company” (as defined)**		Lessor’s place of business	Lessor’s place of business
California Lessor (other than a new motor vehicle dealer or leasing company as defined)**	Lease of a motor vehicle* purchased from a California new motor vehicle dealer	Dealer/Lessor’s place of business (Schedule F)	Lessee’s place of registration (Schedule B)
	Lease of a motor vehicle* purchased from someone other than a California new motor vehicle dealer	Lessee’s place of registration (Schedule B)	
	Lease of MTE*** purchased from a California new motor vehicle dealer (except new pick up trucks rated less than one ton)	Lessor’s place of business	
Out-of-State Lessor	Lease of a motor vehicle* purchased from a California new motor vehicle dealer	California Dealer’s place of business (Schedule F)	Lessee’s place of registration (Schedule B)
	Lease of a motor vehicle* and MTE*** purchased from someone other than a California vehicle dealer	Lessee’s place of registration (Schedule B)	

* **Motor Vehicle** means any (new or used) self-propelled passenger vehicle (other than a house car) or pick up truck rated less than one ton.

** **Leasing Company** means a motor vehicle dealer/lessor that originates lease contracts and does not sell or assign the lease contracts and that has annual motor vehicle lease receipts of \$15 million or more annually for each business location.

*** **MTE (Mobile Transportation Equipment)** means equipment used for transporting persons or property for substantial distances such as railroad cars, buses, trucks and truck trailers. For a complete listing of MTE, please see [Regulation 1661](#).

- Lessors who are not California new motor vehicle dealers or who do not purchase motor vehicles from California new motor dealers shall continue to use Schedule B to report the local use tax due on long-term leases to the lessee's jurisdiction through the countywide pool.

Sales of Jet Fuel

Section 7205(b)(2) of the Revenue and Taxation code defines the place of sale for jet fuel for the purposes of allocating local sales tax. For local sales tax purposes we observe the following:

- For periods prior to January 1, 2008, this section provides that when the principal negotiations are conducted in this state and the retailer has more than one place of business in this state, the place of sale shall be the point of delivery (wingtip) of the fuel.
- For periods on or after January 1, 2008, the statute was amended to read: "In the case of a sale of jet fuel, the place at which the retail sale of that jet fuel is consummated for the purpose of a sales tax imposed by an ordinance adopted pursuant to this part is the point of the delivery of that jet fuel to the aircraft."

There is no change to the multi-jurisdictional airport allocation methods. In the case of a multi-jurisdictional airport (the airport that is owned or operated by a jurisdiction different from where the airport is located), half of the revenue goes to the city or county that owns or operates the airport and the remaining half to the city or county in which the airport is located. See special rules which apply only to San Francisco International and Ontario International airports.

[Regulation 1802\(b\)\(7\)](#) provides specific details regarding the proper allocation of the local sales tax on jet fuel. Visit www.boe.ca.gov for the full text of the statute and regulation.

Construction Contracts over \$5 Million

Under a Board resolution adopted in 1994, an installing construction contractor or subcontractor may elect to obtain a sub-permit for the job site of a contract valued at \$5,000,000 or more. This option provides local jurisdictions the opportunity to receive the local tax on materials consumed and fixtures furnished by the contractor directly, rather than through the countywide pooling process. It is important to note that participation by contractors is strictly voluntary. This is a complex subject, and if you have questions, you should contact our Local Revenue Allocation Unit for assistance at 916-324-3000.

Auctioneers

For purposes of allocating the local tax, the place of sale for auctioneers is the place where the auction is held. If the auction is held at a location other than the auctioneer's registered place of business, the following allocation guidelines should be used:

- Taxable auction sales totaling \$500,000 or more per event—local tax is reported directly to the jurisdiction where the auction occurs on schedule [BOE-530](#), *Schedule C—Detailed Allocation by Suboutlet of Uniform Local Sales and Use Tax*—combined one percent state and local tax allocation for sales locations.
- Taxable auction sales totaling less than \$500,000 per event—local tax is reported to the countywide pool where the auction occurs—on [BOE-531](#), *Schedule B—Detailed Allocation by County of 1 Percent Combined State and Uniform Local Sales and Use Tax*.

Sales or Purchases of \$500,000 or More Subject to Use Tax

Generally, interstate sales made by out-of-state retailers to California consumers are subject to use tax unless otherwise exempt. The local use tax on such interstate sales into California is usually reported opposite the county to which the goods are shipped. However, out-of-state retailers who are engaged in business in this state and collect use tax on single interstate sales of \$500,000 or more, must report the local use tax to the specific jurisdiction

in which the first functional use of the property occurs rather than through the countywide pool. This generally is presumed to be the jurisdiction to which the goods are shipped. This applies to use tax only and not to sales tax transactions.

Persons who self-report or retailers who purchase tangible personal property of \$500,000 or more per transaction from sellers who are not required to collect the tax must report the local use tax to the jurisdiction where the property is first functionally used.

For purchases of vessels or aircraft, the BOE obtains purchase information from the United States Coast Guard, Federal Aviation Administration, or County Assessors. The Consumer Use Tax Section bills the use tax based on the information received. For purchases of \$500,000 or more per transaction, the local use tax is allocated to the jurisdiction where the property is first functionally used.

SCHEDULES USED FOR REPORTING THE COMBINED ONE PERCENT STATE AND LOCAL TAX ALLOCATION

Statewide or Countywide Pool Allocations (*Schedule B*)

Some taxpayers are authorized to report their local tax either on a statewide or countywide pool basis. These taxpayers are issued an additional schedule, [BOE-531](#), *Schedule B—Detailed Allocation by County of Combined State and Uniform Local Sales and Use Tax*, with their sales and use tax return. *Schedule B* lists each county within the state of California, and sales or use tax should be entered opposite the county of sale or use, as provided by statute or regulations. At the end of each reporting quarter, the countywide pool totals are prorated, first among the cities, the redevelopment areas, and the unincorporated area of each county using the proportion that the identified tax for each city and unincorporated area of a county bears to the total identified for the county as a whole. Next, the combined total of the direct allocation and the prorated countywide pool amount is used to allocate the statewide pool amount to each city, redevelopment area, and county (see [Exhibit C](#)).

Allocations for Multiple Business Locations (*Schedule C*)

Taxpayers report the amount of local tax payable for each registered business location. When a taxpayer has retail outlets in more than one local jurisdiction, they *are issued a sub-permit for each additional location and are instructed to file an additional schedule*, [BOE-530](#), *Schedule C—Detailed Allocation by Suboutlet of Combined State and Uniform Local Sales and Use Tax*, with the sales and use tax return. Using this schedule, the taxpayer allocates the one percent combined state and local tax generated at each location. The 1/4 percent county transportation portion of the local tax rate is allocated automatically by us based on the local tax allocation information provided by the taxpayer.

Additional Special Allocation Procedures—Use Tax (*Schedule F*)

Some taxpayers are required to report local use tax to jurisdictions where they are not directly engaged in business. Examples include lessors of motor vehicles acquired from a new motor vehicle dealer, persons making sales or purchases in interstate commerce totaling \$500,000 or more per transaction, and purchasers who self-report the use tax on goods purchased from sellers who are not registered to collect the tax when the purchase price is \$500,000 or more. In the first case, the taxpayer identifies the city, county, or city and county of the new motor vehicle dealer from whom the vehicle was acquired; and in the second and third instances, the taxpayer identifies the jurisdiction where the first functional use of the property will occur (generally deemed to be the place in California where the goods are delivered). These taxpayers are issued a [BOE-531-F](#), *Schedule F—Detailed Allocation by City of 1% Combined Uniform Local Sales and Use Tax*, for reporting the above examples.

TAX AGREEMENTS AMONG LOCAL JURISDICTIONS

Sharing Local Tax from Taxpayers

True “revenue sharing” means the sharing of local tax revenues after they have been distributed. Article XIII, Section 29, of the California Constitution authorizes cities and counties to enter into revenue sharing agreements as follows:

(a) The Legislature may authorize counties, cities and counties, and cities to enter into contracts to apportion between them the revenue derived from any sales or use tax imposed by them which is collected for them by the State. Before any such contract becomes operative, it shall be authorized by a majority of those voting on the question in each jurisdiction at a general or direct primary election.

(b) Notwithstanding subdivision (a), on and after the operative date of this subdivision, counties, cities and counties, and cities may enter into contracts to apportion between them the revenue derived from any sales or use tax imposed by them pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law, or any successor provision, that is collected for them by the State, if the ordinance or resolution proposing each contract is approved by a two-thirds vote of the governing body of each jurisdiction that is a party to the contract.

As an example, a business that is located in one jurisdiction draws its customer base from a neighboring jurisdiction. The local jurisdictions involved may wish to split the revenues generated at this location.

By contrast, a retail establishment may straddle a border with sales being made in more than one jurisdiction. In this case, the neighboring jurisdictions may agree to divide the revenues for this location based on the percentage of sales occurring at each place. A separate sub-permit is issued for the same location in each jurisdiction, and the local tax is allocated accordingly. This is not considered revenue sharing, but simply a clarification of “place of sale.”

Defaulting Local Tax from City to County

Cities often make agreements to pay for services provided by the respective county by providing a percentage of the city’s local tax that we pay directly to the county. This is done in-lieu of writing a check to the county.

A city’s local tax may be imposed up to one percent (before 0.25 percent reduction per Section 7203.1). All ordinances should be based on a one percent local tax rate and we will handle the 0.25 percent reduction per section 7203.1 administratively. A city *may adopt* an ordinance to impose a local tax rate of less than one percent which will result in the city defaulting the balance of the one percent rate to the county in which the city is located. A city may amend its existing ordinance to reduce the local sales and use tax rate by the amount that will be defaulted to the county. Or a city (usually a new one) may enact a new ordinance setting its tax rate at less than one percent at the outset. In either case, the city must enact an ordinance reducing the local sales and use tax rate by the amount that will be defaulted to the county. For example, City A, which is located in County B, currently received 100 percent of the one percent local tax imposed in that city. The new ordinance states that City A will receive 95 percent of the local tax, and County B will receive five percent. As a result, the city’s rate would be 0.95 percent, and the county’s 0.5 percent. In addition to a certified copy of the city’s ordinance, we require a copy of the county’s ordinance or other confirming document.

ADMINISTRATIVE CHARGES AND COSTS

BOE Administrative Charges

We are required to charge each city, city and county, county, redevelopment agency, and special taxing district for the services we provide in administering the local entity's tax ordinance. We determine the amount to be charged with the agreement of the Department of Finance, based on the local entity's total computed cost, including direct, shared, and central agency costs. We then deduct these costs from the quarterly tax distributions.

Computation of Costs

When the amount of local tax collected for each jurisdiction has been computed, and the amounts for cities engaged in revenue sharing plans with their respective counties have been reduced accordingly, the state's administrative cost is deducted from each jurisdiction's total due.

As provided by Revenue and Taxation Code sections 7204.3 and 7273, the BOE charges each city, city and county, redevelopment agency, and special taxing district a fee based on the cost of administering the local entity's tax ordinance. The amount charged is calculated using the legislatively approved costing model and includes direct, indirect, and central agency charges.

The current year fee is based upon the estimated cost of the sales tax program and revenue estimates for each local entity. Once actual costs and revenues are known, the difference between the current year billing and actual cost (plus or minus) is included as an adjustment to a subsequent current year assessment. This ensures that each jurisdiction is charged the actual cost.

The current year fee is billed quarterly and deducted from revenue received on behalf of the local entity.

For additional information regarding the computation of administrative costs, please contact our Budget Section at 916-445-1184.

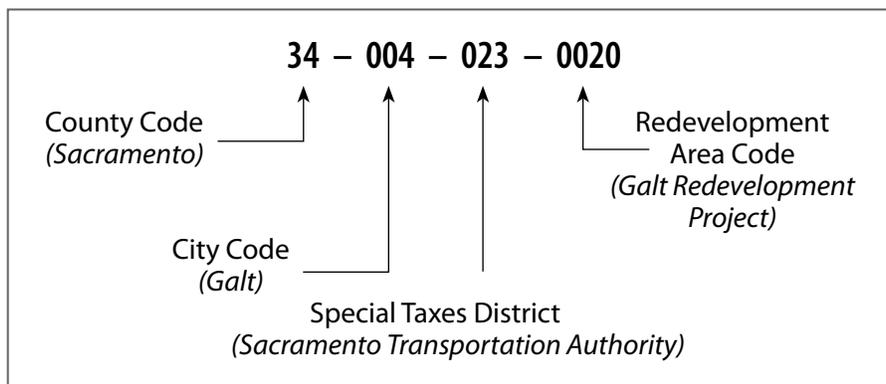
USING TAX AREA CODES TO DISTRIBUTE LOCAL TAXES

Role of Tax Area Codes

Accurate tax area coding is critical to the allocation process because it is the basis for distributing tax revenue collected to the place of sale or use. Each city, city and county, county, special taxing district, and redevelopment area is identified by a 12-digit area code assigned to the business address. Our area code specialists verify business addresses with maps provided by the cities and counties to ensure that proper tax area codes are assigned. Business addresses that cannot be properly identified by the use of available maps are researched further with the aid of property tax parcel maps and local jurisdiction representatives.

Example A

Sample Tax Area Code



Tax Area Code Structure

The tax area code identifies the county and city in which a business is located, as well as the special taxing district(s) and redevelopment area, if applicable. Above is an example of the 12-digit tax area code for an area within the City of Galt.

To avoid incorrect allocation of revenue, cities and counties should bring questionable tax area coding items to our attention to establish a “date of knowledge” as soon as possible. Since the law prohibits redistribution of misallocated local funds beyond three quarterly periods preceding the date of knowledge of the misallocation, prompt notification is essential.

Date of Knowledge for Redistribution of Local Sales and Use Tax

Section 7209 of the Bradley-Burns Uniform Local Sales and Use Tax Law provides as follows:

The Board may redistribute tax, penalty, and interest distributed to a county or city other than the county or city entitled thereto, but such redistribution shall not be made as to amounts originally distributed earlier than two quarterly periods prior to the quarterly period in which the BOE obtains knowledge of the improper distribution.

A date of knowledge (DOK) of improper distribution can be established using either of the following two methods:

1. We receive a petition for reallocation or redistribution from a jurisdiction for investigation of suspected improper distribution of local tax. Generally, such inquiries are sent directly to our Allocation Group. For more information on petitions for reallocations or redistribution, see the section, [Submitting Petitions for Reallocation or Redistribution/Date of Knowledge](#), in this publication.

2. One of our employees discovers factual information sufficient to support the probability that an erroneous allocation of local tax may have occurred, and that allocation is questioned. A DOK is established when the employee questions the allocation. Since we review taxpayer returns when filed, we may identify probable erroneous allocations before the tax amount is distributed.

Local governments should maintain written evidence that notice of improper distribution was provided to us. Accordingly, we recommend that inquiries into suspected improper distributions be mailed or faxed to our Allocation Unit. Their address and telephone number can be found at the back of this publication.

When we verify improper distributions, redistributions may be processed for amounts originally distributed no more than two quarterly periods before the quarterly period in which we establish a DOK. Since local tax is generally distributed during the quarter following the period for which tax is reported, redistributions are usually processed for the three quarters immediately preceding the quarter in which the DOK is established.

For example, City A notifies us in a letter received on March 15, 2009, that Taxpayer X opened a business in that city in February 2008, but no tax has been allocated to that city from that taxpayer. We investigate City A's inquiry, find that the city is correct, and that this taxpayer's local tax has been improperly allocated to City B. The investigation is completed on April 2, 2009. Although the verification is not made until the second quarterly period, the date of knowledge (March 15) is in the first quarterly period. Accordingly, we will redistribute (reallocate) the local tax from City B to City A for the second, third, and fourth quarters 2008. Although the business opened prior to 2007, section 7209 prohibits the reallocation of local tax for that period because the tax was distributed more than two quarters earlier.

For additional information regarding procedures for submitting petitions for reallocation, please see the section, [Submitting Petitions for Reallocation or Redistribution/Date of Knowledge](#), in this publication.

Please note: We understand that this is a complex area of the law and that you may have questions and comments. Please contact our Local Revenue Allocation Unit if you wish to obtain more information.

Assembly Bill (AB) 990—Effective January 1, 2000

Assembly Bill 990—a collaborative effort of the BOE, the California State Association of Counties, and the League of California Cities—added section 6066.3 to the Revenue and Taxation Code to develop an efficient and effective working relationship in the review, posting, and correction of local tax records. Section 6066.3 authorizes each city, county, and city and county to collect information from persons desiring to engage in business in that jurisdiction for the purposes of selling tangible personal property and transmit that information to the BOE. The information submitted serves as:

- A preliminary application for a seller's permit
- Notification to us by the local jurisdiction of a person desiring to engage in business in that jurisdiction for the purposes of selling tangible personal property, and
- Notice to us for purposes of redistribution under section 7209. (See [Submitting Petitions for Reallocation or Redistribution/Date of Knowledge](#) in this publication.)

Procedures established to enable local jurisdictions to participate in the process are summarized below:

1. The local jurisdiction contacts the field office's Principal Compliance Supervisor to enroll in the program.
2. Once enrolled, the local jurisdiction is provided with the following:
 - a. Computer software to facilitate the AB 990 program.
 - b. The name, telephone number, and email address of our district contact person.
 - c. Instructions for submitting a request for taxpayer registration.
 - d. Instructions for submitting a notification of suspected misallocated local tax.
 - e. An email address to be used for submitting requests.

3. The local jurisdiction is also scheduled to receive the monthly Statewide Registration CD-ROM for open and closed permits.

Occasionally, locals may find a business with the same start date and closeout date on the Registration CD-ROM. If the last position on the registration record contains a "T," the permit was issued to a temporary seller. No action is necessary if there is no "T"—our records will show that the business *did not operate*. If the local jurisdiction has factual information to support the position that the business did indeed operate, a petition on BOE-549-S, *Claimed Incorrect Distribution of Local Tax - Short Form*, or BOE-549-L, *Claimed Incorrect Distribution of Local Tax - Long Form*, describing the basis of the suspected misallocation should be submitted to the Allocation Group in Sacramento. See the section, [Submitting Petitions for Reallocation or Redistribution/Date of Knowledge](#), for more information.

AB 990 is not intended to replace the petition procedures already provided for under [Regulations 1807](#) and [1828](#). For additional information regarding AB 990, please contact your local field office. For a list of the [BOE field offices](#), visit www.boe.ca.gov.

DISTRICT TRANSACTIONS (SALES) AND USE TAXES

District Taxes

District taxes are additional transactions (sales) and use taxes imposed within special taxing districts according to the Transactions and Use Tax Law of the Revenue and Taxation Code. They are reported on [BOE-531-A2, Schedule A—Computation Schedule for District Tax](#). The words *transaction* and *transactions* as used in that law have the same meaning respectively as the words *sale* and *sales* in the Sales and Use Tax Law. District taxes are imposed through voter approved ordinances adopted by the districts' governing boards. Sections 7285 and 7285.5 of the Revenue and Taxation Code authorize counties to levy transactions and use taxes under specified conditions. In 2004, sections 7285.9 and 7285.91 were added authorizing cities to levy transactions and use taxes under specified conditions.

The proceeds from district taxes may be used for transportation or other government services, but the intended use of the tax dollars must be specified in the ordinance submitted to the voters. Currently, district tax rates range from 0.10 percent to one percent. Some cities and counties have more than one district, resulting in a combined district tax rate of up to two percent and in certain cities in Los Angeles County, 2.50 percent.

Assembly Bill (AB) 1748—Effective January 1, 2008

Date of Knowledge

Assembly Bill 1748 added section 7269, which is equivalent to section 7209 of the Bradley-Burns Uniform Local Sales and Use Tax Law, Regulation 1828, *Petitions for Distributions or Redistribution of Transactions and Use Tax* provides that, for redistributions where the date of knowledge (DOK) is prior to January 1, 2008, the standard three-year statute of limitations is applicable. For redistributions where the DOK is on or after January 1, 2008, redistributions shall not include amounts originally distributed earlier than two quarterly periods prior to the quarter of the DOK.

Administrative Difference between Local Sales and Use Tax and Transactions and Use Tax

There is one major distinguishing difference between local sales and use tax and the transactions and use tax laws.

Place of Sale

Under the Bradley-Burns Uniform Local Sales and Use Tax Law, most retail sales are deemed to occur at the retailer's place of business in this state where the sale is negotiated. (Exceptions may include certain auctioneers, vending machine operators, and construction contractors). If the retailer has more than one place of business in this state, the sale is deemed to occur at the location where the principal negotiations take place. Generally, the combined one percent state and local sales tax portion of the statewide 8.25 percent sales and use tax is allocated to the jurisdiction where the retailer's place of business is located, and the local use tax is generally allocated through the countywide pool where the property is used.

For purposes of distributing the district tax, the tax generally follows the merchandise. That is, the tax is generally distributed to the district where the goods are delivered (and presumably used.) District tax distributions are, therefore, affected by the definition of *place of sale*, which relies on the following factors that also determine if district tax is applicable. If the conditions in (a) are not met, the retailer should look at (b) to see if he or she must collect and report the use tax.

- a. **Transactions (Sales) Tax**—The retailer has a business location in the district, and the sale and delivery occur at that location.
- b. **District Use Tax**
 - The retailer is engaged in business in the district.

- The retailer has any kind of representative operating in the district for purposes of making sales or deliveries or for taking orders.
- The retailer derives rentals from a lease of tangible personal property in the district.
- The retailer sells or leases vehicles, undocumented vessels, or aircraft that will be registered in the district.

Differences in the Application of Local Sales and Use Tax and the Transactions and Use Tax

Occasionally, representatives of local jurisdictions attempt to draw a correlation between local sales and use tax and the transactions and use tax revenues collected in their city and/or county. Since the factors determining whether a transaction is subject to local sales and use tax differ from those that indicate whether the same transaction is subject to transactions and use tax, it is not always possible to establish a direct correlation between the two. The following examples illustrate the taxability of certain sample transactions.

- If a seller has a place of business in the city of Sacramento, which is in the Sacramento Transportation Authority (STAT) district, and makes over-the-counter sales, the seller is liable for STAT district transactions tax, and local sales tax is allocated to the place of business (Sacramento).
- If an in-state seller is located outside the STAT district (in Vallejo, for example) but has agents in the district who make sales to customers in the district, the seller must report the STAT district use tax. Local sales tax is generally allocated to seller's in-state location (Vallejo).
- If a seller has no in-state location and no in-state inventory of goods, but sales personnel call on customers in the STAT district, the seller is liable for STAT district use tax. The local use tax is allocated through the county-wide pool to local jurisdictions in the county of delivery (Sacramento).
- If a seller has a place of business in the city of Sacramento, which is in the STAT district, but ships property according to a contract of sale to a purchaser in Placer County, which currently has no district tax, generally district tax does not apply, and local sales tax is allocated to the city of Sacramento.
- If a seller has a place of business in the city of Sacramento, which is in the STAT district, but ships property via common carrier according to a contract of sale to a purchaser in the city of Anaheim, which is in the Orange County Transportation Authority (OCTA) district, the seller is not considered to be "engaged in business" in OCTA and is not liable for any district tax. The local sales tax is allocated to the city of Sacramento. The purchaser must self-report OCTA use tax.

For additional information regarding district taxes, see sales tax [publication 44](#), *District Taxes*, which can be found on the [BOE website](#) or by calling our Taxpayer Information Section at 800-400-7115.

METHOD OF PAYMENT

Method of Computing Local Tax Payments

To maintain a reliable and steady cash flow to the cities, counties, and special districts, we distribute quarterly tax revenues using the following method:

Using the prior year's quarterly tax allocation as a starting point, we first eliminate nonrecurring transactions such as fund transfers, audit payments, and refunds. Then we adjust for growth and the state tax in order to establish the estimated base amount. We distribute 90 percent of the base amount to each local jurisdiction in three monthly installments (advances) prior to the final computation of the quarter's actual receipts. We withhold ten percent as a reserve against unexpected occurrences that can affect tax collections (for example, earthquake, fire, or other natural disaster) or distributions of revenue such as unusually large refunds or negative fund transfers. The first and second advances each represent 30 percent of the 90 percent distribution, while the third advance represents 40 percent. One advance payment is made each month, and the quarterly reconciliation payment (cleanup) is distributed in conjunction with the first advance for the subsequent quarter. Statements showing total collections, administrative costs, state tax adjustment, prior advances, and the current advance are provided with each quarterly cleanup payment. Statements can be found at www.boe.ca.gov.

A worksheet for computing a local jurisdiction's quarterly advance, *Quarterly Advance Worksheet*, is [Exhibit D](#) in this publication.

Report Early on Significant Business Changes

To ensure that advances reflect actual activities as closely as possible, local jurisdictions should advise our Local Revenue Allocation Unit of any new retailers or shopping malls opening that may significantly impact the advances. Similarly, the closing (or relocation to another jurisdiction) of any large retailer should be brought to our attention to avoid overpayment of advances. Our Local Revenue Allocation Unit may be contacted by calling 916-324-3000 or by email at ewgroup@boe.ca.gov.

ANNUAL ALLOCATION CALENDAR—LOCAL AND DISTRICT TAXES

Annual Allocation Calendar

Each year we post the Local and District Tax Allocation Calendar on www.boe.ca.gov. Starting with 2010, the Allocation Calendar will have a new look and we are adding a new calendar, *Return Period Calendar*. Below you will find examples: Table 5a, *Allocation Calendar for 2010*, and Table 5b, *Return Period Calendar*. An explanation of each column of information is provided on the following pages.

Table 5a

Allocation Calendar for 2010
Bradley-Burns Local Tax • Transactions and Use Taxes

Warrant/EFT Payments					Media	
Reporting Period and Due Date	Statement Allocation Period	Allocation Periods for Cleanup	Statement Release Date	Warrant Issue EFT Settlement Date	Reporting Period and Due Date	Allocation Period
October 2009 11-30-09	12-12-09 to 01-14-10	11-14-09 to 02-11-10	01-11-10	01-20-10	October 2009 11-30-09	11-14-09 to 12-11-09
November 2009 12-31-09	01-15-10 to 02-11-10		02-05-10	02-17-10	November 2009 12-31-09	12-12-09 to 01-14-10
December, Year 4th Quarter 2009 01-31-10	02-12-10 to 03-11-10		03-18-10	03-26-10	December, Year 4th Quarter 2009 01-31-10	01-15-10 to 02-11-10

Every effort will be made to make each payment on the scheduled date. However, unforeseen circumstances may result in changes.

Table 5b

Return Period Calendar for 2010

Warrant/EFT Payments					Media	
Reporting Period and Due Date	Advance Period	Calendar Quarter Return Period for Cleanup	Statement Release Date	Warrant Issue EFT Settlement Date	Reporting Period and Due Date	Return Period
October 2009 11-30-09	November 2009 2nd Advance	4th Quarter 2009 October 2009 to December 2009	01-11-10	01-20-10	October 2009 11-30-09	October 2009
November 2009 12-31-09	December 2009 3rd Advance		02-05-10	02-17-10	November 2009 12-31-09	November 2009
December, Year 4th Quarter 2009 1-31-10	January 2010 1st Advance		03-18-10	03-26-10	December, Year 4th Quarter 2009 1-31-10	December 2009

Reporting Period and Due Date

Generally, sales and use tax is reported on a monthly, calendar quarterly, calendar yearly, or fiscal yearly basis. Although some taxpayers have received authorization to report their taxes on an irregular quarterly reporting period to accommodate their accounting cycle, the following explanation applies to taxpayers filing on regular reporting periods.

Monthly reporting periods are self-explanatory. Yearly reporting periods may be based on the calendar year (January 1 through December 31) or fiscal year (July 1 through June 30). Quarterly periods cover the following dates:

1st quarter: January 1 through March 31

2nd quarter: April 1 through June 30

3rd quarter: July 1 through September 30

4th quarter: October 1 through December 31

Monthly tax returns must be filed (postmarked) on or before the last day of the month following the month for which the tax is due. For example, tax returns for the month of May must be filed on or before June 30.

Quarterly tax returns must be filed (postmarked) on or before the last day of the month immediately following the quarterly period. For example, tax returns for the first quarter (January through March) must be filed on or before April 30.

Yearly tax returns must be filed (postmarked) on or before the last day of the month following the end of the year for which the tax is due. For taxpayers whose reporting year ends December 31, the return must be filed on or before January 31 of the following year. Taxpayers reporting on a fiscal year basis (fiscal year ending June 30) should file their returns on or before July 31.

Please note: Return filing due dates that fall on weekends or state holidays will automatically be extended to the next business day. The majority of the largest tax-reporting businesses are located out of state; consequently, tax returns from these taxpayers, even though postmarked by the filing date, often do not reach our Sacramento Headquarters until five to seven calendar days from mailing.

Taxpayers whose estimated taxable measure averages \$17,000 or more per month are generally required by law to make monthly prepayments. For local tax purposes, however, prepayments cannot be allocated until the quarterly return is filed, since the return contains the specific allocation information.

Use Tax Reported on Franchise Tax Board (FTB) Return

If a taxpayer has under \$100,000 in gross receipts they may report the use tax on their annual state tax return, to the State of California, due April 15th each year. The local tax will be allocated to the jurisdiction via countywide pool. If the taxpayer has purchases over \$500,000, the local tax will be reported to the city of use.

Media Allocation Periods

Each month, registration and allocation reports are provided to qualified local jurisdictions using a variety of formats, or media (for example, CD-ROM and paper). In an effort to provide adequate time for our staff to make manual adjustments to tax returns and still process the returns as expeditiously as possible, we have assigned monthly allocation periods that roughly correspond to the mid-month points for each monthly reporting period. In this manner, we can promptly allocate local tax reported on returns that are received up to two weeks before the due date, as well as those that are received up to two weeks after the due date. This means, for instance, that the allocation period for returns due on or before June 30 is June 12 through July 14. This method is used for monthly allocations only.

Statement Allocation Periods

We are required by statute to distribute sales and use tax revenues to local jurisdictions at least twice in each calendar quarter. However, in order to ensure a steady cash flow to local governments, we make every effort to distribute these funds on a monthly basis using the “advance” method of payments described in the previous section, *Method of Payment*. Advances are distributed to local jurisdictions and special tax districts based on periods identical to *Media Allocation Periods* (see the previous paragraph).

In the sample calendars in Tables 5a and 5b, the date 2-17-10 in the column labeled “Warrant Issue EFT Settlement Date” corresponds to the *Statement Allocation Period* column date 2-12-10 to 3-11-10. This means that the advance payment distributed to local jurisdictions and special districts on February 17, 2010, represents the estimated tax revenues collected for the return month of December (returns due on or before January 31, 2010).

Allocation Periods for Cleanup

As discussed in the section, *Method of Computing Local Tax Payments*, the cleanup payment is the reconciliation between the total of the three advance payments and the actual collections (less the state tax per section 7203.1 and administrative fee) for any given quarterly return period. Accordingly, the column labeled *Allocation Periods for Cleanup* displays a full quarterly (three-month) time span. The dates representing the quarterly cleanup period correspond to the monthly dates for the months occurring in that quarter.

Statement Release Date

This date is the date on which information regarding advance and/or cleanup payments should be available. Local jurisdictions and special tax districts desiring to view their statement on our website may do so *after this date*.

Warrant Issue—EFT Posting Date

On this date, warrants for advances and/or cleanup payments are mailed by the State Controller’s Office or deposited by Electronic Funds Transfer (EFT) to the local jurisdiction’s account.

Local jurisdictions can view their current statement of payment on our website, <https://efile.boe.ca.gov/boewebervices/localJur.jsp>. Click on the indicator opposite your jurisdiction category (city or county, county, redevelopment agency, or district) and enter the correct code in the box opposite *Jurisdiction Code*. Click on *Submit Request*, and your statement will be displayed. An alphabetical listing of jurisdiction codes will be available at the bottom of the page.

It is very important to keep the BOE informed about banking information changes. If the banking information is changing then it is important to keep the original bank account opened for at least 60 days after notifying the BOE of the changes. The BOE also needs to be aware of any address changes in the event it becomes necessary to mail a paper warrant.

You can also download allocation calendars for the current and next calendar year by clicking on the hyperlink at the bottom of the [Local Jurisdiction Statement](#) inquiry page.

USING REGISTRATION DATA TO ENSURE CORRECT ALLOCATION

Use of Registration Data Provided by the BOE

When a city, city and county, or county contracts for state administration of local sales and use tax, the BOE creates, for that jurisdiction, registration data listings for all sellers within the local jurisdiction. Upon request, and every month thereafter, each jurisdiction may receive registration updates for any additions, deletions, address changes, and other changes processed by the BOE on CD-ROM (see [Exhibit E](#), *Media Registration* form).

Registration data provided to local jurisdictions is confidential and may only be examined by a jurisdiction's employee or representative (consultant) authorized by a resolution of the legislative body of that jurisdiction under section 7056.

Verifying Tax Area Codes

Local jurisdictions should use the registration data to verify the accuracy of tax area codes assigned to each account since an incorrect tax area code results in the misallocation of the local tax generated by that account. If errors are noted, our nearest field office should be notified to review the taxpayer's file and make any necessary corrections.

Cities and counties that have street range listings for their jurisdictions can assist us by providing that information to our Local Revenue Allocation Unit. This information can be used to identify jurisdictions for the business locations in order to assign the correct tax area codes. This same information is particularly helpful for jurisdictions that have streets crossing boundaries with neighboring jurisdictions or for streets that form jurisdictional borders.

Identifying Unregistered or Unlicensed Businesses

We encourage cities and counties to compare their business license records with our registration records to determine if businesses located within their boundaries are registered with us and operating with the appropriate local business licenses ([Exhibit F](#)). It is important to note that seller's permits contain the following information:

- Taxpayer's name (and DBA, if applicable)
- Business address
- Permit (account) number

Permits do not include local jurisdiction tax area code information, and, in many cases, business address information can be misleading. For example, a business address may indicate a postal delivery location in the city of San Diego, but the actual location may be outside the city limits. The fact that the local tax would correctly be allocated to the unincorporated area of the county of San Diego is not discernible from the address only.

Local tax allocation information is included on the application for a seller's permit, as well as on the taxpayer's sales and use tax return. Local jurisdictions may request copies of these documents from the taxpayer when registering them for a new business license to ensure correct local tax allocation. Local jurisdictions should notify their local field office regarding businesses (potential taxpayers) operating without a state seller's permit so that we can register them and subsequently distribute the correct local tax revenue to the proper jurisdictions. Before notifying us of suspected problems, cities and counties should clarify whether:

- The business is operating from a location within the city limits or unincorporated area of the county, and
- If the business is making sales of tangible personal property that are subject to sales or use tax.

In addition, it is helpful to provide us with the name, telephone number, and mailing address of the business' contact person for follow-up procedures. Jurisdictions may wish to enroll in the AB 990 program discussed earlier to notify the local field offices of potentially unregistered sellers.

TEMPORARY SELLERS, SPECIAL EVENTS, AND TRADE SHOWS

Temporary seller's permits are generally issued to selling operations of a temporary nature, that is, lasting no more than 90 days at one location. Examples of such operations include rummage sales, Christmas tree lots, and fireworks stands. While these sellers are not required to hold a permanent seller's permit, they are required to hold a temporary permit so as to collect and pay the appropriate sales and use tax. Local jurisdictions should monitor these activities closely to ensure proper reporting of state and local taxes.

Sellers who are registered with permanent places of business occasionally occupy temporary locations in other jurisdictions. For example, a new car dealership registered in one city may participate in a multi-dealer sales event, like a "parking-lot sale" at an offsite location in another city. The local sales tax generated at the temporary location should be allocated to the jurisdiction where the event occurs. The temporary location should be added to the taxpayer's [Schedule C](#). This form can be obtained from the [BOE website](#) or by contacting the Taxpayer Information Section at 800-400-7115.

Other special events include swap meets, fairs, flea markets, and similar activities where sales of tangible personal property occur. Operators of special events are required to verify that each seller-participant is the holder of a valid seller's permit or to obtain a written statement from the seller stating that he or she is not selling any item that is taxable. Local jurisdictions should verify that the local tax derived at these events is properly reported.

Out-of-state retailers who participate in conventions and trade shows are not required to collect use tax on sales made subsequent to the event if the following conditions are met:

- In-state convention and trade show participation does not exceed 15 days in a 12-month period, and
- The seller does not derive more than \$100,000 of net income from event activities during the prior calendar year.

However, all sales occurring at such an event are subject to the use tax when there is a sale of tangible personal property and the goods are shipped to the customer from an out-of-state inventory.

Notifying New Businesses of Seller's Permit Requirements

Cities and counties can also assist in encouraging businesses to apply for a permit at an early date by notifying business license applicants that their business activities may require them to hold a seller's permit. Such notification can be accomplished in several ways. For example, a notice may be added to the application for a business license, or a copy of our [publication 107](#), *Do You Need a California Seller's Permit?* may be distributed to applicants. Copies of publication 107 may be obtained from our [website](#) under the [Forms & Publications](#) by selecting the [All Publications](#) link. If a notice is added to the application for business license, the law requires that the following language be used:

Sales or use tax may apply to your business activities. You may seek written advice regarding the application of tax to your particular business by writing to the nearest BOE office.

Use of Allocation Data

In addition to the registration data we provide, local jurisdictions may also request from us a list of the local tax dollars distributed to the jurisdiction from taxpayers' returns. They may also request allocation data relating to the countywide and statewide pools for their county. If they do so, it is recommended that they also order registration data for purposes of cross-referencing unfamiliar account numbers. Local jurisdictions typically monitor this data for questionable tax allocations, unusual dollar amounts, or missing allocations or fund transfers. The data is also useful as a budgeting tool.

The [Top-25 List](#) is another type of allocation report available to you. This report lists, in alphabetical order by business name, the top 25 retailers with ongoing business activities located within the jurisdictions. You can request it from our Local Revenue Allocation Unit by calling 916-324-3000.

ACCESS TO BOE RECORDS

Procedure to Obtain Access to BOE Records

Section 7056 of the Revenue and Taxation Code provides that if any county, city and county, city, or district wishes to examine sales, transactions, and use tax records to ascertain the taxes collected for that jurisdiction according to a contract between the BOE and that jurisdiction, it must adopt a resolution authorizing one or more of its officials, employees, or other designated person to examine those records. When adopting the required resolution, jurisdictions are encouraged to adhere to the following guidelines:

- List *all* positions that need access to confidential sales and use tax records. Remember that we can provide confidential information only to those named in the resolution. (We suggest that position titles only rather than individual names be authorized in order to allow for personnel changes.)
- The resolution may grant authority to a specific official (by position rather than name) giving that official the right to designate other officials by written notice. Using the position designation option avoids the need to adopt a new resolution each time authorized personnel are added or deleted.
- When a consultant is designated, section 1 should include an official who is authorized to receive confidential information from the consultant.
- Section 2 of the sample resolution is intended to authorize access to confidential sales and use tax information for *specific* governmental functions other than the routine review of records to ascertain local tax allocation (which is authorized in section 1). The “specific governmental purpose(s)” must be stated in the resolution.
- Rescind any and all prior resolutions when adopting a new resolution, unless there are circumstances where separate resolutions are necessary.

See [Exhibits G, H, and I](#) for sample resolutions.

Confidentiality of Records

Local officials who are allowed access to confidential records should note that the use of such information is limited to the governmental purposes set forth in the resolution and is not subject to release in public meetings or other such forums. Confidential records may not be shared with other local officials who have not been authorized by resolution.

SALES AND USE TAX REGISTRATION AND ALLOCATION INFORMATION

As discussed in the previous section, any local jurisdiction desiring to receive confidential registration or allocation information from us must adopt a resolution according to section 7056 of the Revenue and Taxation Code. Currently, we provide registration and allocation information to cities, counties, and special tax districts upon request. The registration information for special tax districts is related to taxpayers who are registered within the jurisdiction that is coterminous with the district, that is, a countywide district would receive registration data for taxpayers registered in that county, and a citywide district would receive information for taxpayers registered within the city limits. This data is available in two formats, paper and CD-ROM. There is no charge for this service.

Registration

A *Start-Up Deck* lists all active businesses (including sublocations and recent closeouts) in the jurisdiction. Delivery is in two to three weeks from the date the request is received. Start-Up Decks are available at no charge to the requesting jurisdiction once per 12-month period. For information regarding fees for additional Start-Up Decks, please contact the Local Revenue Allocation Unit.

Monthly updates consist of the registration changes for a jurisdiction processed during the preceding month. Each jurisdiction is expected to maintain its own registration database to monitor its local tax allocation. Delivery begins the month after the request is received. Redevelopment project (In-Lieu) permits are included in the appropriate city's monthly updates and are listed separately at the end of the file by redevelopment project area code. Monthly updates are not available for special tax districts.

Allocation

Allocation History, which lists local tax revenue distributions by month, is available for a maximum of 36 months. Delivery is typically two to four weeks after a request is received.

Monthly Allocation consists of local tax distributions by jurisdiction during each month. Delivery typically begins four to six weeks after a request is received. Table 5 describes, by medium, the types of information available to local jurisdictions.

How to Order

Registration and Allocation Media can be ordered by completing the *Registration/Allocation Media Request* form, [Exhibit F](#), and returning it to our Local Revenue Allocation Unit. In order to receive allocation or registration media, the local jurisdiction must have a resolution on file with us authorizing an official, employee, or other designated person to examine the appropriate sales or transactions and use tax records.

[Exhibits J–P](#) may be helpful in interpreting the information found on registration and allocation media.

Table 6

Allocation and Registration Information Currently Available in Media Format

CD-ROM Specifications

1.	Recording Mode	MS/DOS Format
2.	Capacity	640 MB
3.	Internal Label	None
4.	External Label	Date created, jurisdiction number and name, indicator of registration and/or allocation files, allocation period
5.	Record Size/Layout • Registration Data • Allocation Data	_____ 380 Characters 175 Characters
6.	File Name	Prefix of 1 to 8 characters, a period, and the extension TXT.
7.	Data Format	ASCII text file (ASCII character codes 32-126) with no field delimiters or field separators. Each line ends with a carriage return and line feed. All decimal points are explicit. Numeric fields are zero-filled. Alpha numeric fields are space-filled.

BOE OFFICES ADMINISTERING LOCAL TAXES

Allocation Group

The Allocation Group reviews and processes local tax recommendations made by field audit staff. This may include reallocation of local taxes between jurisdictions within the time permitted by the statute of limitations. In addition, the Allocation Group is responsible for processing petitions from local jurisdictions or their representatives regarding questionable or disputed local tax allocations.

Our Allocation Group may be contacted by writing:

Board of Equalization
Audit Determination and Refund Section (Allocation Group)
450 N Street, MIC:39
PO Box 942879
Sacramento, CA 94279-0039

They may also be contacted by phone at 916-322-3372 or by fax at 916-445-2249, or by email at adrs@boe.ca.gov.

Local Revenue Allocation Unit

The Local Revenue Allocation Unit (LRAU) is responsible for the initial allocation and distribution of all local taxes reported on sales and use tax returns, audit findings, and accounts receivable. This includes the distribution of transactions and use (district) taxes. Questions regarding monthly advances, quarterly cleanup payments, local tax laws and regulations, and media requests (among others) may be directed to this unit. The LRAU may be contacted by writing:

Board of Equalization
Local Revenue Allocation Unit
450 N Street, MIC:27
PO Box 942879
Sacramento, CA 94279-0027

They may also be contacted by phone at 916-324-3000, by fax at 916-324-3001, or by email at ewgroup@boe.ca.gov.

SUBMITTING PETITIONS FOR REALLOCATION OR REDISTRIBUTION/ DATE OF KNOWLEDGE

The Board adopted [Regulation 1807](#), *Petitions for Reallocation of Local Tax*, in 2002 and [Regulation 1828](#), *Petitions for Distribution or Redistribution of Transactions and Use Tax*, in 2004, both of which were amended in 2008. These regulations set forth the procedures for submitting, receiving, and processing reallocation and redistributions from local jurisdictions and districts, known collectively as petitioners. Most of the procedures adopted by Regulation 1807 now apply to Regulation 1828 with one noted difference.

A district tax petition for distribution or redistribution must contain the delivery location. If district use tax is involved, the claim must also contain evidence that the retailer is engaged in business in the district.

The procedures are summarized below. For more information, please see Regulations 1807 and 1828.

Petitions should be submitted in writing on [BOE-549-L](#), *Claimed Incorrect Distribution of Local Tax - Long Form*, or [BOE-549-S](#), *Claimed Incorrect Distribution of Local Tax - Short Form* (see [Exhibits Q](#) and [R](#)) to:

Board of Equalization
Audit Determination and Refund Section (Allocation Group)
450 N Street, MIC:39
PO Box 942879
Sacramento, CA 94279-0039

Petitions may also be submitted by fax at 916-445-2249.

If a petition contains sufficient factual data to support the probability that local tax has been erroneously allocated and distributed, *or* that district tax has not been distributed or has been erroneously distributed, the petition will be accepted for investigation. *Sufficient factual data* includes, at a minimum, the following:

- Taxpayer name, including owner's name and doing business as designation.
 - Taxpayer's seller's permit number or a notation stating "No Permit Number."
 - Taxpayer's complete business address.
 - Complete description of taxpayer's business activity or activities.
 - Specific reasons and evidence showing why the taxpayer's local tax allocation is questioned. (See Regulation 1807 for more information.)
- or*
- Specific reasons and evidence showing why the district tax distribution or nondistribution is questioned. (See Regulation 1828 for more information.)
- Name, title, and telephone number of the contact person.
 - The tax reporting period(s) involved.

Under this method, a DOK is established. The DOK is the date we receive the petition for reallocation, distribution, or redistribution of tax that contains the facts required (as specified above), unless an earlier such date is operationally documented by the BOE.

Review Process

Review by Allocation Group: The Allocation Group will acknowledge and review the petition and issue a written decision to grant or deny it, including the basis for that decision. The written decision will also note the DOK and the basis for that date.

If a decision is not issued within six months of the date a valid petition is received, the petitioner may request a decision without regard to the status of its investigation. Within 90 days of receiving such request, the Allocation Group will issue its decision based on the information in its possession.

If the decision is that an error did occur, a copy of the decision will also be mailed to any substantially affected jurisdiction¹, who may appeal the decision by submitting a written objection within 30 days of the mailing of the decision. The Allocation Group will consider the objection and issue a written supplemental decision to grant or deny the objection.

The petitioner or any notified jurisdiction may appeal the supplemental decision within 30 days from the date of mailing. The appeal must state the basis for the objection and include all additional information in its possession that supports its decision. If no timely objection is submitted the supplemental decision of the Allocation Group is final as to the petitioner and all notified jurisdictions.

The petitioner or any notified jurisdiction may request a 30-day extension to submit a written objection to the decision or supplemental decision of the Allocation Group. Such request must provide a reasonable explanation for the inability to submit the objection within 30 days, must be copied to all other jurisdictions to whom the Allocation Group mailed a copy of its decision or supplemental decision, and must be received by the Allocation Group within 30 days of the date of mailing of its decision or supplemental decision.

Within five days of receiving the request, the Allocation Group will notify the petitioner and all notified jurisdictions whether the request for extension is granted or denied. If the request for extension is denied, the time for petitioner and any notified jurisdiction to file a written objection to the decision or supplemental decision of the Allocation Group is extended to 10 days after the mailing of the notice denying the petition. If granted, the time for the petitioner and notified jurisdictions to submit a written objection to the decision or supplemental decision of the Allocation Group is extended to the 60th day after the date of mailing of the decision or supplemental decision.

Review by Appeals Division: If a timely objection to its supplemental decision is submitted, the Allocation Group will forward the file to the Appeals Division. A conference will be scheduled between the petitioner, all notified jurisdictions, and the Sales and Use Tax Department.

The appeals conference is not an adversarial proceeding, but rather an informal discussion where the petitioner, any notified jurisdictions who wish to participate, and the Sales and Use Tax Department will have the opportunity to explain their positions regarding the relevant facts and law to the Appeals Division conference holder. Each participant is asked to submit all facts, law, argument, and other information in support of its position to all the participants at least 15 days before the date of the conference; but, relevant facts and arguments will be accepted any time at or before the conference.

Generally, within 90 days following the conference, the Appeals Division will prepare a written Decision and Recommendation (D&R) detailing the applicable facts and law(s), and the conclusions reached. The petitioner or any notified jurisdiction may appeal the D&R by submitting a written request for Board hearing within 60 days of the date of mailing of the D&R.

¹ A "substantially affected jurisdiction" is a jurisdiction for which the decision on a petition would result in a decrease to its total allocation of five percent or more of its average quarterly allocation of \$50,000 or more, and for local tax petitions, includes a jurisdiction whose allocation will be decreased solely as the result of a reallocation from the statewide and applicable countywide pools.

The petitioner, any notified jurisdiction, or the Sales and Use Tax Department may also appeal the D&R, or any Supplemental D&R (SD&R), by submitting a written request for reconsideration (RFR) within 60 days of the mailing, or if a Board hearing has been requested, prior to that hearing. If the RFR is submitted before the time for requesting a Board hearing has expired, the Appeals Division will issue a SD&R to consider the request. If a RFR is submitted after a hearing has been requested, the Appeals Division will determine whether it should issue a SD&R. If an SD&R is issued, it will be sent to the petitioner, any substantially affected jurisdiction, and the Sales and Use Tax Department. The petitioner or any notified jurisdiction may appeal the SD&R by submitting a written request for Board hearing within 60 days of the date of the mailing of the SD&R. If no RFR or request for Board hearing is filed within 60 days of filing of the D&R or SD&R, the D&R or SD&R become final.

Review by Board: If the D&R or SD&R denies the petition, the petitioner or any notified jurisdiction has 60 days from the date of the mailing to request a Board hearing. The request must state the basis for the disagreement and include all additional information in its possession that supports its position. Briefs may be submitted for the Board hearing in accordance with California Code of Regulations, sections 5270 and 5271.

The taxpayer(s) whose allocations or distributions are the subject of the petition and all notified jurisdictions will be notified (as interested party to the proceedings) of the scheduled hearing. The Board's final decision on a petition for reallocation exhausts all parties' administrative remedies on the matter.

APPEALING PROPOSED REALLOCATIONS

Losing Jurisdictions' Appeal Rights

If the reallocation of local tax or redistribution of district tax will result in a loss of five percent of a jurisdiction's quarterly allocation distribution or \$50,000, whichever is less, the losing jurisdiction will be informed of the pending action and allowed 30 days to file an appeal with the Allocation Group supervisor.

The losing jurisdiction may follow the same appeals procedure as described above for denied reallocations.

Mitigation

If the reallocation of local or district tax is ten percent or more of a jurisdiction's average quarterly tax distribution, the losing jurisdiction may request "mitigation" of the proposed reallocation. Mitigation (the reallocation of local or district tax on an installment basis) is subject to the acceptance of the receiving jurisdiction(s). Generally, the mitigation plan should not exceed eight calendar quarters, and the installment amounts should be approximately five percent of the losing jurisdiction's average quarterly tax distribution.

NEW LOCAL JURISDICTIONS

Creation of New Cities (Incorporation)

A community wishing to incorporate and become a city will work closely with its county's [Local Agency Formation Commission](#) (LAFCO). The LAFCO should notify our LRAU of pending plans for incorporation. LRAU staff will provide guidance in areas such as confirming city boundaries, establishing tax area codes, and executing legal documents required for the BOE to administer the local sales and use tax. Contact the appropriate staff listed on the last page of this publication.

Adoption of New District Taxes

Section 7285 of the Revenue and Taxation Code provides blanket authority for counties to levy general purpose transactions and use taxes within specified limitations. Section 7285.5 authorizes counties to levy transactions and use taxes for *specific purposes*. The Public Utility Code authorizes an authority created under Divisions 10-25 to levy transactions and use taxes for specific purposes. Other special legislation may have been adopted for specific districts.

In 2003, the California Legislature enacted Senate Bill 566 (Stats. 2003, Ch 709) authorizing cities to impose district taxes without having to obtain special legislation first. Specifically, Revenue and Taxation Code section 7285.9 authorizes cities to impose a *general purpose* transactions and use tax at a rate of 0.25 percent or increments thereof with the approval of a majority of the voters voting on the issue. Section 7285.91 authorizes cities to impose a *specific purpose* transactions and use tax at a rate of 0.25 percent or increments thereof with the approval of a two-thirds majority of the voters voting on the issue. Both new sections became effective on January 1, 2004.

We strongly encourage *all* cities, counties, and special authorities to contact LRAU for assistance when considering levying a new district tax. We can supply you with a sample ordinance or review your proposed ordinance. We cannot administer any transactions and use tax ordinance if the rate does not conform to the law or the ordinance does not contain the provisions required by sections 7261 and 7262. *Failure to have your ordinance approved before submitting it to the voters could result in a delay in implementing your tax.*

All new district taxes, whether imposed by cities, counties, or special authorities, must be adopted by the levying entity's legislative body and approved by the voters within its jurisdiction before the tax may become operative. Per Revenue and Taxation Code section 7265, the operative (start) date is the first day of the first calendar quarter more than 110 days after your election. For example, if an election is held on the first Tuesday in November, the earliest possible start date is April 1st of the following year.

After voters have approved the ordinance, it is important that you notify LRAU immediately that your tax has passed so we may begin to take the necessary steps to implement your tax. We will mail you two contracts to sign and return, along with a letter requesting certified copies of your ordinance. The first contract is for preparatory charges, *Contract to Prepare to Administer District Transactions and Use Tax*, while the other is for ongoing administration, *Contract for State Administration of District Transactions and Use Tax*. (See [Administrative Charges and Costs](#) in this publication.) The administration agreement must be executed by us and the district and then approved by Department of General Services before the tax can go into effect.

Failure to notify us of your new district tax will result in a delay of the start date of the tax. This could result in a loss of revenue or postpone the distribution of funds from the district tax to the city, county, or special authority.

To get a sample ordinance or if you would like additional information on imposing new transactions and use taxes, please contact the appropriate staff listed on the last page of this publication. See our [website](#) under [Sales and Use Tax, Local Taxes](#), for answers to frequently asked questions.

ANNEXATION PROCEDURES

Boundary Changes

In each county, the [Local Agency Formation Commission](#) (LAFCO) has the responsibility to file a statement whenever there is a change in boundaries of a city or special district. The statement shall be on a form prescribed by the BOE and should include:

1. A certified copy of the ordinance or resolution ordering the change in boundary, and
2. A legal description and a map or plat, both describing the boundary changes.

The last day for cities or special tax districts to file specified statements informing us and the various assessors' officers of boundary changes is December 1.

Local jurisdictions are required by statute to reimburse us for the cost of maintaining current boundaries on the tax-rate area maps. For complete instructions and fee schedules related to boundary changes, please see our [website](#). Click on the [Taxes & Fees](#) tab on our homepage and then on the [Property Tax](#) link that appears. The [Property Taxes](#) page will appear. Scroll down and click on [Special Revenue District Boundaries](#) link. Questions concerning these requirements should be directed to the Tax Area Services Section at 916-322-7189 or by fax at 916-327-4251.

Organization or Reorganization of City Boundaries

For changes of organization or reorganization, which include the incorporation of, annexation to, or detachment from a city, the statement shall also include the estimated population of the affected territory, and include a map showing limited addresses on streets within the affected territory. We require a complete alphabetical list of all streets within the affected area with beginning and ending street numbers. This information is essential to identify businesses that must be changed in our records. Since businesses may be operated from homes in residential areas, it is important that all residential as well as commercial streets be included on the list.

Annexation of Undeveloped Areas

If the annexed area is undeveloped, the foregoing information about street names and numbers should be furnished to LRAU as soon as it becomes available. Also, information should be provided about any new streets or extensions opened in other parts of the city, any changes in city street names, any renumbering of streets that bring numbers within the city that were formerly outside or vice versa, and/or any changes in postal addresses from route and box numbers to city street numbers. Receipt of this information will help ensure that your city receives credit for local sales and use taxes collected from all sellers whose places of business are within the city limits.

Annexations and Incorporation of New Cities

The effective dates of annexations are determined by the date of receipt in Headquarters of proper notice of annexation. "Proper notice" has been construed to mean a legal filing pursuant to section 54900 et seq. of the Government Code with the State-Assessed Properties Division of the BOE together with a map of the area affected showing pertinent bordering addresses. Annexations are made effective according to the following schedule.

Table 7

Effective Dates of Annexation For:

Receipt Dates of Proper Notice	Monthly Accounts	Quarterly Accounts	Yearly Accounts Fiscal	Yearly Accounts Calendar
Dec. 16 to Jan. 15	Feb. 1st	Jan. 1st	July 1st – Prior Year	Jan. 1st – New Year
Jan. 16 to Feb. 15	Mar. 1st	Jan. 1st	July 1st – Prior Year	Jan. 1st – Current Year
Feb. 16 to Mar. 15	Apr. 1st	Apr. 1st	July 1st – Prior Year	Jan. 1st – Current Year
Mar. 16 to Apr. 15	May 1st	Apr. 1st	July 1st – Prior Year	Jan. 1st – Current Year
Apr. 16 to May 15	June 1st	Apr. 1st	July 1st – Prior Year	Jan. 1st – Current Year
May 16 to June 15	July 1st	July 1st	July 1st – Current Year	Jan. 1st – Current Year
June 16 to July 15	Aug. 1st	July 1st	July 1st – Current Year	Jan. 1st – Current Year
July 16 to Aug 15	Sept. 1st	July 1st	July 1st – Current Year	Jan. 1st – Current Year
Aug. 16 to Sept. 15	Oct. 1st	Oct. 1st	July 1st – Current Year	Jan. 1st – Current Year
Sept. 16 to Oct. 15	Nov. 1st	Oct. 1st	July 1st – Current Year	Jan. 1st – Current Year
Oct. 16 to Nov. 15	Dec. 1st	Oct. 1st	July 1st – Current Year	Jan. 1st – Current Year
Nov. 16 to Dec. 15	Jan. 1st	Jan. 1st	July 1st – Current Year	Jan. 1st – New Year

EXHIBITS

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Exhibit A

Sales Tax Jobsite Sub-Permits for Construction Contractors

Some construction contractors are liable for sales or use tax on materials and fixtures consumed or sold on construction contracts. A portion of that tax, the local tax, is distributed to the county government, and city governments within the county, of the jobsite location. The allocation of the local tax is performed by listing the amount of local tax due to each county on Schedule B of the sales and use tax return.

Effective January 1, 1995, construction contractors may elect to allocate the local sales and use tax derived from construction contracts of \$5,000,000 (five million dollars) or more directly to the local jurisdiction where the jobsite is located. This is accomplished by obtaining a sub-permit of their seller's permit for a specific jobsite and allocating the local tax to that jobsite on Schedule C of their sales and use tax return. This qualifying contract price applies to each contract or sub-contract for work performed at the jobsite. Contractors who are already fulfilling a construction contract on January 1, 1995, must have work remaining with a value of \$5,000,000 or more. The sub-permit will be automatically closed-out six months after the estimated completion date of the contract. If delays extend the completion date, contractors should contact us to extend the active period of the sub-permit.

Permits will not be issued to contractors who are not normally sellers of materials. Contractors may not purchase tangible personal property for resale, including materials, which they will install or consume at the jobsite.

Contractors may not purchase machinery and equipment, to be used on the construction job, without payment of sales tax in order to allocate the use tax to the specific jobsite.

Local tax on sales of machinery and equipment by the contractor as part of the contract should continue to be allocated to the contractor's permanent place of business where the principal negotiations of the contract take place in accordance with [Regulation 1802](#).

In accordance with [Regulation 1806](#), where the contractor has not elected to obtain a sub-permit, local tax must still be allocated countywide using Schedule B for jobsites that have contracts of \$5,000,000 or more along with smaller contracts of less than \$5,000,000.

If you have any questions regarding a sub-permit for construction jobsites, please contact our nearest office. Visit our website, www.boe.ca.gov, for contact information.

January 1995

Exhibit B

BOE-400-DP (FRONT) REV. 2 (8-05)

**APPLICATION FOR
USE TAX DIRECT PAYMENT PERMIT**

STATE OF CALIFORNIA
BOARD OF EQUALIZATION

Please type or print clearly. Read instructions on reverse before completing this form.

SECTION I – BUSINESS INFORMATION

NAME OF BUSINESS OR GOVERNMENTAL ENTITY	SALES/USE TAX PERMIT NUMBER
BUSINESS ADDRESS (street)	CONSUMER USE TAX ACCOUNT NUMBER
CITY, STATE, & ZIP CODE	If applicant is applying for either a sales/use tax permit or a consumer use tax account in addition to a use tax direct payment permit check here <input type="checkbox"/>
MAILING ADDRESS (street address or po box if different from business address)	
CITY, STATE, & ZIP CODE	NAME UNDER WHICH BUSINESS IS TO BE TRANSACTED IF DIFFERENT THAN ABOVE

SECTION II – MULTIPLE BUSINESS LOCATIONS

LIST BELOW THE BUSINESS AND MAILING ADDRESSES OF ALL LOCATIONS WHERE PROPERTY PURCHASED UNDER A USE TAX DIRECT PAYMENT CERTIFICATE WILL BE USED. IF ADDITIONAL SPACE IS NEEDED, ATTACH A SEPARATE SHEET.

1. BUSINESS ADDRESS	4. BUSINESS ADDRESS
MAILING ADDRESS	MAILING ADDRESS
2. BUSINESS ADDRESS	5. BUSINESS ADDRESS
MAILING ADDRESS	MAILING ADDRESS
3. BUSINESS ADDRESS	6. BUSINESS ADDRESS
MAILING ADDRESS	MAILING ADDRESS

SECTION III – CERTIFICATION STATEMENT

I hereby certify that I qualify for a *Use Tax Direct Payment Permit* for the following reason: *(Please check one of the following)*

- I have purchased or leased for my **own use** tangible personal property **subject to use tax** at a cost of five hundred thousand dollars (\$500,000) or more in the aggregate, during the calendar year immediately preceding this application for the permit. I have attached a "Statement of Cash Flows" or other comparable financial statements acceptable to the Board for the calendar year immediately preceding the date of application and a separate statement attesting that the qualifying purchases were purchases that were subject to use tax.
- I am a county, city, city and county, or redevelopment agency.

I also agree to self-assess and pay directly to the Board of Equalization any use tax liability incurred pursuant to my use of a *Use Tax Direct Payment Permit*.

The above statements are hereby certified to be correct to the knowledge and belief of the undersigned, who is duly authorized to sign this application.

SIGNATURE	TITLE
NAME (typed or printed)	DATE

(See reverse side for general information and filing instructions)

Exhibit B (continued)

BOE-400-DP (BACK) REV. 2 (8-05)

USE TAX DIRECT PAYMENT PERMIT (General Information and Filing Instructions)

Revenue and Taxation Code section 7051.3 authorizes the State Board of Equalization to issue a *Use Tax Direct Payment Permit* to qualified applicants. This permit allows purchasers and lessees of tangible personal property (other than lessees of motor vehicles the lease of which is subject to the terms of section 7205.1 of the Sales and Use Tax Law) to self-assess and pay use taxes directly to the Board instead of to the vendor or lessor from whom the property is purchased or leased.

Permit holders will be provided with a *Use Tax Direct Payment Exemption Certificate* which they can issue to retailers and lessors when they purchase tangible personal property subject to **use tax** or make qualified leases of tangible personal property. Vendors who timely take the certificate in good faith from a permit holder are relieved of the duty to collect use taxes on the sales for which the certificate was issued. Permit holders who acquire property under a certificate must self-assess and report the use taxes directly to the Board on their tax returns, and allocate the local taxes to the county, city, city and county, or redevelopment agency in which the property is first used. Permit holders who fail to properly pay any use taxes that are due on property for which a certificate was given are subject to interest and penalties assessments in addition to their tax liability.

To qualify for a *Use Tax Direct Payment Permit*, an applicant must meet the following conditions:

- (1) The applicant must agree to self-assess and pay directly to the Board any use tax which is due on property for which a use tax direct payment exemption certificate was given; and
- (2) The applicant must certify to the Board either of the following:
 - (A) The applicant has purchased or leased **for its own use** tangible personal property **subject to use tax** which cost five hundred thousand dollars (\$500,000) or more in the aggregate, during the calendar year immediately preceding the application for the permit; or
 - (B) The applicant is a county, city, city and county, or redevelopment agency.

Persons wishing to obtain a use tax direct payment permit must be pre-qualified and either hold a California seller's permit or a consumer use tax account.

Persons other than governmental entities who currently hold either a California seller's permit or a consumer use tax account must complete the application for a *Use Tax Direct Payment Permit*, sign the certification statement attesting that they qualify for a permit under conditions of Part (2)(A) above, **and submit a "Statement of Cash Flows" or other comparable financial statements acceptable to the board for the calendar year immediately preceding the date of application which discloses total purchases of property and equipment for own use and a separate statement under company letterhead certifying that five hundred thousand dollars (\$500,000) or more of such purchases were subject to use tax.**

Persons other than governmental entities who are not required to hold a seller's permit and who do not currently hold a consumer use tax account must obtain a consumer use tax account and then complete the application for a *Use Tax Direct Payment Permit*, sign the certification statement attesting that they qualify for a permit under the conditions of Part (2)(A) above **and submit a "Statement of Cash Flows" or other comparable financial statements acceptable to the board for the calendar year immediately preceding the date of application which discloses total purchases of property and equipment for own use and a separate statement under company letterhead certifying that five hundred thousand dollars (\$500,000) or more of such purchases were subject to use tax.**

Governmental entities who currently hold either a California seller's permit or a consumer use tax account must complete the application for a *Use Tax Direct Payment Permit*, sign the certification statement attesting that they qualify for a permit under the conditions of Part (2)(B) above, and submit an additional statement to that effect under official letterhead and signed by an authorized governmental representative.

Governmental entities who do not hold a California seller's permit or a consumer use tax account must obtain a consumer use tax account and then complete the application for a *Use Tax Direct Payment Permit*, sign the certification statement attesting that they qualify for a permit under the conditions of Part (2)(B) above, and submit an additional statement to that effect under official letterhead and signed by an authorized governmental representative.

The completed *Application for Use Tax Direct Payment Permit*, certification statement, and qualifying documentation should be returned to the address shown below. Upon determination that the applicant qualifies, a *Use Tax Direct Payment Permit* and a *Use Tax Direct Payment Exemption Certificate* will be mailed to the applicant.

If you would like additional information regarding the *Use Tax Direct Payment Permit* or need assistance in completing this application, you can call 916-445-5167, or write to the Board of Equalization, Compliance Policy Unit, P.O. Box 942879, Sacramento, CA 94279-0040.

Exhibit C

STATE BOARD OF EQUALIZATION
FUND DISTRIBUTION SUBSYSTEM
QUARTERLY ALLOCATION SUMMARY OF BRADLEY BURNS LOCAL
ALLOCATION PERIOD: 08/13/20XX - 11/12/20XX*

08/05/2004
TAXPAGE1

	MONTHLY LOCAL POOL %	ADJUSTED GROSS	COUNTY % SHARE AMT	JURIS % SHARE AMT	STATE TAX	LOCAL TAX
1-4071 - BISHOP						
MONTH 1	37,003.52					
MONTH 2	9,957.18					
MONTH 3	329,567.27					
SUB TOTAL		378,437.97				
COUNTY POOL	62.6167002%	55,781.59	0.010000%	100.000000%		
STATE POOL	0.0370512%	636.78				
SUB TOTAL		432,856.34	0.00	432,856.34	108,214.09	32,4642.25
PRIOR ADV						315,000.00-
ADMIN COST						3,568.40-
TOTAL						6,073.85
1-4998 - UNINC AREA INYO COUNTY						
MONTH 1	26,311.43					
MONTH 2	7,196.07					
MONTH 3	191,232.76					
SUB TOTAL		224,740.26				
COUNTY POOL	37.3832968%	33,302.63				
STATE POOL	0.0221202%	380.16				
SUB TOTAL		258,423.05	0.00	258,423.05	64,605.76-	193,817.29
PRIOR ADV						165,850.00-
ADMIN COST						2,190.40-
TOTAL						35,856.69
INYO COUNTY TOTALS						
MONTH 1	63,314.95					
MONTH 2	17,053.25					
MONTH 3	520,800.03					
SUB TOTAL		601,178.23				
COUNTY POOL	89,084.22					
STATE POOL	1,016.94					
TOTAL		691,279.39	0.00	691,279.39	172,819.85-	518,459.54
PRIOR ADV						470,850.00-
ADMIN COST						5,698.80-
TOTAL						4,910.74

* Figures shown are for illustration purposes only. They do not reflect actual results.

See www.boe.ca.gov for current listing.

Exhibit D

Quarterly Advance Worksheet

For Quarter _____ / _____

JURISDICTION: _____ JURIS NUMBER: _____

- 1. PRIOR YEAR'S LIKE QUARTER'S ALLOCATION _____
- 2. REVERSE FUND TRANSFERS (+ / -) _____
- 3. ELIMINATE A/R & REFUNDS _____
- 4. SUB TOTAL (Line 2 + 3) _____
- 5. NORMALIZED ALLOCATION w/o GROWTH (Line 1 + 4) _____
- 6. GROWTH FACTOR (ESTIMATED QUARTERLY) % _____
- 7. NORMALIZED ALLOCATION WITH GROWTH (Line 5 + 6) _____
- 8. ADJUST FOR STATE TAX PER SECTION 7203.1 (Line 7 x 25%) _____
- 9. ESTIMATED ADVANCE BASE FOR QUARTER [(Line 7-8) x 90%] _____
- 10. ADVANCE MONTH #1 (Line 9 x 30%) _____
 Other Adjustments (+ / -) _____
 Adjusted Advance Month #1 _____
- 11. ADVANCE MONTH #2 (Line 9 x 30%) _____
 Other Adjustments (+ / -) _____
 Adjusted Advance Month #2 _____
- 12. ADVANCE MONTH #3 (Line 9 x 40%) _____
 Other Adjustments (+ / -) _____
 Adjusted Advance Month #3 _____

Notes identified with items above:

- 1. When a prior like quarter allocation is not available, information for new jurisdictions is obtained through study data prepared by the BOE's Research and Statistics Section. This information is used to base the first quarter's advances (months 1 - 3), however, it is subject to modification should additional data indicate a change is warranted.
- 2. Fund Transfer information is located in jurisdictions' allocation data and is identified by an "FT" indicator.
- 3. Historical accounts receivable and refund information is located in jurisdictions' allocation data; however, pending refunds may be identified only as they arise and LRAS is notified by the BOE's Audit Determination & Refund Section.
- 6. This is determined each quarter by the BOE's Research and Statistics Section in conjunction with the Department of Finance. This information is often forecast for a year at a time, but as economic conditions are unpredictable, it is subject to change from quarter to quarter, and in some cases from month to month. You may contact the Local Revenue Allocation Unit for quarterly growth factor information.
- 10-12. These adjustments (+/-) can result from onetime fund transfers processed in favor of, or against a jurisdiction. *Any fund transfer that will impact a jurisdiction with a loss of revenue of the lessor of \$50,000 or five percent of its average quarterly allocation will trigger a notification to the jurisdiction's representative.* Generally, reduction adjustments to the advance payment amounts are made in month #3, since that payment is greater than those in months #1 and 2, and an offset can be better absorbed.

Exhibit E

REGISTRATION/ALLOCATION MEDIA REQUEST

Please complete Sections I, II, & III, and forward this form to the address at the bottom of this page.

BOE Use Only

Juris. ID # _____

Resolution verified Yes _____ No _____

Update _____

By _____

IMPORTANT: Each jurisdiction must have a resolution on file with the Board of Equalization to examine allocation and/or registration data. A sample resolution is available by calling the BOE's Local Revenue Allocation Unit at 916-324-1218.

SECTION I: DATA MAILING ADDRESS

(If the name/position below is not authorized by resolution or letter of designation, this form must be signed by a position authorized by resolution to designate other officials or employees). County City District (add-on)

Your name: _____ Jurisdiction: _____

Title: _____ Tax Area Code: _____

Address: _____ Telephone: _____

City, State, Zip: _____ FAX: _____

Email: _____

SECTION II: REGISTRATION DATA REQUEST (List of name, address, and BOE account number for each business).

A. Please indicate your choice of media for monthly Registration Updates (changes to sales/use tax accounts in your jurisdiction).

CD-ROM None requested

B. If you require a one-time registration listing (Start-up) showing all sales and use tax accounts in your jurisdiction, indicate yes or no: Yes No

Note: The monthly Registration Updates are only available for cities and counties, not districts. The Start-up is available for all.

SECTION III: ALLOCATION DATA REQUEST (List of local tax dollars distributed to your jurisdiction by BOE account number).

A. Please indicate your choice of media for monthly Allocation data: CD-ROM None requested

B. If you require prior period local tax data*, indicate the periods and your choice of media below:

(MMYY) From: _____ To: _____ CD-ROM

*Available history is limited to previous 36 months.

C. If you require a Countywide Pool Quarterly Allocation File: CD-ROM None requested

D. If you require a Statewide Pool Quarterly Allocation File: CD-ROM None requested

Signed by individual (or designee) authorized by resolution to receive confidential Board of Equalization information:

(Print Name)

(Signature)

(Title)

(Date)

RETURN THIS FORM TO:
STATE BOARD OF EQUALIZATION
LOCAL REVENUE ALLOCATION UNIT

450 N STREET, MIC:27
PO BOX 942879
SACRAMENTO CA 94279-002
FAX to 916-324-3001

For assistance in completing this form, contact the Media Desk at 916-324-1218
or send an email to ewgroup@boe.ca.gov.

Exhibit F

DISPLAY CONSPICUOUSLY AT PLACE OF BUSINESS FOR WHICH ISSUED

CALIFORNIA STATE BOARD OF EQUALIZATION

SELLER'S PERMIT



ACCOUNT NUMBER

[Empty box for account number]

NOTICE TO PERMITTEE:
You are required to obey all Federal and State laws that regulate or control your business. This permit does not allow you to do otherwise.

IS HEREBY AUTHORIZED PURSUANT TO SALES AND USE TAX LAW TO ENGAGE IN THE BUSINESS OF SELLING TANGIBLE PERSONAL PROPERTY AT THE ABOVE LOCATION. THIS PERMIT IS VALID ONLY AT THE ABOVE ADDRESS.

THIS PERMIT IS VALID UNTIL REVOKED OR CANCELED AND IS NOT TRANSFERABLE. IF YOU SELL YOUR BUSINESS OR DROP OUT OF A PARTNERSHIP, NOTIFY US OR YOU COULD BE RESPONSIBLE FOR SALES AND USE TAXES OWED BY THE NEW OPERATOR OF THE BUSINESS.

Not valid at any other address

For general tax questions, please call our Information Center at 800-400-7115.

For information on your rights, contact the Taxpayers' Rights Advocate Office at 888-324-2798 or 916-324-2798.

BOE-442-R REV. 15 (2-06)

A MESSAGE TO OUR NEW PERMIT HOLDER

As a seller, you have rights and responsibilities under the Sales and Use Tax Law. In order to assist you in your endeavor and to better understand the law, we offer the following sources of help:

- Visiting our website at www.boe.ca.gov
- Visiting a district office
- Attending a Basic Sales and Use Tax Law class offered at one of our district offices
- Sending your questions in writing to any one of our offices
- Calling our toll-free Information Center at 800-400-7115

As a seller, you have the right to issue resale certificates for merchandise that you intend to resell. Conversely, you have the responsibility of not misusing resale certificates. While the sales tax is imposed upon the retailer,

- You have the right to seek reimbursement of the tax from your customer
- You are responsible for filing and paying your sales and use tax returns timely
- You have the right to be treated in a fair and equitable manner by the employees of the Board
- You are responsible for following the regulations set forth by the Board

As a seller, you are expected to maintain the normal books and records of a prudent businessperson. You are required to maintain these books and records for no less than four years, and make them available for inspection by a Board representative when requested. You are also expected to notify us if you are buying, selling, adding a location, or discontinuing your business, adding or dropping a partner, officer, or member, or when you are moving any or all of your business locations. If it becomes necessary to surrender this permit, you should only do so by mailing it to a Board office, or giving it to a Board representative.

If you would like to know more about your rights as a taxpayer, or if you are unable to resolve an issue with the Board, please contact the Taxpayers' Rights Advocate Office for help by calling toll-free, 888-324-2798 or 916-324-2798. Their fax number is 916-323-3319.

Please post this permit at the address for which it was issued and at a location visible to your customers.

STATE BOARD OF EQUALIZATION
Sales and Use Tax Department

Exhibit G

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF _____ AUTHORIZING EXAMINATION OF SALES AND USE TAX RECORDS

WHEREAS, pursuant to Ordinance _____, the County of _____ entered into a contract with the State Board of Equalization to perform all functions incident to the administration and collection of local sales and use taxes; and

WHEREAS, the Board of Supervisors of the County of _____ deems it desirable and necessary for authorized representatives of the County to examine confidential sales and use tax records of the State Board of Equalization pertaining to sales and use taxes collected by the Board for the County pursuant to that contract; and

WHEREAS, section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board of Equalization records, and establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales and use tax records of the Board:

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF _____ HEREBY RESOLVES AS FOLLOWS:

Section 1. That the _____, or other officer or employee of the County designated in writing by the _____ to the State Board of Equalization (hereafter referred to as Board), is hereby appointed to represent the County of _____ with authority to examine sales and use tax records of the Board pertaining to sales and use taxes collected for the County by the Board pursuant to the contract between the County and the Board. The information obtained by examination of Board records shall be used only for purposes related to the collection of County sales and use taxes by the Board pursuant to that contract.

***Section 2.** That the _____, or other officer or employee of the County designated in writing by the _____ to the Board, is hereby appointed to represent the County with authority to examine those sales and use tax records of the Board, for purposes related to the following governmental functions of the County:

- a) _____
- b) _____
- c) _____

The information obtained by examination of Board records shall be used only for those governmental functions of the County listed above.

Exhibit G (continued)

***Section 3.** That _____ is hereby designated to examine the sales and use tax records of the Board pertaining to sales and use taxes collected for the County by the Board. The person or entity designated by this section meets all of the following conditions:

- a) has an existing contract with the County to examine those sales and use tax records;
- b) is required by that contract to disclose information contained in, or derived from, those sales and use tax records only to the officer or employee authorized under Section 1 (*or section 2) of this resolution to examine the information.
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract; and
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales and use tax records after that contract has expired.

The information obtained by examination of Board records shall be used only for purposes related to the collection of County sales and use taxes by the Board pursuant to the contract between the County and the Board (*and for purposes relating to the governmental functions of the County listed in Section 2 of this resolution).

***Section 4.** That this resolution supersedes all prior resolutions of the Board of Supervisors of the County of _____ adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

* Include in resolution only if applicable.

Introduced, approved and adopted this _____ day of _____ 20 ____.

ATTEST: (S) _____
County Clerk

I, _____, County Clerk of the County of _____, California, DO HEREBY CERTIFY that the foregoing resolution was duly introduced, approved and adopted by the Board of Supervisors of the County of _____, at a regular meeting of said Council held on the _____ day of _____, 20 ____ by the following roll-call vote:

- AYES: (Names of Supervisors)
- NOES: (Names of Supervisors)
- ABSENT: (Names of Supervisors)

(s) _____
County Clerk

Exhibit H

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF _____

AUTHORIZING EXAMINATION OF SALES AND USE TAX RECORDS

WHEREAS, pursuant to Ordinance No. _____, the City of _____ entered into a contract with the State Board of Equalization to perform all functions incident to the administration and collection of local sales and use taxes; and

WHEREAS, the City Council of the City of _____ deems it desirable and necessary for authorized representatives of the City to examine confidential sales and use tax records of the State Board of Equalization pertaining to sales and use taxes collected by the Board for the City pursuant to that contract; and

WHEREAS, section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board records, and establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales and use tax records of the Board;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF _____ HEREBY RESOLVES AS FOLLOWS:

Section 1. That the _____, or other officer or employee of the City designated in writing by the _____ to the State Board of Equalization (hereafter referred to as Board), is hereby appointed to represent the City with authority to examine sales and use tax records of the Board pertaining to sales and use taxes collected for the City by the Board pursuant to the contract between the City and the Board. The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales and use taxes by the Board pursuant to that contract.

***Section 2.** That the _____ or other officer or employee of the City designated in writing by the _____ to the Board, is hereby appointed to represent the City with authority to examine those sales and use tax records of the Board, for purposes related to the following governmental functions of the City:

- (a) _____
- (b) _____
- (c) _____

The information obtained by examination of Board records shall be used only for those governmental functions of the City listed above.

Exhibit H (continued)

***Section 3.** That _____ is hereby designated to examine the sales and use tax records of the Board pertaining to sales and use taxes collected for the City by the Board. The person or entity designated by this section meets all of the following conditions:

(firm name or consultant)

- a) has an existing contract with the City to examine those sales and use tax records;
- b) is required by that contract to disclose information contained in, or derived from, those sales and use tax records only to the officer or employee authorized under Section 1 (*or section 2) of this resolution to examine the information.
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract; and
- d) is prohibited by that contract from retaining the information contained in, or derived from those sales and use tax records, after that contract has expired.

The information obtained by examination of Board records shall be used only for purposes related to the collection of City sales and use taxes by the Board pursuant to the contract between the City and the Board (* and for purposes relating to the governmental functions of the City listed in Section 2 of this resolution).

***Section 4.** That this resolution supersedes all prior resolutions of the City Council of the City of _____ adopted pursuant to subdivision (b) of Revenue and Taxation Code section 7056.

* Include in resolution only if applicable.

Introduced, approved and adopted this _____ day of _____ 20_____.

ATTEST: (s) _____ (s) _____
City Clerk Mayor

I, _____, City Clerk of the City of _____, California, DO HEREBY CERTIFY that the foregoing resolution was duly introduced, approved and adopted by the City Council of the City of _____, at a regular meeting of said Council held on the _____ day of _____, 20_____, by the following roll call vote:

Ayes: (Names of Councilmembers)

Noes: (Names of Councilmembers)

Absent: (Names of Councilmembers)

(s) _____
City Clerk

Exhibit I

RESOLUTION NO. _____

A Resolution Authorizing the Examination of Transactions (Sales) and Use Tax Records

WHEREAS, pursuant to Ordinance No. _____ of _____ hereinafter
(district)
called District and section 7270 of the Revenue and Taxation Code, the District entered into a contract with the State Board of Equalization to perform all functions incident to the administration and operation of the Transactions and Use Tax Ordinance; and

WHEREAS, the District deems it desirable and necessary for authorized representatives of the District to examine confidential transactions and use tax records of the State Board of Equalization pertaining to transactions and use taxes collected by the Board for the District pursuant to that contract; and

WHEREAS, section 7056 of the Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Board of Equalization records and establishes criminal penalties for the unlawful disclosure of information contained in or derived from, the transactions and use tax records of the Board;

NOW, THEREFORE IT IS RESOLVED AND ORDERED AS FOLLOWS:

Section 1. That the _____ or other officer or employee of the District
(all authorized positions)
designated in writing by the _____ to the State Board of Equalization
(position(s) authorized to designate)
(hereafter referred to as Board) is hereby appointed to represent the District with authority to examine transactions and use tax records of the Board pertaining to transactions and use taxes collected for the District by the Board pursuant to the contract between the District and the Board. The information obtained by examination of Board records shall be used only for purposes related to the collection of the District's transactions and use taxes by the Board pursuant to the contract.

***Section 2.** That the _____ or other officer or employee of the District
(position(s) authorized to designate)
designated in writing by the _____ to the Board of Equalization is hereby
(all authorized positions)
appointed to represent the District with authority to examine those transactions and use tax records of the Board for purposes related to the following governmental functions of the District:

- a) _____
(specific governmental functions)
- b) _____
- c) _____

The information obtained by examination of Board records shall be used only for those governmental functions of the District listed above.

Exhibit I (continued)

***Section 3.** That _____ is hereby designated to examine the transactions and use tax records of the Board of Equalization pertaining to transactions and use taxes collected for the District by the Board. The person or entity designated by this section meets all of the following conditions:

(firm or consultant)

- a) has an existing contract with the District to examine those transactions and use tax records;
- b) is required by that contract to disclose information contained in, or derived from those transactions and use tax records only to the officer or employee authorized under Section 1 (or Section 2) of this resolution to examine the information;
- c) is prohibited by that contract from performing consulting services for a retailer during the term of that contract;
- d) is prohibited by that contract from retaining the information contained in, or derived from those transactions and use tax records after that contract has expired.

BE IT FURTHER RESOLVED that the information obtained by examination of Board records shall be used only for purposes related to the collection of District's transactions and use taxes by the Board pursuant to the contracts between the District and Board.

***Section 4.** That this resolution supersedes all prior transactions and use tax resolutions of the _____ adopted pursuant to subdivision (b) of Revenue and Taxation section 7056.

(district)

* Include in resolution only if applicable.

Introduced, approved and adopted this _____ day of _____, 20_____.

(name & title)

(attest)

(signature)

(date)

Exhibit J

Record Layout

Registration Detail Record Description

Record Length: 380 Characters

Field Name	Position	Length	Type	Description/Special Values
Tax Area Code	1-2	2	A	Value 01-58
County Code	3-5	3	A	Value 001-999
City Code	6-8	3	A	Value 001-999
Add-On Code	9-12	4	A	Value 0001-9999
In-Lieu Code				
TAT Code	13-15	3	A	Taxable Activity Type
TAT Indicator	16-16	1	A	Taxable Activity Type Code
District Branch Code	17-19	3	A	District Office (2) and Branch Code (1)
Account Number	20-28	9	A	
Sub Account Number	29-33	5	A	00001 to 99999 if there is more than one location of business (otherwise blank)
District of Location	34-36	3	A	District Office or Branch Office of sub account if different from master.
Firm Name	37-86	50	A	
Owner Name	87-136	50	A	
Mailing Address				
Filler	137-149	13	A	Reserved (Future Use for Parsed Address)
Mail Street	150-189	40	A	
Mail City	190-219	30	A	
Mail State	220-221	2	A	
Mail Zip Code	222-230	9	A	
Business Address				
Filler	231-243	13	A	Reserved (Future Use for Parsed Address)
Street Location	240-283	40	A	
Location City	284-313	30	A	
Location State	314-315	2	A	
Location Zip Code	316-324	9	A	
Ownership Code	325-325	1	A	B – Unincorporated Business Org., C – Corporation, D – Limited Liability Co., E – Estate, F – Federal Govt, G – Other Govt, K – Limited Liability Partnership, L – Limited Partnership, M – Husband & Wife Co-Ownership, O – Org or Assoc., P – Partnership/Co-Ownership, R – Receivership/Fiduciary, S – Sole Proprietor, T – Trust, V – Joint Venture.
Basis	326-327	2	A	Q = Quarterly, M = Monthly, Y = Yearly, QP = Prepay Quarterly, F = Fiscal Yearly
Start Date	328-335	8	A	CCYYMMDD Format
Business Code	336-339	4	A	BOE Industry Code
NAICS	340-347	8	A	Reserved (Future Use for Proposed Federal Codes)
Process Date	348-355	8	A	CCYYMMDD Format (Not on Start-up File)
Effective Date	356-363	8	A	CCYYMMDD Format (Not on Start-up File unless account is closed)
Transaction Type	364-365	2	A	AA – Account Add, AC – Address Change, AM – Acct. Maintenance, AR – Account Reinstated, CO – Close Out, CM – Close Out Maint., LC – Business (Location) Addr. Change, OL – Old Business Addr., MC – Mail Addr. Change, TC – Tax Area Change, OT – Old Tax Area (Not on Start-up File).
Part-Time or Temp Account	366-366	1	A	P = Part-Time Account; T = Temporary Account
Filler	367-380	14	A	BOE Internal Use

Exhibit K

Record Layout

Allocation Detail Record Descriptions

Record Length: 175 Characters

Field Name	Position	Length	Type	Description/Special Values
Filler	1	1	A	BOE Internal Use (used to determine record type)
Transaction Type	2-3	2	A	AC = Audit Credit/Refund AD - Audit Dishonored Check AL - Audit; Bad Debt Lender/Retailer Lender AO = Audit Offsets AU = Audit DC = Return Dishonored Check FL = Fund Transfer Bad Debt FO = Fund Transfer Offset FS = Fund Transfer (Adjustment) FT = Fund Transfer MV - Tax collected by CMV (Formerly GT) NR - No Remittance PM = Prior Money (Prior periods) RA = Reverse Allocation RL = Return; Bad Debt Lender/Retailer Lender RO = Offsets RP = Regular Return (Current Period) UI = Cigarette/Tobacco use Tax on cigarette purchase on the Internet ZR = Zero Return
Allocation Period Beginning Date	4-11	8	A	CCYMMDD Format
Allocation Period Ending Date	12-19	8	A	CCYMMDD Format
Tax Area Code				
County Code	20-21	2	A	Values 01-58
City Code	22-24	3	A	Values 001-999
Add-On Code	25-27	3	A	Values 001-999
In-Lieu Code	28-31	4	A	Values 0001-9999
Account Number	32-40	9	A	
Business Code	41-44	4	A	BOE Industry Code
Return Begin Date	45-50	6	A	CCYMM Format
Audit Begin Date	51-56	6	A	CCYMM Format
Audit/Return End Date	57-62	6	A	CCYMM Format
Filler	63-64	2	A	BOE Internal Use (tax program used to group taxable activity types)
TAT Indicator	65-65	1	A	Taxable Activity Type Indicator Code
TAT Code	66-68	3	A	Taxable Activity Type
District Code	69-70	2	A	Office District
Branch Code	71-71	1	A	Office Branch
Date Received	72-79	8	A	CCYMMDD Format
Basis	80-81	2	A	Q = Quarterly, M = Monthly, Y = Yearly, QP = Prepay Quarterly, F = Fiscal Yearly
Fund Transfer Reason Code	82-84	3	A	See separate listing for codes
NAICS	85-92	8	A	North American Industry Code Standards
County Amount	93-107	15	N	Includes Decimal
City Amount	108-122	15	N	Includes Decimal
Add-On Amount	123-137	15	N	Includes Decimal
In-Lieu Amount	138-152	15	N	Includes Decimal
Gross Sales	153-165	13	N	Used for single outlets only. Whole dollars.
Filler	166-175	10	N	BOE Internal Use

Exhibit L

Registration Transaction Codes

Two-character code used on magnetic media such as diskettes and CDs

TransCode	Additional Fields	Description
AA		New account or suboutlet
AA	TEMP-ACCOUNT = Y	Issue a temporary permit for ST accounts
AA	CLOSEOUT-CODE = 7	Issue and cancel a temporary permit for non-ST accounts
CO		
AC		Address change
AM	Any change to an account (master or suboutlet) not covered by other codes	Change of master district or inter-district move or correction of erroneously established information
AM		Transfer to another district through a boundary change
AM		Change in name, business code, or change of start date or account key date on master or suboutlet
AM		Change in reporting basis on master or suboutlet
AM		Mass change of reporting basis due to the result of annual prepay analysis
AM		Mass change of a business code
AR		Reinstate an active account after a closeout in error on master or suboutlet
CO		Close out of master or suboutlet
CM		Change in close out date on master or suboutlet
LC		Change of business (location) address on master or suboutlet
MC		Change in mailing address
OT		Old tax area code prior to tax area code change
OL		Old address prior to address change
TC		Area code change, annexation or incorporation
TC		Change in tax area code
TC		Mass change of area code other than annexation

Exhibit M

Fund Transfer Reasons Codes

CODE	DESCRIPTION	CODE	DESCRIPTION	CODE	DESCRIPTION
AAB	Accept SG Schedule	AUA	TD Adjustment Per Audit	CLA	Collection Activity
AAS	Accept Additional Schedules	AUB	DR/CR Audit 414L BD	CLC	Collection-Count Recorder Fee
ABC	Adjust Schedule B/C/E/F	AUC	DR/CR Audit Funding & BD	CLK	Collection-Keeper
ACA	Load Return/Compliance Assessment Adjustment	AUD	Audit	CLL	Collection-Liquor License
ADE	Return Filed After CAS Decrease	AUF	DR/CR Audit Face Funding	CLR	Collection-Renewal Fees
ADP	Accept Duplicate as Primary	AUG	Adjust Schedule G Per Audit	CLS	Collection-Seizure Cost
AFB	Adjusted Field Billing Order	AUL	Reallocation of Local Tax Per 414L Sec 2	CLT	Collection-Title Search
AFO	Activate Financial Obligation	AUM	Miscoded 414 L	CLW	Collection-Sheriff Warrant
AFR	Adjustment Per File Review	AU1	Audit 414L Sec 2	CMA	Load Return After Compliance Assessment
AGT	Consumer Use Tax Agent	AU2	Audit 414L/2Q	CNV	Correct Converted Data
AIN	Return Filed After CAS Increase	AU3	Audit 414L/3Q	CON	Consultant Inquiry
ALC	Adjust Number of Locations	AU4	Audit 414L/4Q	CRC	Cancel Revocation
AMA	Amended Schedule A	AU5	BT 537 Correction	CRD	Change RSI Dates
AMB	Amended Schedule B/C/E/F	A15	Line 15 Adjustment for Aircraft	CSG	Correct Keyed Error SG Return
AMD	Amended Deductions	A20	Line 20 Adjustment	CTP	Correct Taxpayer Return
AMG	Amended Schedule G	BPP	Original Due to Bankruptcy (BX)	CU1	Per Docs Received From TP Reply
AMH	Amended SG Schedule A/B	BPR	Back Out Primary Revenue	CU2	Per Docs Received From Seller
AMP	Accept Amended as Primary	BRD	Board Decision	CU3	Per Docs Received From FAA
AMR	Amended Return	BTC	BT 537 Correction	CU4	Per Docs Received From US Coast Guard
AMV	Amended Voucher Credit	CAT	Catering Flat Rate Penalty	CU5	Per Docs Received From DMV
ANX	Annexation	CCA	Compliance Assessment Canceled	CU6	Per Request From Petitions
APP	Accept Prepayment into Primary	CCB	Clear Comp Bad	CU7	Per Request From Special Procedures
APV	Accept Prior History Version	CCD	Discovery Costs	CU8	Per Request From District Office
ARB	Arbitrary Breakdown	CCI	City/County Inquiry	CVD	Converted Date
ARO	Aerospace Refunds	CFS	Conflicting Signs	DCA	Debit/Credit Audit
ARS	Aerospace Fund Transfers	CG	Correct Keyed Error on Schedule G	DDD	Disallow Deduction
ASG	Accept Schedule G	CHL	Converted High Level Fund	DCE	Dishonored Check Error
ASH	Accept Schedule B/C/E/F	CIQ	Consultant Inquiry	DFS	Security Payment To Return

Exhibit M (continued)

CODE	DESCRIPTION	CODE	DESCRIPTION	CODE	DESCRIPTION
DPP	Prepay Payment To Return	MSB	Merge Schedule B/C/E/F	RVG	Revenue Variance Group-Adjustment
DRA	Derive Return From Amount	MSG	Merge Schedule G	RVK	Revoked-Reinstatement Fee
DUA	Duplicate Add-Ons	MVR	Move Schedules Not Attached to Return	RVT	Revenue Verification Team-Adjustment
DUP	Duplicate Returns	MVS	Move Schedules Due to Predecessor/Successor	RWS	Schedule on Single Outlet Return
D15	Disallow Line 15 Adjustment	NAC	Area Code Correction	SCA	Schedule A Error
EFT	EFT Payment to Return	NRR	No Reply Received	SCH	Load Schedule
EPP	Estimated Prepay Penalty	NRS	Suboutlet Never Registered	SFE	Sales of Fixtures and Equipment Not Reported
E15	Line 15 Adjustment for Earthquake State Add-on	NSO	400CS New Suboutlet	SGA	Amended SG Return
E20	EC 20 EADJ Entry Code 20 – Conversion	OCR	Offset Credit Return	SJR	Stipulated Adjustment-Refund of Interest
F&E	Fixture and Equipment	OOB	Out of Balance Transaction	STJ	District Inquiry
FAX	Faxed Original	ORG	Original	STL	Accept Settlement
FBO	Field Billing Order	OTA	Before Start or After Close Out Date	SWP	Swap Meet Flat Rate Penalty
FEO	Fixture and Equipment Only	OTP	One Time Penalty	SYS	System Error
FFR	Failure to File Tax Returns	RAA	RAS/Ver Schedule A Adjustment	S15	Line 15 Adjustment for State Add-ons
HAT	Conversion-Move History/ Amended/ Tax Area Change	RAC	Reallocate from Address Change	TAP	Tax Amnesty Program
INC	Incorporation	RAD	Re-audit	TCA	Transfer to Correct Account
KDE	Correct KDE Error	RDT	Re-determination	TCF	Transfer to Correct FO
KDV	Correct Verification Error	RDV	Redevelopment	TCP	Transfer to Correct Period
LEM	Lemon Law Refund	REA	Re-Audit	TPS	Transfer Due to Predecessor/ Successor
LRI	Back Out Last RSI Adjustment	RED	Reference and Edit List	TVR	Transfer Schedules Not Attached to Return
LSS	Vehicle Lessor	REG	Original Registration Error	TXS	Tax Short
LTX	Schedule B/C/E/F Error	RFB	Return Filed Before CAS	UNM	Unreported Move of Suboutlet
MAB	Merge SG Schedule A/B	RID	Revenue Increase on a Billed Difference	URT	Unacceptable as a Return
MAP	Merge Amended to Primary	RLR	Taxpayer Reply for Schedule B/C/E/F	USE	Correct User Error
MCL	Miscoded BT 414L	ROF	Right of Offset-Refunds	USF	Use Fuel Flat Rate Penalty
MCS	Move Return/Change FO Status	RRF	Reallocation of Refund	UTX	R1802 Use Tax
MCT	Move Return to Correct FO Type	RRR	Repayment Plan Reallocation	VAD	Conversion Adjustment
MDP	Merge Duplicate to Primary	RSC	Registration Change: Start/ Closeout Date	523	523 Correction-Split Portion of Revenue
MFE	Merge F&E to Primary	RTC	Registration Change: Tax Area Code		

Exhibit N

Reporting Period Codes

The following codes identify periods on sales and use tax, fuel user, and fuel vendor tax returns.

Monthly/Quarterly/Yearly/Fiscal Yearly

Codes 01 through 12 are used for *all* reporting periods, for example, monthly, quarterly, yearly, and fiscal yearly. All electronic allocation media contain fields showing beginning and ending dates for the allocation period. This information can be used to identify the reporting period that is represented by the individual return. The following list shows the period codes currently in use:

Code	Month, Quarter and/or Year	Code	Month, Quarter and/or Year
01	January	07	July
02	February	08	August
03	March/1st Quarter	09	September/3rd Quarter
04	April	10	October
05	May	11	November
06	June/2nd Quarter	12	December/4th Quarter

Exhibit O

Sales and Use Tax Program Codes

Taxable Activity—Sales and Use Tax Accounts	TAT	TAT Indicator
Regular Sales and Use Tax	SR	
Regular Sales and Use Tax (single location)	SR	
Regular Sales and Use Tax (gasoline retailer)	SR	
Regular Sales and Use Tax (multiple locations in one tax area code)	SR	X
Regular Sales and Use Tax (multiple locations in multiple jurisdictions) with Schedule C	SR	Y
Regular Sales and Use Tax with Schedule B	SR	S
Regular Sales and Use Tax with Schedule B and (multiple locations) Schedule C	SR	Z
Business Entity use Tax (From FTB Data)	SR	(EZ)*
Temporary (T)—(90 days or less)	SR	
Arbitrary Sales (Account prefix 052, 053, 092, or 096)	SR	
Individual Use Tax (from FTB return inserts) (Account prefix 062)	SU	
Certificate of Registration—Use Tax	SC	
Certificate of Registration—Lender	SL	
Sales and Use Tax Gasoline Distributor	SG	
Consumer Use Tax	SU	
Consumer Use Tax with special return	SU	S
Consumer Use—Vehicles and Mobile home (purchased from non-dealers)	SA	
Consumer Use—Vessels (purchased from non-dealers)	SB	
Consumer Use—Aircraft (purchased from non-dealers)	SP	
U.S. Customs Use Tax	SI	
Non-Recurring Use Tax	SD	

*Note: Taxpayers that file an SR return on an EZ form are limited to reporting Local Tax to a single jurisdiction and a single District.

Exhibit P

**Board of Equalization Business Codes Comparison (BS)
with North American Industry Classification System (NAICS)**

NAICS	Description	BC
448120	Women's Clothing Stores	01
448110	Men's Clothing Stores	02
448130	Children's and Infants' Clothing Stores	03
448140	Family Clothing Stores	03
448150	Clothing Accessories Stores	03
448190	Other Clothing Stores	03
448200	Shoe Stores	04
452990	All Other General Merchandise Stores	05
451130	Sewing, Needlework, and Piece Goods Stores	07
452111	Department Stores (except Discount Department Stores)	07
452112	Discount Department Stores	07
452910	Warehouse Clubs and Supercenters	07
451212	News Dealers and Newsstands	10
453220	Gift, Novelty, and Souvenir Stores	11
451110	Sporting Goods Stores	12
453100	Florists	13
443130	Camera and Photographic Supplies Stores	14
451140	Musical Instrument and Supplies Stores	15
451220	Prerecorded Tape, Compact Disc, and Record Stores	15
451211	Book Stores	16
448310	Jewelry Stores	17
443120	Computer and Software Stores	18
453210	Office Supplies and Stationery Stores	18
100000	Declined to State	19
446120	Cosmetics, Beauty Supplies, and Perfume Stores	19
446130	Optical Goods Stores	19
446191	Food (Health) Supplement Stores	19
446199	All Other Health and Personal Care Stores	19
448320	Luggage and Leather Goods Stores	19
451120	Hobby, Toy, and Game Stores	19
453910	Pet and Pet Supplies Stores	19
453920	Art Dealers	19
453998	All Other Miscellaneous Store Retailers (except Tobacco Stores)	19
532230	Video Tape and Disc Rental	19
445120	Convenience Stores	20
445210	Meat Markets	21
445220	Fish and Seafood Markets	21
445230	Fruit and Vegetable Markets	21
445291	Baked Goods Stores	21

Exhibit P (continued)

NAICS	Description	BC
445299	All Other Specialty Food Stores	21
445300	Beer, Wine, and Liquor Stores	22
722211	Limited-Service Restaurants	24
722212	Cafeterias, Grill Buffets, and Buffets	24
722213	Snack and Nonalcoholic Beverage Bars	24
722310	Food Service Contractors	24
722320	Caterers	24
445292	Confectionery and Nut Stores	25
453991	Tobacco Stores	26
446110	Pharmacies and Drug Stores	27
454200	Vending Machine Operators	28
454390	Temporary Locations: Christmas Trees, Fireworks, etc.	28
722330	Mobile Food Services	28
442100	Furniture Stores	30
442210	Floor Covering Stores	30
442291	Window Treatment Stores	30
442299	All Other Home Furnishings Stores	30
443111	Household Appliance Stores	31
443112	Radio, Television, and Other Electronics Stores	31
453300	Used Merchandise Stores	32
445110	Supermarkets and Other Grocery (except Convenience) Stores	34
722100	Full-Service Restaurants	36
722400	Drinking Places (Alcoholic Beverages)	36
444210	Outdoor Power Equipment Stores	41
444220	Nursery, Garden Center, and Farm Supply Stores	41
454311	Heating Oil Dealers	46
454312	Liquefied Petroleum Gas (Bottled Gas) Dealers	46
454319	Other Fuel Dealers	46
444110	Home Centers	50
444130	Hardware Stores	51
444190	Other Building Material Dealers	52
444120	Paint and Wallpaper Stores	53
441110	New Car Dealers	60
441310	Automotive Parts and Accessories Stores	61
441320	Tire Dealers	61
447110	Gasoline Stations with Convenience Stores	62
447190	Other Gasoline Stations	62
441210	Recreational Vehicle Dealers	63
441229	All Other Motor Vehicle Dealers	63
453930	Manufactured (Mobile) Home Dealers	63
441120	Used Car Dealers	64
441221	Motorcycle, ATV, and Personal Watercraft Dealers	66

Exhibit P (continued)

NAICS	Description	BC
441222	Boat Dealers	66
721191	Bed-and-Breakfast Inns	70
721199	All Other Traveler Accommodation	70
721211	RV (Recreational Vehicle) Parks and Campgrounds	70
721214	Recreational and Vacation Camps (except Campgrounds)	70
721300	Rooming and Boarding Houses	70
811110	Automotive Mechanical and Electrical Repair and Maintenance	71
811120	Automotive Body, Paint, Interior, and Glass Repair	71
811190	Other Automotive Repair and Maintenance	71
812930	Parking Lots and Garages	71
532210	Consumer Electronics and Appliances Rental	72
532291	Home Health Equipment Rental	72
532292	Recreational Goods Rental	72
532299	All Other Consumer Goods Rental	72
532300	General Rental Centers	72
532410	Construction, Transportation, Mining, and Forestry Machinery and Equipment Rental and Leasing	72
532420	Office Machinery and Equipment Rental and Leasing	72
561610	Investigation, Guard, and Armored Car Services	72
561622	Locksmiths	72
811200	Electronic and Precision Equipment Repair and Maintenance	72
811410	Home and Garden Equipment and Appliance Repair and Maintenance	72
811420	Reupholstery and Furniture Repair	72
811490	Other Personal and Household Goods Repair and Maintenance	72
541921	Photography Studios, Portrait	73
721110	Hotels (except Casino Hotels) and Motels	75
721120	Casino Hotels	75
711110	Theater Companies and Dinner Theaters	76
711120	Dance Companies	76
711130	Musical Groups and Artists	76
711190	Other Performing Arts Companies	76
711211	Sports Teams and Clubs	76
711212	Racetracks	76
711219	Other Spectator Sports	76
711310	Promoters of Performing Arts, Sports, and Similar Events with Facilities	76
711320	Promoters of Performing Arts, Sports, and Similar Events without Facilities	76
713110	Amusement and Theme Parks	76
713210	Casinos (except Casino Hotels)	76
713290	Other Gambling Industries	76
811430	Footwear and Leather Goods Repair	77
812200	Death Care Services	78
512131	Motion Picture Theaters (except Drive-Ins)	79

Exhibit P (continued)

NAICS	Description	BC
512132	Drive-In Motion Picture Theaters	79
532220	Formal Wear and Costume Rental	79
541410	Interior Design Services	79
561730	Landscaping Services	79
561740	Carpet and Upholstery Cleaning Services	79
561790	Other Services to Buildings and Dwellings	79
712110	Museums	79
712120	Historical Sites	79
712130	Zoos and Botanical Gardens	79
712190	Nature Parks and Other Similar Institutions	79
713120	Amusement Arcades	79
713910	Golf Courses and Country Clubs	79
713920	Skiing Facilities	79
713930	Marinas	79
713940	Fitness and Recreational Sports Centers	79
713950	Bowling Centers	79
713990	All Other Amusement and Recreation Industries	79
812111	Barber Shops	79
812112	Beauty Salons	79
812113	Nail Salons	79
812190	Other Personal Care Services	79
812310	Coin-Operated Laundries and Dry cleaners	79
812320	Dry Cleaning and Laundry Services (except Coin-Operated)	79
812331	Linen Supply	79
812332	Industrial Launderers	79
812910	Pet Care (except Veterinary) Services	79
812990	All Other Personal Services	79
814000	Private Households	79
236000	Construction of Buildings	82
237000	Heavy and Civil Engineering Construction	82
238100	Foundation, Structure, and Building Exterior Contractors	82
238210	Electrical Contractors and Other Wiring Installation Contractors	82
238220	Plumbing, Heating, and Air-Conditioning Contractors	82
238290	Other Building Equipment Contractors	82
238300	Building Finishing Contractors	82
238900	Other Specialty Trade Contractors	82
321000	Wood Product Manufacturing	82
327000	Nonmetallic Mineral Product Manufacturing	82
423300	Lumber and Other Construction Materials Merchant Wholesalers	82
423700	Hardware, and Plumbing and Heating Equipment and Supplies Merchant Wholesalers	82
424950	Paint, Varnish, and Supplies Merchant Wholesalers	82
334000	Computer and Electronic Product Manufacturing	83
423400	Professional and Commercial Equipment and Supplies Merchant Wholesalers	83

Exhibit P (continued)

NAICS	Description	BC
541940	Veterinary Services	84
621100	Offices of Physicians	84
621200	Offices of Dentists	84
621300	Offices of Other Health Practitioners	84
621400	Outpatient Care Centers	84
621500	Medical and Diagnostic Laboratories	84
621600	Home Health Care Services	84
621900	Other Ambulatory Health Care Services	84
622000	Hospitals	84
623000	Nursing and Residential Care Facilities	84
221100	Electric Power Generation, Transmission and Distribution	85
221200	Natural Gas Distribution	85
221300	Water, Sewage and Other Systems	85
481000	Air Transportation	85
482000	Rail Transportation	85
483000	Water Transportation	85
484000	Truck Transportation	85
485000	Transit and Ground Passenger Transportation	85
486000	Pipeline Transportation	85
487000	Scenic and Sightseeing Transportation	85
488100	Support Activities for Air Transportation	85
488200	Support Activities for Rail Transportation	85
488300	Support Activities for Water Transportation	85
488400	Support Activities for Road Transportation	85
488500	Freight Transportation Arrangement	85
488900	Other Support Activities for Transportation	85
491000	Postal Service	85
492000	Couriers and Messengers	85
493000	Warehousing and Storage	85
515110	Radio Broadcasting	85
515120	Television Broadcasting	85
515200	Cable and Other Subscription Programming	85
517100	Wired Telecommunications Carriers	85
517200	Wireless Telecommunications Carriers (except Satellite)	85
517400	Satellite Telecommunications	85
517900	Other Telecommunications	85
532110	Passenger Car Rental and Leasing	85
532120	Truck, Utility Trailer, and RV (Recreational Vehicle) Rental and Leasing	85
561500	Travel Arrangement and Reservation Services	85
562000	Waste Management and Remediation Services	85
335000	Electrical Equipment, Appliance, and Component Manufacturing	86
423600	Electrical and Electronic Goods Merchant Wholesalers	86

Exhibit P (continued)

NAICS	Description	BC
611100	Elementary and Secondary Schools	87
611200	Junior Colleges	87
611300	Colleges, Universities, and Professional Schools	87
624000	Social Assistance	87
813100	Religious Organizations	87
813200	Grant Making and Giving Services	87
813300	Social Advocacy Organizations	87
813400	Civic and Social Organizations	87
813910	Business Associations	87
813920	Professional Organizations	87
813940	Political Organizations	87
813990	Other Similar Organizations (except Business, Professional, Labor, and Political Organizations)	87
920000	Public Administration	87
115100	Support Activities for Crop Production	89
115200	Support Activities for Animal Production	89
115300	Support Activities for Forestry	89
213100	Support Activities for Mining	89
518000	Data Processing, Hosting, and Related Services	89
519110	News Syndicates	89
519120	Libraries and Archives	89
519130	Internet Publishing and Broadcasting and Web Search Portals	89
519190	All Other Information Services	89
521000	Monetary Authorities - Central Bank	89
522100	Depository Credit Intermediation	89
522210	Credit Card Issuing	89
522220	Sales Financing	89
522290	Other Nondepository Credit Intermediation	89
522300	Activities Related to Credit Intermediation	89
523000	Securities, Commodity Contracts, and Other Financial Investments and Related Activities	89
524000	Insurance Carriers and Related Activities	89
525000	Funds, Trusts, and Other Financial Vehicles	89
531100	Lessors of Real Estate	89
531200	Offices of Real Estate Agents and Brokers	89
531300	Activities Related to Real Estate	89
533000	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)	89
541100	Legal Services	89
541200	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	89
541300	Architectural, Engineering, and Related Services	89
541420	Industrial Design Services	89
541430	Graphic Design Services	89
541490	Other Specialized Design Services	89
541500	Computer Systems Design and Related Services	89

Exhibit P (continued)

NAICS	Description	BC
541600	Management, Scientific, and Technical Consulting Services	89
541700	Scientific Research and Development Services	89
541800	Advertising and Related Services	89
541910	Marketing Research and Public Opinion Polling	89
541920	Photographic Services	89
541930	Translation and Interpretation Services	89
541990	All Other Professional, Scientific, and Technical Services	89
551000	Management of Companies and Enterprises	89
561100	Office Administrative Services	89
561200	Facilities Support Services	89
561300	Employment Services	89
561400	Business Support Services	89
561621	Security Systems Services (except Locksmiths)	89
561710	Exterminating and Pest Control Services	89
561720	Janitorial Services	89
561910	Packaging and Labeling Services	89
561920	Convention and Trade Show Organizers	89
561990	All Other Support Services	89
611400	Business Schools and Computer and Management Training	89
611500	Technical and Trade Schools	89
611610	Fine Arts Schools	89
611620	Sports and Recreation Instruction	89
611630	Language Schools	89
611690	All Other Schools and Instruction	89
611700	Educational Support Services	89
711400	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	89
711500	Independent Artists, Writers, and Performers	89
812920	Photofinishing	89
813930	Labor Unions and Similar Labor Organizations	89
111100	Oilseed and Grain Farming	90
111200	Vegetable and Melon Farming	90
111300	Fruit and Tree Nut Farming	90
111400	Greenhouse, Nursery, and Floriculture Production	90
111900	Other Crop Farming	90
112100	Cattle Ranching and Farming	90
112200	Hog and Pig Farming	90
112300	Poultry and Egg Production	90
112400	Sheep and Goat Farming	90
112500	Animal Aquaculture	90
112900	Other Animal Production	90
113100	Timber Tract Operations	90
113200	Forest Nurseries and Gathering of Forest Product	90

Exhibit P (continued)

NAICS	Description	BC
113300	Logging	90
114100	Fishing	90
114200	Hunting and Trapping	90
311100	Animal Food Manufacturing	90
311200	Grain and Oilseed Milling	90
311300	Sugar and Confectionery Product Manufacturing	90
311400	Fruit and Vegetable Preserving and Specialty Food Manufacturing	90
311500	Dairy Product Manufacturing	90
311600	Animal Slaughtering and Processing	90
311700	Seafood Product Preparation and Packaging	90
311800	Bakeries and Tortilla Manufacturing	90
311900	Other Food Manufacturing	90
312110	Soft Drink and Ice Manufacturing	90
312120	Breweries	90
312130	Wineries	90
312140	Distilleries	90
312200	Tobacco Manufacturing	90
424400	Grocery and Related Product Wholesalers	90
424500	Farm Product Raw Material Merchant Wholesalers	90
424800	Beer, Wine, and Distilled Alcoholic Beverage Merchant Wholesalers	90
424910	Farm Supplies Merchant Wholesalers	90
424930	Flower, Nursery Stock, and Florists' Supplies Merchant Wholesalers	90
424940	Tobacco and Tobacco Product Merchant Wholesalers	90
313000	Textile Mills	91
314000	Textile Product Mills	91
315000	Apparel Manufacturing	91
316200	Footwear Manufacturing	91
337000	Furniture and Related Product Manufacturing	91
423200	Furniture and Home Furnishing Merchant Wholesalers	91
423940	Jewelry, Watch, Precious Stone, and Precious Metal Merchant Wholesalers	91
424300	Apparel, Piece Goods, and Notions Merchant	91
512200	Sound Recording Industries	91
325000	Chemical Manufacturing	92
424200	Drugs and Druggists' Sundries Merchant Wholesalers	92
424600	Chemical and Allied Products Merchant Wholesalers	92
512110	Motion Picture and Video Production	93
512120	Motion Picture and Video Distribution	93
512190	Postproduction Services and Other Motion Picture and Video Industries	93
336000	Transportation Equipment Manufacturing	94
423100	Motor Vehicle and Motor Vehicle Parts and Supplies Merchant Wholesalers	94
211100	Oil and Gas Extraction	96
324000	Petroleum and Coal Products Manufacturing	96

Exhibit P (continued)

NAICS	Description	BC
424700	Petroleum and Petroleum Products Merchant Wholesalers	96
212100	Coal Mining	98
212200	Metal Ore Mining	98
212300	Nonmetallic Mineral Mining and Quarrying	98
331000	Primary Metal Manufacturing	98
332000	Fabricated Metal Product Manufacturing	98
333000	Machinery Manufacturing	98
423500	Metal and Mineral (except Petroleum) Merchant Wholesalers	98
423800	Machinery, Equipment, and Supplies Merchant Wholesalers	98
532490	Other Commercial and Industrial Machinery and Equipment Rental and Leasing	98
811300	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	98
316100	Leather and Hide Tanning and Finishing	99
316900	Other Leather and Allied Product Manufacturing	99
322000	Paper Manufacturing	99
323000	Printing and Related Support Activities	99
326000	Plastics and Rubber Products Manufacturing	99
339000	Miscellaneous Manufacturing	99
423910	Sporting and Recreational Goods and Supplies Merchant Wholesalers	99
423920	Toy and Hobby Goods and Supplies Merchant Wholesalers	99
423930	Recyclable Material Merchant Wholesalers	99
423990	Other Miscellaneous Durable Goods Merchant Wholesalers	99
424100	Paper and Paper Product Merchant Wholesalers	99
424920	Book, Periodical, and Newspaper Merchant Wholesalers	99
424990	Other Miscellaneous Nondurable Goods Merchant Wholesalers	99
425110	Business to Business Electronic Markets	99
425120	Wholesale Trade Agents and Brokers	99
511110	Newspaper Publishers	99
511120	Periodical Publishers	99
511130	Book Publishers	99
511140	Directory and Mailing List Publishers	99
511190	Other Publishers	99
511200	Software Publishers	99

Exhibit Q

BOE-549-L (FRONT) REV. 1 (12-02)

CLAIMED INCORRECT DISTRIBUTION OF LOCAL TAX – LONG FORM

STATE OF CALIFORNIA
BOARD OF EQUALIZATION

Note: The inquiry must contain sufficient factual data to support the probability that local tax has been erroneously allocated and distributed. Sufficient factual data must include, at a minimum, all of the following for each business location being questioned: 1) Taxpayer name, including owner name and fictitious business name or d.b.a. (doing business as) designation. 2) Taxpayer's permit number or a notation stating "no permit number." 3) Complete business address of the taxpayer. 4) Complete description of taxpayer's business activity(ies). 5) Specific reasons and evidence why the taxpayer's allocation is questioned. (In cases where it is submitted that the location of the sale is an unregistered location, evidence that the unregistered location is a selling location, as explained by Regulation 1699, or is a place of business, as defined by Regulation 1802, must be submitted. In cases that involve shipments from an out-of-state location and claims that the tax is sales tax and not use tax, evidence must be submitted that there was participation by an in-state office of the out-of-state retailer and that title to the goods passed in this state.) 6) Name, title, and phone number of the contact person. 7) The tax reporting periods involved.

NAME OF JURISDICTION	ALLOCATION PERIOD QUESTIONED
REASON FOR QUESTIONING THE ALLOCATION	

SECTION I – GENERAL BUSINESS INFORMATION

OWNER NAME	BUSINESS NAME	
BUSINESS ADDRESS (street, city, state, zip code)		
DATE BUSINESS STARTED	CURRENTLY OPERATING <input type="checkbox"/> Yes <input type="checkbox"/> No	CALIFORNIA SELLER'S PERMIT NUMBER
DESCRIPTION OF OPERATION OF BUSINESS		

Person to call for more information regarding the taxpayer's allocation of local tax

NAME	TITLE
DAYTIME PHONE NUMBER	BEST TIME TO CALL
MAILING ADDRESS (street, city, state, zip code)	

SECTION II – QUESTIONS ABOUT THE BUSINESS

Is merchandise sold at this location? Yes No

Are sales of tangible personal property negotiated at this location? Yes No

If yes, what is sold? _____

If no, what activities occur at the above business? _____

Has this business changed locations? Yes No If yes, list previous address and dates of operation: _____

ADDRESS (street, city, state, zip code) _____

DATES OF OPERATION: _____

From: _____ To: _____

Exhibit Q (continued)

BOE-549-L (BACK) REV. 1 (12-02)

Does the business have other selling locations in California? Yes No

Please give the business address(es) below or attach a list.

Are sales made at temporary locations (fairs, swap meets, etc.)? Yes No

If yes, please describe. _____

Are sales made by employees of the business? Yes No Are sales made through independent agents? Yes No

Is merchandise delivered to customers from out-of-state inventory? Yes No

Is merchandise delivered to customers from California inventory? Yes No

Other _____

If merchandise is shipped directly to customers from an out-of-state inventory, do sales contracts contain a specific title clause allowing title to pass in California? Yes No

Is the merchandise shipped with an F.O.B. - destination or F.O.B. - shipping point provision? Yes No

Are sales negotiated at a location outside of California? Yes No

Is the merchandise delivered from an in-state warehouse or inventory? Yes No

WAREHOUSE ADDRESS (street, city, state, zip code) _____

Is the taxpayer a construction contractor affixing property to realty? Yes No

If yes, is the property classified as materials, fixtures, or machinery and equipment?

TAX PREPARER'S NAME _____

SUBMITTED BY (NAME) _____ DATE _____

Send acknowledgement and future correspondence to:

NAME _____

ADDRESS (street, city, state, zip code) _____

Exhibit R

BOE-549-S REV. 1 (12-02)

CLAIMED INCORRECT DISTRIBUTION OF LOCAL TAX – SHORT FORM

STATE OF CALIFORNIA BOARD OF EQUALIZATION

Note: The inquiry must contain sufficient factual data to support the probability that local tax has been erroneously allocated and distributed. Sufficient factual data must include, at a minimum, all of the following for each business location being questioned: 1) Taxpayer name, including owner name and fictitious business name or d.b.a. (doing business as) designation. 2) Taxpayer's permit number or a notation stating "no permit number." 3) Complete business address of the taxpayer. 4) Complete description of taxpayer's business activity(ies). 5) Specific reasons and evidence why the taxpayer's allocation is questioned. (In cases where it is submitted that the location of the sale is an unregistered location, evidence that the unregistered location is a selling location, as explained by Regulation 1699, or is a place of business, as defined by Regulation 1802, must be submitted. In cases that involve shipments from an out-of-state location and claims that the tax is sales tax and not use tax, evidence must be submitted that there was participation by an in-state office of the out-of-state retailer and that title to the goods passed in this state.) 6) Name, title, and phone number of the contact person. 7) The tax reporting periods involved.

NAME OF JURISDICTION ALLOCATION PERIOD IN QUESTION REASON FOR QUESTIONING THE ALLOCATION

SECTION I – GENERAL BUSINESS INFORMATION

OWNER NAME BUSINESS NAME BUSINESS ADDRESS (street, city, state, zip code) DATE BUSINESS STARTED CURRENTLY OPERATING DESCRIPTION OF OPERATION OF BUSINESS CALIFORNIA SELLER'S PERMIT NUMBER

Person to call for more information regarding the taxpayer's allocation of local tax

NAME TITLE DAYTIME PHONE NUMBER BEST TIME TO CALL MAILING ADDRESS (street, city, state, zip code)

SECTION II – QUESTIONS ABOUT THE BUSINESS

Has this business changed locations? Yes No

If yes, list previous address and dates of operation

ADDRESS (street, city, state, zip code) DATES OF OPERATION From: To:

Exhibit S

BOE-555-LJ (FRONT) REV. 1 (10-02)

EFT AUTHORIZATION AGREEMENT FOR LOCAL JURISDICTIONS

STATE OF CALIFORNIA BOARD OF EQUALIZATION

- > Please type or print clearly in ink.
> See reverse for complete instructions.

SELECT ACTION REQUESTED

- [] New EFT Account
[] Change EFT Bank Account - (see instructions)
[] Cancel EFT

SELECT TAX PROGRAM

- [] 1% Local Tax
[] 1/4% (County) Transportation Fund
[] Add-on (Special District) Tax

SECTION I

NAME OF LOCAL JURISDICTION OR SPECIAL DISTRICT (payee) TAX AREA CODE
CONTACT PERSON (name and title) CONTACT PHONE NUMBER
MAILING ADDRESS CITY, STATE, ZIP

SECTION II

The State Controller's Office, on behalf of the State Board of Equalization, is hereby authorized to make direct deposit (EFT) of any amounts distributed pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the Transactions and Use Tax Law less any mandatory withholding or deductions therefrom to the designated bank account identified below.

BANK NAME
BANK ACCOUNT NUMBER (not to exceed 17 digits)
TRANSIT ROUTING NUMBER
TYPE OF ACCOUNT
[] CHECKING [] SAVINGS

IMPORTANT

Payee agrees that in the event that the payee owes a debt determined either by court order, or otherwise by operation of law, and for which the Board has been notified according to law, to make repayments by deductions from Local Sales and Use Tax transmittals, the payee will be removed from the EFT program until the debt is extinguished.

SIGNATURE TITLE DATE

Return this form to:
(Hard Copy with Original Signature Required)

Board of Equalization
Local Revenue Allocation Section
P.O. Box 942879, MIC:27
Sacramento, CA 94279-0027
FAX 916-324-8117
For EFT assistance call 916-324-1386

This information is confidential and not for public release.

Exhibit S (continued)

BOE-555-LJ (BACK) REV. 1 (10-02)

INSTRUCTIONS FOR LOCAL JURISDICTIONS FOR COMPLETING THE EFT AUTHORIZATION AGREEMENT FORM

GENERAL

- Read this agreement carefully, and if you have questions call 916-324-1386.
- Please type or print clearly.
- Check one action box and one tax program box. Your jurisdiction's tax program can be found on the title line of the remittance advice received from the State Controller's Office.
- Complete all information blocks.

SECTION I

- Your jurisdiction's tax area code can be found on the remittance advice immediately above the word "Payee."
- A contact person and telephone number **are required** to process your authorization agreement.

SECTION II

- The "Transit Routing Number" (nine digits) typically can be found in the bottom left-hand corner of your check.
- Please indicate the type of account. (Checking or Savings)
- Be sure to include a voided check or bank confirmation with your authorization agreement.

ADDITIONAL INFORMATION

- **Changing EFT Bank Account**
 - **IMPORTANT: DO NOT CLOSE YOUR OLD ACCOUNT UNTIL THE FIRST EFT PAYMENT IS DEPOSITED INTO THE NEWLY DESIGNATED ACCOUNT.**
 - This agreement will remain in effect until the Board of Equalization is notified in writing that you wish to redesignate your account and/or your financial institution, or that you wish to cancel EFT service.
 - To redesignate, please submit a new EFT Authorization Agreement for Local Jurisdictions. Be sure to check the correct action box on the front of the form, and provide the correct new information.
 - The first deposit into a new account should be made within 60 days from the Board's receipt of the completed EFT Authorization Agreement.
 - In the interim between the closing of the old account and opening of the new account, you may receive a warrant via U.S. Mail.
- **Canceling EFT Service**
 - To cancel EFT service, submit a new EFT Authorization Agreement for Local Jurisdictions, and check the "CANCEL EFT" box. Be sure to complete all information blocks.
- **EFT Direct Deposit Posting Dates**
 - Funds will be deposited on the "Warrant Issue Date" as shown on the Board's Allocation Calendar. Calendars can be found in Publication 28, **Tax Information for City and County Officials**, downloaded from the Board's website at www.boe.ca.gov/pdf/pub28.pdf (see exhibits), or requested from the Local Revenue Allocation Section at 916-324-3000.
 - Most financial institutions post funds to accounts at the beginning of the bank business day; however, you should confirm your particular bank's practice to determine when funds will be available.

GLOSSARY OF TERMS

Advance	Estimated payment distributed to a tax jurisdiction at least twice per calendar quarter as required by statute.
Allocation	The identification of money as belonging to a specific jurisdiction or fund.
Countywide/Statewide Pools	A mechanism used to allocate local tax that cannot be identified with a specific place of sale or use in California. Local tax reported to the pools is distributed to the local jurisdictions each calendar quarter using a formula that relates to the direct allocation of local tax to each jurisdiction for the given period.
Date of Knowledge (DOK)	Date on which notice of suspected improper distribution of local tax is received by the BOE. A DOK may also be operationally documented by the BOE. (See Compliance Policy and Procedures Manual 906.000 et seq.)
Distribution	The disbursement of money to jurisdictions or funds based on allocation.
Improper Allocation	Term used to describe suspected incorrect allocation of funds prior to verification by BOE staff.
Misallocation	Term reserved for BOE use representing an incorrect allocation of funds as verified by BOE staff.
Petition	A request or inquiry that the BOE receives from a Jurisdiction or a District for investigation of suspected misallocation of local tax or improper distribution of district tax. A petition must be submitted in writing and include sufficient factual data to support the misallocation or improper distribution.
Place of Sale (Local Tax) “Stock of Goods Warehouse Rule”	Out-of-state retailers who do not have a permanent place of business in this state, but who maintain a stock of tangible personal property in this state must acquire a seller’s permit for their warehouse location. If the retailer subsequently establishes a permanent place of business (sales location) in this state, the warehouse permit will remain active and the allocation of the local tax will be to the location that makes the sale. An in-state retailer that has a sales location can also have a warehouse permit provided the warehouse makes sales of tangible personal property in the state.
Place of Sale (Local Tax) Construction Contractors	Effective January 1, 1995, under certain conditions, local tax from construction contractors may be allocated to the local jurisdiction of the specific construction jobsite. The contract (or subcontract) must be for no less than \$5,000,000 for work performed at the jobsite. The election to report under a sub-permit must be made by the contractor furnishing and installing materials and/or fixtures. For complete information on this topic, see Special Notice dated January 1995, Exhibit A.
Place of Sale (District Tax)	District Use Tax is generally paid by a retailer who: <ul style="list-style-type: none">• maintains, occupies, or uses any type of office, sales room, warehouse, or other place of business in the district, even if it is used temporarily, indirectly, or through an agent.• has any kind of representative operating in the district for purposes of making sales or deliveries, or taking orders.

Glossary (continued)

- derives rentals from a lease of tangible personal property in the district.
- sells or leases vehicles, undocumented vessels, or aircraft that will be registered in the district.

Quarterly Cleanup Net amount of tax receipts due to be paid to jurisdictions after advance payments and deduction for administrative costs.

Seller's Permit The document issued by the BOE bearing the name of the business, the business address, and the assigned seller's permit number. The seller's permit must be conspicuously displayed at the location for which it is issued. (Please refer to Exhibit F for sample.)

Seller's Permit Number Also known as account number. Each retailer's permit number is a unique identifier used to report sales, transactions, and use tax. Each number is made up of a combination of up to four parts: (1) Taxable Activity Type (TAT), (2) TAT Indicator (used for consolidated and special seller accounts), (3) Office Code, and (4) nine-digit numeric portion. The following diagram shows each component of the seller's permit number.

<i>TAT</i>	<i>TAT INDICATOR</i>	<i>OFFICE CODE</i>	<i>NUMERIC PORTION</i>
<i>SR</i>	<i>S</i>	<i>KH</i>	<i>028-123456</i>

Special Taxing Jurisdiction (District) A Special Taxing Jurisdiction is a local jurisdiction that, under enabling statutes in various codes, may impose transactions (sales) and use taxes within its borders. Voters must approve a district tax, by either a simple majority (50 percent, plus 1) or a super majority (2/3 vote) of those voting on this issue. A district tax is levied on a countywide basis, multicounty basis (for example, BART) and within incorporated city limits.

Statewide Compliance Outreach Program (SCOP) This program is a door-to-door effort to check retailers for proper permits in an effort to increase voluntary compliance with sales and use tax laws and to educate retailers on all licensing obligations.

Taxable Measure The base amount upon which the sales or use tax rate is applied to arrive at the amount of tax due: (taxable measure x tax rate = tax due).

Tax Area Code (TAC) 12-digit code assigned to each registered in state business location that corresponds to the local jurisdiction (county, city, special tax district, and redevelopment agency) where the business is located but does not always follow zip code areas assigned by U.S. Post Office. In the case of out-of-state sellers reporting use tax, the assigned TAC may represent the statewide or countywide pools. See example A (page 14) Sample Tax Area Code.

Glossary (continued)

Transactions (Sales) Tax	Transactions (Sales) Tax is generally paid by a retailer who has a business location in the district, and the sale occurs at that location.
Use Tax Direct Payment Permit	In the case of a county, city, city and county, or redevelopment agency, a permit that allows the jurisdiction to issue an exemption certificate to retailers from which they make purchases subject to use tax, (for example, out-of-state vendors). The jurisdiction may then self-assess and report the use tax on those purchases, thus allocating the local use tax directly to the jurisdiction rather than through the countywide pool. Taxpayers under qualifying circumstances may also obtain these permits.

BOE WEBSITE RESOURCES FOR LOCAL JURISDICTIONS

www.boe.ca.gov (See also [Local Tax](#) page under BOE Programs)

Forms and Publications

Law Guide

Sales and Use Tax Law

- Section 7056, *Divulging of Information Forbidden*
- Section 7056.5, *Unauthorized Inspection of Information*

Uniform Local Sales and Use Tax Law

- Section 7204, *Transmittal of Taxes to Cities and Counties*
- Section 7204.3, *Charge for Administration by Board*

Uniform Local Sales and Use Tax Regulations

- 1802, *Place of Sale and Use for Purposes of Bradley-Burns Uniform Local Sales and Use Taxes*
- 1803, *Application of Tax*
- 1803.5, *Long-term Leases of Motor Vehicles*
- 1805, *Aircraft Common Carriers*
- 1806, *Construction Contractors*
- 1807, *Petitions for Reallocation of Local Tax*

Transactions and Use Tax Law

- Section 7261, *Required Provisions of the Transactions Tax*
- Section 7262, *Required Provisions of the Use Tax*
- Section 7269, *Limitations on Redistribution of District Taxes*
- Section 7273, *Charges for Administering the Taxes*
- Section 7285, *Counties Authorized to Levy Tax*

Transactions and Use Tax Regulations

- Regulation 1821, *Foreword*
- Regulation 1822, *Place of Sale for Purposes of Transactions (Sales) and Use Taxes*
- Regulation 1823, *Application of Transactions (Sales) Tax and Use Tax*
- Regulation 1823.4, *Place of Delivery of Tangible Personal Property Generally*
- Regulation 1823.5, *Place of Delivery of Certain Vehicles, Aircraft and Undocumented Vessels*
- Regulation 1825, *Aircraft Common Carriers*
- Regulation 1826, *Construction Contractors*
- Regulation 1827, *Collection of Use Tax by Retailers*
- Regulation 1828, *Petitions for Distribution or Redistribution of Transactions and Use Tax*

Forms

- BOE-530 *Schedule C Detailed Allocation By Suboutlet of Uniform Local Sales and Use Tax*
- BOE-530-B, *Local Tax Allocation for Temporary Sales Locations*
- BOE-531, *Schedule B Detailed Allocation By County of 1% Uniform Local Sales and Use Tax*
- BOE-531-F, *Schedule F Detailed Allocation By City of 1% Uniform Local Sales and Use Tax*
- BOE-549-L, *Claimed Incorrect Distribution of Local Tax (Long Form)*
- BOE-549-S, *Claimed Incorrect Distribution of Local Tax (Short Form)*
- BOE-555-LJ, *EFT Authorization Agreement for Local Jurisdictions*

Publications

- Publication 44, *District Taxes*
- Publication 71, *California City and County Sales Tax Rates in California*
- Publication 389, *Taxable Sales in California*

Other useful information

- Local Tax Statement of Distributions
- Allocation Calendars (Current and Next)

FOR FURTHER ASSISTANCE

LOCATION	CONTACT	DUTIES
Local Revenue Allocation Unit Board of Equalization 450 N Street, MIC:27 PO Box 942879 Sacramento, CA 94279-0027 Email to: ewgroup@boe.ca.gov	Warrant Desk Telephone: 916-324-1386 Telephone: 916-322-8165 Fax: 916-324-8117	<ul style="list-style-type: none"> • Missing Warrants • Late or Missing Bank Deposits • Section 7056 Resolutions • EFT Assistance
	Control Desk Telephone: 916-324-1371 Telephone: 916-322-8165 Fax: 916-324-3001	<ul style="list-style-type: none"> • Creation of New Special Tax Districts • District Tax Information • Construction Contracts over \$5 Million • Annual Audit Confirmation of Local and District Tax Distributed • Use Tax Direct Payment Permits
	Advance Desk Telephone: 916-327-7133 Telephone: 916-324-1371 Fax: 916-324-3001	<ul style="list-style-type: none"> • Advance Payment Information - Local • Creation of New Cities (Incorporations) • Advance Payment Information - District
	Media Desk Telephone: 916-324-1218 Fax: 916-324-3001	<ul style="list-style-type: none"> • Allocation/Registration Media
Budget Section Board of Equalization 450 N Street, MIC:25 PO Box 942879 Sacramento, CA 94279-0025	Telephone: 916-445-1173 Fax: 916-322-3184	<ul style="list-style-type: none"> • Administrative Fees
Audit Determination and Refund Section (Allocation Group) Board of Equalization 450 N Street, MIC:39 PO Box 942879 Sacramento, CA 94279-0039	Telephone: 916-322-3372 Fax: 916-445-2249	<ul style="list-style-type: none"> • Suspected Improper Allocation of Local and District Tax • Petition Form 5495 & 549L • Assembly Bill 990 (AB990)
Research & Statistics Section 450 N Street, MIC:67 PO Box 942879 Sacramento, CA 94279-0067	Telephone: 916-445-0840 Fax: 916-445-7119	<ul style="list-style-type: none"> • Triple Flip Backfill Calculation • Taxable Sales • LAFCO Revenue Estimates
State Controller's Office PO Box 942850 Sacramento, CA 94250	Telephone: 916-323-0740 Telephone: 916-323-0704 Telephone: 916-323-8077	<ul style="list-style-type: none"> • Highway Users Fuel Tax (Gas Tax) • Local Public Safety Fund • Local Revenue Fund Distributions • Motor Vehicle License Fees
Statewide Compliance and Outreach Program (SCOP) Board of Equalization 450 N Street, MIC:46 PO Box 942879 Sacramento, CA 94279-0046	Northern California Telephone: 916-319-9160	<ul style="list-style-type: none"> • For General SCOP Information • No City Business License Reports
	Southern California Telephone: 916-445-6790	

Taxpayers' Rights Advocate

The State Board of Equalization wants to make dealing with us as easy as possible. Consequently, we have appointed a Taxpayers' Rights Advocate to help you with concerns related to the BOE's programs that cannot be resolved through normal channels. Please contact the [Taxpayers' Rights Advocate Office](#) for assistance:

Taxpayers' Rights Advocate
State Board of Equalization
450 N Street, MIC:70
PO Box 942879
Sacramento, CA 94279-0070
Toll-free telephone: 888-324-2798
Telephone: 916-324-2798
Fax: 916-323-3319

Information on the Internet—www.boe.ca.gov

In addition to copies of selected publications, our Internet site also includes order forms for forms and publications, Board meeting dates, and other information about the BOE and the programs it administers.

