

### Regulation 1594

Regulation 1594 provides that for the purposes of the proper administration of the sales and use tax and to prevent the evasion of the sales tax, it shall be presumed that all gross receipts are subject to the tax until the contrary is established. This presumption may be rebutted by the seller as to any sale of watercraft or component parts of watercraft by establishing to the satisfaction of the California Department of Tax and Fee Administration that the gross receipts from the sale are not subject to the tax or by timely taking a watercraft exemption certificate substantially in the form set forth below. The certificate shall relieve the seller from liability for the sales tax only if it is taken in good faith.

I HEREBY CERTIFY: That the watercraft identified below will be used

- In the transportation by water of persons or property for hire in interstate or foreign commerce;\*
- In commercial deep sea fishing operations and the watercraft is used outside the territorial waters of this state;\*
- In transporting for hire persons or property to vessels or offshore drilling platforms located outside the territorial waters of this state;

That all tangible personal property which I shall purchase from

\_\_\_\_\_  
NAME OF VENDOR

\_\_\_\_\_  
described on purchase orders, or invoices, as tax exempt under section 6368 of the Sales and Use Tax Law and Regulation 1594 consists of watercraft or tangible personal property becoming a component part of watercraft in the course of constructing, repairing, cleaning, altering, or improving the same, which watercraft will be used principally in the operation checked above.

*\*Note: Revenue and Taxation Code section 6368 (b) creates a rebuttable presumption that you are not regularly engaged in commercial deep sea fishing if your gross receipts from such operations are less than twenty thousand dollars (\$20,000) a year. Revenue and Taxation Code section 6368 (c) creates a rebuttable presumption that the watercraft is not regularly used in interstate or foreign commerce if your yearly gross receipts from such operations do not exceed 10 percent of the cost of the watercraft or twenty-five thousand dollars (\$25,000), whichever is less.*

\_\_\_\_\_  
DATE CERTIFICATE GIVEN

\_\_\_\_\_  
PURCHASER / COMPANY NAME

\_\_\_\_\_  
ADDRESS (street, city, state, zip code)

\_\_\_\_\_  
SIGNATURE OF AUTHORIZED PERSON

\_\_\_\_\_  
NAME (print or type)

\_\_\_\_\_  
TITLE (owner, partner, purchasing agent, etc.)

\_\_\_\_\_  
SELLER'S PERMIT NO. (if any)

\_\_\_\_\_  
AND/OR FISH AND GAME LICENSE NO.

\_\_\_\_\_  
Names of Watercraft for which certifying purchaser will be making purchases:

\_\_\_\_\_