



## Important Reminders for Used Vehicle Dealers

Starting January 1, 2021, important changes impacting used vehicle dealers went into effect. You were previously notified of these changes in the special notice, *Changes Affecting Used Vehicle Dealers and Vehicle Auction Houses Beginning January 1, 2021*<sup>1</sup>. To help with the transition, we want to provide you with some important reminders:

### Sales and Use Tax Return Reminders

- Your filing frequency with the California Department of Tax and Fee Administration (CDTFA) has been changed to a monthly reporting basis.
- You are required to submit a new schedule, CDTFA-531-MV, *Used Vehicle Dealers – Sales Report*<sup>2</sup>, with your return. For help completing this schedule, a video tutorial is available on our *Online Services* webpage at [www.cdtfa.ca.gov/services/#Tutorials](http://www.cdtfa.ca.gov/services/#Tutorials). From the webpage, select the *Returns* heading, *Sales and Use Tax* subheading, and select *How to File Schedule MV*.
- You are required to report local sales tax to the retail location where the sale takes place on *Schedule C – Detailed Allocation by Location of Sales and Use Tax Transactions*<sup>3</sup>. For more information, please see our *Local and District Tax Guide for Retailers* at [www.cdtfa.ca.gov/industry/localanddistricttaxes.htm](http://www.cdtfa.ca.gov/industry/localanddistricttaxes.htm).
- You must enter amounts in the new line items added to your sales and use tax return to reflect the amount of sales tax and penalty you paid (if any) to the Department of Motor Vehicles (DMV).
- On your return, you must continue to report your vehicle sales and other charges related to the vehicle sales on line 1, *Total Sales*, including, but not limited to, document fees, smog certification fees, and mandatory warranties. *Please note:* The DMV only collects the sales tax on the charge for the vehicle. Therefore, you must pay sales tax for other related taxable charges directly to the CDTFA.

### DMV Payment Reminders

- Certain used motor vehicle dealers are required to pay sales tax to the DMV at the same time they submit a vehicle registration application. The DMV will notify you when you are required to start paying sales tax to the DMV. If you have not been notified by the DMV, please continue making sales tax payments to the CDTFA. *Please note:* If you are unsure if you have been notified by the DMV, please contact the DMV directly.
- You must complete and submit a Report of Sale (ROS) timely, as required by the DMV.
- You should ensure that your seller's permit number and ROS sales date are correct. Payments made to the DMV will automatically be applied to your sales and use tax account using your seller's permit number and the ROS sales date.

### Registration Update

Our records indicate you are a used vehicle dealer. If you are not a used vehicle dealer and believe you received this letter in error, please contact us at the number below to update your account information.

### For More Information

Additional information can be found on our *Tax Guide for Motor Vehicle Dealers* at [www.cdtfa.ca.gov/industry/used-vehicle-dealers.htm](http://www.cdtfa.ca.gov/industry/used-vehicle-dealers.htm) or our *New Legislation Affecting Used Vehicle Dealers - Frequently Asked Questions (FAQs)* at [www.cdtfa.ca.gov/industry/faqs-for-used-vehicle-dealers.htm](http://www.cdtfa.ca.gov/industry/faqs-for-used-vehicle-dealers.htm).

You may also call our Customer Service Center at 1-800-400-7115 (CRS:711). Customer service representatives are available Monday through Friday from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.

<sup>1</sup> [www.cdtfa.ca.gov/formspubs/L766.pdf](http://www.cdtfa.ca.gov/formspubs/L766.pdf)

<sup>2</sup> [www.cdtfa.ca.gov/formspubs/cdtfa531mv.pdf](http://www.cdtfa.ca.gov/formspubs/cdtfa531mv.pdf)

<sup>3</sup> [www.cdtfa.ca.gov/formspubs/cdtfa530.pdf](http://www.cdtfa.ca.gov/formspubs/cdtfa530.pdf)