



SPECIAL NOTICE

CALIFORNIA DEPARTMENT
OF TAX AND FEE
ADMINISTRATION
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CDTFA WEBSITE
www.cdtfa.ca.gov

CUSTOMER SERVICE CENTER
1-800-400-7115
CRS
711

Changes Affecting Used Vehicle Dealers and Vehicle Auction Houses Beginning January 1, 2021

Beginning January 1, 2021, the California Department of Tax and Fee Administration (CDTFA) is changing the filing frequency of all used vehicle dealers and vehicle auction houses to a monthly reporting basis and will require the submission of detailed transaction information with the returns for any retail sales of used vehicles.

Monthly returns must be filed with the CDTFA

If you are a used vehicle dealer and/or vehicle auction house, your filing frequency with the CDTFA is being changed to a monthly reporting basis. Your first return for sales made in the month of January 2021 will be due March 1, 2021.

Please provide additional required information on your returns

The CDTFA is requiring that you provide your dealer license number and vehicle sales transaction detail for all your retail sales of used vehicles with your returns beginning January 1, 2021. Return instructions will have information on how to provide your vehicle sales transaction detail.

Sales tax paid to the Department of Motor Vehicles (DMV)

Beginning January 1, 2021, certain used vehicle dealers will also be required to pay sales tax on their retail sales of vehicles at the same time they submit a vehicle registration application to the DMV. Pursuant to DMV's proposed regulations, the DMV will be implementing the new payment requirement in multiple phases through January 1, 2023. *The DMV will notify you, in advance, when your payment method is set to change.* You must continue to report and remit the taxes due to the CDTFA until you are transitioned to the DMV payment process. Please provide your seller's permit number on your Report of Sale to ensure your sales tax payment is correctly applied to your CDTFA return.

Legislation information

The reporting basis and payment changes are results of the recent enactment of Assembly Bill (AB) 85 (Stats. 2020, ch. 8)¹ and AB 82 (Stats. 2020, ch. 14)². This applies to vehicle dealers, other than new motor vehicle dealers, lessors-retailers, and other specified sellers of vehicles, who hold a license issued pursuant to the Vehicle Code (generally, used vehicle dealers).

For more information

We invite you to visit our website at www.cdtfa.ca.gov, and specifically our online *Tax Guide for Motor Vehicle Dealers* at www.cdtfa.ca.gov/industry/used-vehicle-dealers.htm for up-to-date information. 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.

¹ www.leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB85

² www.leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB82