



CDTFA

CALIFORNIA DEPARTMENT OF
TAX AND FEE ADMINISTRATION

INFORMATION UPDATE

Please note the following update to Special Notice L-565, published in December 2018, regarding new use tax collection requirements for retailers located outside of California. The notice stated that beginning April 1, 2019, a retailer located outside of California is required to collect use tax if, during the preceding or current calendar year, the retailer's sales into California exceed \$100,000, or the retailer made sales into California in two hundred (200) or more separate transactions. This new use tax collection requirement was pursuant to the U.S. Supreme Court's *South Dakota v. Wayfair, Inc.* decision and Revenue and Taxation Code section 6203.

On April 25, 2019, California passed [Assembly Bill No. \(AB\) 147](#) (Stats. 2019, ch. 5) which requires retailers located outside of California to collect use tax if, during the preceding or current calendar year, total combined sales of tangible personal property for delivery in California by the retailer and all persons related to the retailer **exceed \$500,000**. The new collection requirement imposed by AB 147 is operative April 1, 2019, and supersedes the direction provided in Special Notice L-565. A separate [notice](#) was also published notifying taxpayers of the information update.

***New Use Tax
Collection
Requirements for
Out-of-State
Retailers Based
on Sales into
California
Effective April 1,
2019***

Tax rates in California

The current California sales and use tax statewide base rate is 7.25 percent, which includes state and local taxes. However, the total sales and use tax rate is not the same throughout the state; the sales and use tax rate is higher in areas where there are voter-approved district taxes. For more information about California city and county sales and use tax rates and to verify current rates, visit our website at www.cdtfa.ca.gov, select *Tax & Fee Rates* at the top ribbon, and then choose *Sales and Use Tax Rates*. This page includes a link to the *Find a Sales and Use Tax Rate by Address* rate look-up tool under the *Current Tax Rates* section.

Our rate look-up tool allows you to find the tax rate by entering an individual address. Our rate look-up service may also be integrated into your sales software to compute the tax rate for each of your sales. To see if our service will work with your application, please select the *Looking for the Tax Rate API?* link at the bottom of the rate look-up tool page.

Interested parties meetings

The CDTEFA plans to begin the interested parties process for rulemaking next year. If you would like to receive information when that process begins, please email your contact information to BTFD-BTC.InformationRequests@cdtfa.ca.gov.

For more information

For more information on the *Wayfair* decision or for guidance on whether or not you are required to register with the CDTEFA or collect district taxes, please see our online guide *Use Tax Collection Requirements Based on Sales into California Due to the Wayfair Decision* at www.cdtfa.ca.gov/industry/. Or you may call our Out-of-State Office at 1-916-227-6600 Monday through Friday from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.