



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

TTY
711

New Schedule Q for Tax Recovery Items

The California Department of Tax and Fee Administration (CDTFA) implemented a new online services system on May 7, 2018. As a result, many new features and schedules were added to the system, including the CDTFA-531-Q, *Schedule Q - Tax Recovery*.

Our records indicate you have claimed sales and use tax recovery items on a prior period return. Going forward, these types of items are to now be reported on the new *Schedule Q - Tax Recovery*.

Tax recovery items include:

- Bad Debt Losses
- Cost of Tax-Paid Purchases Resold
- Returned Taxable Merchandise
- Cash Discounts on Taxable Sales
- Bad Debt Lender Losses

All tax recovery items listed above are to be reported on the *Schedule Q* in their respective section. Upon filing your tax return online, you will enter the type of exemption or adjustment you are making, the original transaction date/period, transaction amount, and tax rate. You may be requested to enter additional information depending on the type of tax recovery item you are claiming. If you are unsure of the tax rate for the period you are claiming a tax recovery, a list of tax rates will be available with the *online* schedule.

If you are completing the printable version of the CDTFA-531-Q, *Schedule Q*, and claiming Bad Debt Lender deductions, you may use the CDTFA-531-FL1, *Listing of City and Unincorporated County Codes*, to find the list of city and county tax area codes required to complete the schedule. To view the printable version of the CDTFA-531-FL1, please visit our website at www.cdtfa.ca.gov/formspubs/cdtfa531fl1.pdf.

To view the printable version of the CDTFA-531-Q, *Schedule Q*, and the corresponding instructions, please visit our website at www.cdtfa.ca.gov/formspubs/cdtfa531q.pdf.

For more information on the new *Schedule Q*, please speak to your account representative or call our Customer Service Center at 1-800-400-7115 (TTY:711) Monday through Friday, 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.