



# SPECIAL NOTICE

CALIFORNIA DEPARTMENT  
OF TAX AND FEE  
ADMINISTRATION  
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Sacramento, CA 95814

**GAVIN NEWSOM**  
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Director

CDTFA WEBSITE  
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**711**

## New Requirements for Marketplace Facilitators Beginning October 1, 2019

Beginning October 1, 2019, a *marketplace facilitator* is generally required to pay sales tax or collect and pay use tax on all of the retail sales to California consumers facilitated through its marketplace for marketplace sellers. These new requirements are in addition to any other sales or use tax liabilities a marketplace facilitator is responsible for reporting and paying on the retail sales of its own tangible merchandise through its marketplace.

This new requirement is included in the *Marketplace Facilitator Act*, added by [Assembly Bill 147<sup>1</sup>](#) (Stats. 2019, ch. 5) and amended by [Senate Bill 92<sup>2</sup>](#) (Stats. 2019, ch. 34).

### General definitions

The following are the general definitions for terms used in the *Marketplace Facilitator Act*:

- **Marketplace** – a physical or electronic place where a marketplace seller sells or offers for sale tangible merchandise for delivery in this state.
- **Marketplace facilitator** – in general, a person who contracts with marketplace sellers to facilitate the sale of the marketplace sellers' products through a marketplace operated by the person or a related person.
- **Marketplace seller** – a person who has an agreement with a marketplace facilitator and makes retail sales of tangible merchandise through a marketplace owned, operated, or controlled by a marketplace facilitator.

To help you determine if you are a marketplace facilitator under the *Marketplace Facilitator Act*, see Revenue and Taxation Code [sections 6041-6041.5](#). You can also find more information in our online guide, *Marketplace Facilitator Act*, at [www.cdtfa.ca.gov/industry/MPFAct.htm](http://www.cdtfa.ca.gov/industry/MPFAct.htm).

### Notification of marketplace sellers

If you are a marketplace facilitator as defined in the *Marketplace Facilitator Act* and responsible for the tax on retail sales in California facilitated through your marketplace, the marketplace seller is no longer liable for the tax on those transactions. You should notify all of your marketplace sellers that you are registered with the CDTFA and will be collecting and paying the tax due on their sales to California customers facilitated through your marketplace beginning October 1, 2019.

### Registration requirements

A marketplace facilitator is considered the seller and retailer for each sale facilitated through its marketplace for purposes of determining whether the marketplace facilitator is required to register with the California Department of Tax and Fee Administration (CDTFA) for a seller's permit or Certificate of Registration – Use Tax.

<sup>1</sup> [http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201920200AB147](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB147)

<sup>2</sup> [http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201920200SB92](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB92)

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*New Requirements for  
Marketplace Facilitators  
Beginning October 1, 2019*

In general, a person, including a marketplace facilitator, is required to register with the CDTFA for a seller's permit or a Certificate of Registration – Use Tax if they:

- Actively sell tangible personal property in this state; or
- Are a retailer engaged in business in this state because they have a sufficient physical presence in this state, such as a business location, sales representative, or inventory; or
- Have an *economic nexus* with California.

*Economic nexus* means that the total combined sales of tangible personal property for delivery in California by the retailer, in this case the marketplace facilitator, and all persons related to the retailer<sup>3</sup> exceed \$500,000 in the preceding or current calendar year. To determine if you have an economic nexus with California, you must include all sales of tangible merchandise for delivery in California, including sales of tangible merchandise you facilitate through your marketplace for marketplace sellers.

**For more information**

See our online guide, *Marketplace Facilitator Act*, at [www.cdtfa.ca.gov/industry/MPFAct.htm](http://www.cdtfa.ca.gov/industry/MPFAct.htm). For assistance with your account you may contact our Out-of-State Office at 1-916-227-6600 or via email at [OSReg@CDTFA.ca.gov](mailto:OSReg@CDTFA.ca.gov). Our Out-of-State Office is located at:

California Department of Tax and Fee Administration  
Out-of-State Office  
3321 Power Inn Road, Suite 130  
Sacramento, CA 95826-3893

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<sup>3</sup> A person is related to a retailer if they have a relationship with the retailer described in Internal Revenue Code section 267(b) and the related regulations.