

Online Seller Flowchart Registration and Local Tax Allocation

This flowchart provides general guidance that applies to sales of tangible personal property (TPP), as defined in Revenue and Taxation Code (R&TC) section 6016, made by online sellers for delivery to customers in California (CA).

More detailed information is available in our Local and District Tax Guide for Retailers.



Do you make sales through a marketplace facilitated by a marketplace facilitator (marketplace) that is registered or required to be registered with CDTFA?





Do you also make sales outside of the marketplace?



Are you a "retailer engaged in business in this state" based on your physical presence in CA?



Registration Is Not Required*

You are not required to register with CDTFA for a seller's permit, a Certificate of Registration—Use Tax, or a fee program account if you do not make any sales of TPP for storage, use, or other consumption in CA.



Do you have an in-state place of business for which you are required to hold a seller's permit under Regulation 1699?†





Do you have total combined sales of TPP exceeding \$500k to CA in the preceding or current calendar year?



Seller's Permit Is Required*

Use Schedule C to allocate sales tax transactions directly to each local jurisdiction where in-state participation occurs.

Use Schedule B to allocate use tax transactions to the countywide pool for the county into which you ship TPP.

Certificate of Registration-Use Tax Is Required*

Your sales are subject to use tax.
Use Schedule B to allocate local use tax
through the countywide pool for the county
into which you ship TPP.

Registration Is Not Required

You may voluntarily register for a Certificate of Registration— Use Tax to collect use tax as a courtesy for your CA customers.

- *- If you only sell through a marketplace, you are not required to register with CDTFA.
- If you make sales through a marketplace and outside a marketplace and you are required to register for a seller's permit, a Certificate of Registration–Use Tax, and/or certain fees administered according to Fee Collection Procedures Law, you should only report the sales made outside of the marketplace.
- A marketplace facilitator (as defined by R&TC section 6041(b)) that is registered or required to be registered with CDTFA is the retailer for the purposes of sales and use tax and/or certain fees administered according to Fee Collection Procedures Law with respect to all retail sales facilitated on behalf of marketplace sellers through the facilitator's marketplace. See our Tax Guide for Marketplace Facilitator Act for more information.

†See Regulation 1699 at https://www.cdtfa.ca.gov/lawguides/vol1/sutr/1699.html.