



TAX INFORMATION BULLETIN

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Firearm and Ammunition Excise Tax

New program for firearms dealers, ammunition vendors, and firearms manufacturers

Beginning July 1, 2024, [Assembly Bill 28 \(Stats. 2023, ch. 231\)](#) requires licensed firearms dealers, ammunition vendors, and firearms manufacturers to register for a Firearm and Ammunition Excise Tax (FET) certificate with us and pay an excise tax of 11 percent of the gross receipts from the retail sales of firearms, firearm precursor parts, or ammunition in California.

If you plan to make any retail sales of firearms, firearm precursor parts, or ammunition in California on or after July 1, 2024, contact our Customer Service Center at 1-800-400-7115 (CRS:711), then select the option for *Special Taxes and Fees*, and we will help you register for your FET certificate. Our online registration for a FET certificate will be available in mid-June 2024.

For more information, visit our *Tax Guide for Sellers of Firearm and Ammunition Products* at www.cdtfa.ca.gov/industry/firearm-and-ammunition-products/. This guide is in progress and will be available in January 2024.

Qualified Purchaser Program

[Revenue and Taxation Code \(R&TC\) section 6225](#) requires businesses that are “qualified purchasers” to register with the California Department of Tax and Fee Administration (CDTFA). Beginning January 1, 2024, through December 31, 2028, [Assembly Bill 1097 \(Stats. 2023, ch. 355\)](#) revises the definition of a “qualified purchaser.” The revision changes the requirements from a person that receives at least \$100,000 in gross receipts from business operations to a person who makes more than \$10,000 in purchases subject to use tax (excluding vehicles, vessels, or aircraft) per calendar year if the use tax imposed on those purchases has not otherwise been paid to a retailer required or authorized to collect the tax.

You must be registered with us to directly report and pay use tax if your business:

- Makes more than \$10,000 in purchases subject to use tax in the preceding calendar year, and
- Did not otherwise pay tax on those purchases to a retailer engaged in business in this state or authorized to collect the tax.

For more information, see our tax guide for the *Qualified Purchaser Program* at www.cdtfa.ca.gov/taxes-and-fees/qualified-purchaser.htm on our webpage and special notice L-917, *Qualified Purchaser Now Defined as a Persons Who Makes More Than \$10,000 in Purchases Subject to the Use Tax per Calendar Year*, at www.cdtfa.ca.gov/formspubs/L917.pdf.



Sales and Use Tax Exemption for Used Trailers in Interstate or Out-of-State Commerce

On October 8, 2023, [Assembly Bill 314 \(Stats. 2023, ch. 427\)](#) amended [R&TC section 6388.5](#) by expanding the sales and use tax exemption for sales or purchases of certain new, used, or remanufactured trucks and new or remanufactured trailers and semi-trailers used exclusively out-of-state or in interstate or foreign commerce to also include sales and purchases of certain *used* trailers and semi-trailers. This bill extended the sunset date of the exemption to January 1, 2029.

For more information, see special notice L-916, *Sales and Use Tax Exemption for Vehicles Used in Out-of-State or Interstate Commerce Is Expanded to Include Used Trailers and Semi-Trailers*, at www.cdtfa.ca.gov/formspubs/L916.pdf.

Sales or Purchases of Breast Pumps and Related Supplies are Exempt from Sales and Use Tax

[Assembly Bill 1203 \(Stats. 2023, ch. 833\)](#) provides a sales and use tax exemption for sales and purchases of breast pumps and related supplies beginning April 1, 2024, through March 31, 2029. Retailers should not collect tax on these items during this period.

More information will be available at a later time on our website.



Exemption Threshold Update for Retailers of Coins and Bullion

Recent legislation changed the effective date of adjustments to the bulk sales threshold amounts for monetized bullion, nonmonetized gold or silver bullion, and numismatic coins (coins and bullion). The effective date changed from January 1, 2023, to July 1, 2023. On and after July 1, 2023, sales of coins and bullion valued at \$2,000 and above are exempt from sales and use tax.

If you collected tax on your bulk sales of coins and bullion valued at or above \$1,500 but less than \$2,000 during the first or second quarters of 2023, you must report and pay the full amount on your sales and use tax return(s) or refund any excess tax reimbursement to your customers. If you previously reported and paid the tax to CDTFA and have refunded or plan to refund your customers the excess tax collected, you may file a claim for refund. You should retain documentation to support any excess tax refunded to your customers.

For more information on this change, see special notice L-912, *Updates for Retailers of Coins and Bullion: Exemption Threshold Increase for Bulk Sales of Monetized Bullion, Nonmonetized Gold or Silver Bullion, and Numismatic Coins Now Effective July 1, 2023*, at www.cdtfa.ca.gov/formspubs/L912.pdf.

New Sales and Use Tax Rate for the City of Goleta Effective January 1, 2024

Beginning January 1, 2024, the sales and use tax rate for the city of Goleta increases from 7.750 percent to 8.750 percent. For more information, see special notice L-913, *New Sales and Use Tax Rate for the City of Goleta Effective January 1, 2024*, at www.cdtfa.ca.gov/formspubs/L913.pdf.

Sales and Use Tax Exemption Extended for Water Common Carriers

The sales and use tax exemption on the sale of fuel and petroleum products (fuel) to water common carriers has been extended through December 31, 2028 (see [Assembly Bill 543 \[Stats. 2023, ch. 442\]](#)).

To qualify for the exemption, fuel sales must satisfy each of the following requirements:

- Be sold to a water common carrier with either a valid seller's permit or a timely secured fuel exemption registration number.
- Be sold for immediate shipment outside California.
- Be sold for consumption by the water common carrier in the conduct of its business after the first out-of-state destination.

To purchase exempt fuel, qualifying purchasers must provide an exemption certificate to the fuel vendor. See CDTFA-230-K-1, *Certificate E*, at www.cdtfa.ca.gov/formspubs/cdtfa230k-1.pdf on our website to document the exempt sale. For more information on this exemption, see special notice L-914, *Extension on Sales and Use Tax Exemption for Fuel Sold to Water Common Carriers*, at www.cdtfa.ca.gov/formspubs/L914.pdf.



Alcoholic Beverage Tax: Beer Manufacturer Returns and Schedules

Beginning January 1, 2024, [Senate Bill 388 \(Stats. 2023, ch. 214\)](#) provides that any information, including names, addresses, and reported amounts, contained in beer manufacturer returns and supplemental schedules must be made public upon request. If you are filing as a natural person (such as a sole proprietor), your name and address will be redacted. You may elect to prohibit the disclosure of your return and accompanying schedule information. We will update our online return beginning with the January 2024 filing period to include new and historical information, and an option to keep your return information confidential.

As a reminder, you are generally required to have an alcoholic beverage tax account if you are required to have certain licenses issued by the [California Department of Alcoholic Beverage Control \(ABC\)](#). If you request to close your alcoholic beverage tax account with us, please make sure to first cancel or surrender your license with ABC. For more information on canceling or surrendering your ABC license, visit the [Surrender License](#) page on ABC's website. For more information regarding your alcoholic beverage tax account, visit our [Tax Guide for Alcoholic Beverage](#) at www.cdtfa.ca.gov/taxes-and-fees/alcoholic-beverage-tax.htm.



Diesel and Motor Vehicle Fuel Taxes

Sales and use tax rate for diesel fuel changed October 1, 2023

On October 1, 2023, the temporary partial sales and use tax exemption (3.937 percent) on the sale, storage, use, or other consumption of diesel fuel expired. The reduced sales and use tax rate of 9.062 percent returned to the full tax rate of 13.00 percent. For more information, see special notice L-893, *Tax Rates for Motor Vehicle and Diesel Fuels*, at www.cdtfa.ca.gov/formspubs/L893.pdf.

New fuel tax and fee guide

Please see our new online *Fuel Tax and Fee Guides* which encompass all our programs related to the fuel industry. Our guides will help you find all the information you need in one place to better understand your tax, fee, and licensing obligations with us. To access our new guides, visit our *Fuel Tax and Fee Guides* webpage at www.cdtfa.ca.gov/taxes-and-fees/fuel-tax-and-fee-guides/.

Lithium Extraction Excise Tax

New program for lithium producers began January 1, 2023

Beginning January 1, 2023, the Lithium Extraction Tax Law ([Senate Bill 125 \[Stats. 2022, ch. 63\]](#)) went into effect, which requires any person (producer) extracting lithium from geothermal fluid, spodumene ore, rock, minerals, clay, or any other naturally occurring substance to pay a lithium extraction excise tax.

If you extracted any lithium carbonate equivalent in California on or after January 1, 2023, you must register with us for your Lithium Extraction Tax (LET) permit using our online services at onlineservices.cdtfa.ca.gov. If you do not have a username and password to access our online services, you can easily do so by selecting the *Sign Up Now* link under the *Create a Username* heading from our online services webpage.

Your LET return and payment are due on or before the last day of the month following each reporting period. Producers extracting lithium in 2023 have a return due January 31, 2024. Thereafter, the reporting basis is quarterly. You will be able to file your return using our online services webpage. If you need any assistance, call our Customer Service Center at 1-800-400-7115 (CRS:711), then select the option for *Special Taxes and Fees*.

For more information, see our *Lithium Extraction Excise Tax Guide* at www.cdtfa.ca.gov/taxes-and-fees/lithium-extraction-excise-tax.htm. We will update this guide as more information becomes available.

Emergency Telephone Users Surcharge

911 and 988 surcharge rates

The 911 and 988 surcharge rates will remain at 30 cents (\$0.30) and 8 cents (\$0.08), respectively, for the year 2024, according to the California Governor's Office of Emergency Services (CalOES). The rates are effective from January 1, 2024, through December 31, 2024.

For more information, see special notice L-920, *2024 Emergency Telephone Users Surcharge Rates*, at www.cdtfa.ca.gov/formspubs/L920.pdf.

For the current and prior 911 surcharge and 988 surcharge rates, see our *Special Taxes and Fees Rates* webpage at www.cdtfa.ca.gov/taxes-and-fees/tax-rates-stfd.htm. You will find the rates listed under the *Emergency Telephone Users Surcharge—911 Surcharge and 988 Surcharge* heading.

Restaurants That Contract with Delivery Network Companies May Still Be Responsible to Report Tax on Sales of Meals

If you own a restaurant that contracts with a delivery network company to take a customer's order, receive payment, and deliver the meal, you are generally considered to be the retailer and are required to report and pay the tax on those sales of meals unless the delivery network company has elected to be deemed a marketplace facilitator. Under the Marketplace Facilitator Act,¹ a delivery network company may elect to become a marketplace facilitator and thus be considered the retailer of the meals sold and be required to report and pay the tax.

To determine whether a delivery network company has elected to become a marketplace facilitator, review your contract with them, check the company's website, or contact the delivery network company directly. Some delivery network companies will post on their website the states in which they have elected to become a marketplace facilitator. If the delivery network company you contract with has elected to become a marketplace facilitator in California, then you will not be required to report and pay the tax on any sales of meals made through their marketplace.

If the delivery network company you contract with has not elected to become a marketplace facilitator in California, they may still be considered the retailer and liable for tax if the agreement does not establish an agency relationship between you and the delivery network company. However, if the agreement between you and the delivery network company establishes that the delivery network company is acting as your agent in the advertising, ordering, and delivery of the meal, then you will be considered the retailer and be required to report and pay the tax to us.

For more information, visit our *Tax Guide for Marketplace Facilitator Act* at www.cdtfa.ca.gov/industry/MPFAct.htm and our *Tax Guide for Restaurant Owners* at www.cdtfa.ca.gov/industry/restaurant.htm#Topics.

¹ www.cdtfa.ca.gov/lawguides/vol11/sutr/1684-5.html

Taxpayers' Rights Advocate Annual Report

The Taxpayers' Rights Advocate (TRA) Office produces an annual report, which includes information regarding the role of and services provided by the TRA Office. The 2022-2023 *Taxpayers' Rights Advocate Annual Report* will be available soon at www.cdtfa.ca.gov/tra/annual-reports.htm—please check back periodically for updates.

If you have questions about your rights or have been unable to resolve a problem through normal channels, please contact the TRA Office at 1-888-324-2798 or by visiting www.cdtfa.ca.gov/tra/.

Covered Electronic Waste Recycling (eWaste) Fee Returns and Customer Refunds

If your customer returns a covered electronic device and you collected the eWaste Fee, and you return the fee to that customer, you may claim a credit on CDTFA-501-ER, *Electronic Waste Recycling Fee Return*, for fees refunded to customers if you have reported and paid the fee on a previous return or if you provided the refund during the reporting period. For more information, visit our *eWaste Fee Guide* at www.cdtfa.ca.gov/taxes-and-fees/electronic-waste-recycling-fee.htm.



New San Francisco Office Opens on January 8, 2024

On Monday, January 8, 2024, at 8:00 a.m. (Pacific time), we will open our new San Francisco Office, located at 455 Market Street, Suite 620, San Francisco, CA 94105. You can reach our new office by telephone at 1-415-356-6600 or by sending an email to SanFranciscoInquiries@cdtfa.ca.gov.

You may also contact our Customer Service Center at 1-800-400-7115 (CRS:711). Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.

Please note: Many services are available on our website, via mail, or over the telephone. Please visit our website at www.cdtfa.ca.gov for a listing of all CDTFA offices, online registration, online filing, forms, payments, and other information.



For More Information

All telephone numbers are toll-free.

Internet

www.cdtfa.ca.gov
www.taxes.ca.gov

Customer Service Center

1-800-400-7115
(CRS:711)

Seller's Permit Verification

1-888-225-5263
www.cdtfa.ca.gov

Taxpayers' Rights Advocate

1-888-324-2798
www.cdtfa.ca.gov/tra

Tax Evasion Hotline

1-888-334-3300

State Legislation

<https://leginfo.legislature.ca.gov/>

More Articles Available Online

There are occasions when we have more articles than we have space for in this print version of the *Tax Information Bulletin*. The additional articles are available online at www.cdtfa.ca.gov/taxes-and-fees/tax-bulletins.htm.

New and Revised Publications Available Online

For new and revised publications, see our website at www.cdtfa.ca.gov/formspubs/pubs.htm.

Thank you for connecting with us.

