



SPECIAL NOTICE

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CRS
711

What You Need to Know: Reporting Requirement for Sales Made on State-Designated Fairgrounds

In 2018, we informed retailers who make sales of goods or merchandise on California state-designated fair property ("state-designated fairground") that they must also separately state the amount of those sales on their sales and use tax return. The separately reported amount is used for funding purposes only; there is no additional tax or fee due on these sales. This requirement was effective July 1, 2018.

We want to help you correctly report the sales that you make at a state-designated fairground. This notice provides guidance and examples on how to report these sales on your return.

State-Designated Fairgrounds

A state-designated fairground means the California Exposition and State Fair in the City of Sacramento and other fairgrounds throughout the state¹. Currently, there are more than 70 fairs held throughout California. See the *List of State-Designated Fairs* at www.cdtfa.ca.gov/taxes-and-fees/state-fairgrounds-list.htm. If you made any sales of goods or merchandise on any of the listed fairgrounds, you must separately report those amounts on your sales and use tax return. The separately-stated amount must include sales that took place at any time and at any event on the state-designated fairground, not just during an actual fair.

How do I report sales made on a state-designated fairground?

For return periods starting July 1, 2018, we added an additional line on both the online and paper returns for sales taking place on a California state-designated fairground. When you file online, you will be asked if you made sales on state-designated fairgrounds. After you select "Yes," you will enter your sales of goods made on a state-designated fairground on the next screen. You should have this amount ready before you begin your online return. You will also see instructions and the link to the list of fairgrounds. *Enter only the amount of sales of goods made on a state-designated fairground, and only for the period in which you are reporting. Do not report cumulative sales for the year unless you are on a yearly reporting basis.*

Once you enter your sales on state-designated fairgrounds, you can complete your return as normal. You should report all your taxable and nontaxable sales, *including any sales made on a state-designated fairground*, on the *Total sales* line. Reporting an amount on the state-designated fairgrounds line does not affect any other part of your return or the calculation of your tax liability. You will not be taxed twice for these sales.

The examples on page 2 show how to correctly report state-designated fairground sales.

¹ Per Business and Professions Code section 19418, see

http://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=BPC§ionNum=19418

Example 1

During first quarter 2019, you made sales of \$150,000 at your storefront location. You also participated as a vendor selling wine at the Napa Town and Country Fair, a state-designated fairground, where you made additional sales of \$50,000. You will report the \$50,000 made at the fairground on the *Sales at state-designated fairgrounds* line and your total sales of \$200,000, which includes both your storefront sales and the fairground sales, on the *Total sales* line.

Example 2

During third quarter 2019, you made no sales at your storefront location; however, you participated as a vendor selling gardening tools at the Schools' Agriculture and Nutrition Program Fair, which is held at a state-designated fairground, where you made sales of \$30,000. You will report the \$30,000 made at the fairground on the *Sales at state-designated fairgrounds* line. You must also report the \$30,000 in sales on the *Total sales* line.

Example 3

During fourth quarter 2019, you made sales of \$160,000 at your car dealership. You also were a vendor selling car accessories at a trade show where you sold \$10,000 in car accessories. This trade show was *not* held on a state-designated fairground. Because you did not make any sales on a state-designated fairground, you are not required to separately report your trade show sales. You will report \$170,000 in sales on the *Total sales* line.

For more information

To learn more, see our *Tax Guide for Reporting Requirement for Sales on State-Designated Fairgrounds* webpage at www.cdtfa.ca.gov/industry/state-fairgrounds.htm.

If you have any questions regarding this notice, you may call our Customer Service Center at 1-800-400-7115 (CRS:711). Customer service representatives are available Monday through Friday from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.



2020 Census Begins in Spring 2020!

Every 10 years, people across the country and in California fill out the Census in order to have an accurate count of all people in the United States. The Census determines California's federal funding for important community services that help support our families and fair share of representation in California and Washington D.C.

Starting in mid-March 2020, each household will get a letter in the mail. It will explain the different ways you can fill out the Census. If you don't receive a letter, you can still go online or call to fill it out. Be sure you include any person living in your household, family or not.

For more information, please visit <https://californiacensus.org/>.