



# Special Notice

STATE BOARD  
OF EQUALIZATION

## New Tax Rates Take Effect on April 1, 2003, for the Cities of Sebastopol and West Sacramento

450 N Street  
Sacramento  
California 95814

### City of Sebastopol: 7.625 %

Voters have approved a 0.125% City of Sebastopol Transactions and Use Tax, which will increase the tax rate within the city limits from 7.50% to 7.625%.

*Note:* Sebastopol is located in Sonoma County. The tax rate in areas of the county outside the city limits of Sebastopol will remain at 7.50%.

### City of West Sacramento: 7.75%

Voters have approved a 0.50% City of West Sacramento Transactions and Use Tax, which will increase the tax rate within the city limits from 7.25% to 7.75%.

*Note:* West Sacramento is located in Yolo County. The tax rate in the areas of the county outside the City of West Sacramento and the City of Woodland (which also has a 7.75% tax rate) will remain at 7.25%.

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### Which retailers must collect tax at the new rate?

You must apply the new sales and use tax rates for either city if you

- Are a retailer in the city and your merchandise is sold and delivered within the city.
- Are a retailer located outside of the city who is engaged in business in the city and you sell merchandise for use in the city. You are considered to be engaged in business in the city if you (1) have any type of business location there, (2) deliver into the city using your own vehicles or (3) have an agent or representative in the city for the purpose of taking orders, selling, delivering, installing, or assembling.
- Are a dealer of vehicles, vessels, or aircraft and sell those items to customers who register them to an address located in the city.
- Collect tax on lease payments you receive for leased property used by the lessee in the city.

If you are not required to collect the additional district tax, as described above, the purchaser is liable for that tax.

### Is there an exemption from the tax rate increase?

In general, fixed-price contracts and fixed-price lease agreements entered into prior to April 1, 2003, are subject to the tax rates in effect at the time you and your customer entered into the contract. To qualify as "fixed-price," neither party can have the unconditional right to adjust the price for an increase in costs or terminate the contract or lease [Revenue and Taxation Code sections 7261(g) or 7262 (f)]. In addition, the tax amount or rate must be specifically stated in the contract or lease agreement. If the contract or lease qualifies as fixed-price, you should continue to report and remit the specified tax rate—that is, the rate in effect at the time you entered into the contract.

### Rate Charts Available

For your convenience, 7.625% and 7.75% rate charts are available for sales up to \$50 (form BOE-72-7.625% or BOE-72-7.75%) and \$100 (form BOE-180-7.625% and BOE-180-7.75%). If you would like to order a copy of any of these tax rate charts, please call the Information Center or go online to [www.boe.ca.gov](http://www.boe.ca.gov).

### ■ For More Information

If you have any questions regarding this notice, please call our Information Center at 800-400-7115. Staff are available from 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding State holidays.