

SPECIAL TAXES AND FEES

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NEWSLETTER

In This Issue

New Legislation 2

California Tire Fee

Who must collect the California Tire Fee? 3

Cigarette and Tobacco Products Taxes and Licensing

Free BOE cigarette and tobacco products licensing classes for retailers 3

What are the requirements for an "itemized" listing of cigarettes and/or tobacco products? 4

Cigarette and tobacco products retailers: retain your invoices and maintain accurate records 4

Cigarettes and tobacco products transferred between stores 4

Diesel Fuel Tax

Assembly Bill 1032 allows suppliers to claim a refund of diesel fuel tax paid on the biodiesel portion of dyed blended biodiesel removed from the rack 5

Refunds are not allowed for tax-paid diesel fuel used for diesel particulate filter regeneration 5

Renew your International Fuel Tax Agreement (IFTA) credentials to avoid penalty charges 5

IFTA accounts – Do we have your correct business email address? 6

Attend one of our IFTA workshops 6

Emergency Telephone Users Surcharge

Prepaid mobile telephony services (MTS) surcharge for direct sellers 6

Surcharge rate information 6

Fire Prevention Fee

Natural disaster exemption 7

Hazardous Substances Tax/Fees

New hazardous substances and occupational lead poisoning prevention program fee rates 7

New telephone contact number for Department of Toxic Substances Control (DTSC) 7

Environmental Fees

Traveling employees and employment in California 8

Oil Spill Response, Prevention and Administration Fees

Oil spill prevention and administration fee clean-up legislation 8

Pure renewable diesel fuel is not subject to the oil spill response, prevention, and administration fees 9

Underground Storage Tank Maintenance Fee

Compatibility of underground storage tanks storing gasoline with ethanol 9

Underground storage tank owners owe the fee 9

Regulation clarifies who is an "owner" for purposes of the fee 10

Use Fuel Tax

Proof of annual flat rate decals 10

When is hydrogen subject to the use fuel tax? 10

General Interest

Disaster relief 11

New "Frequently Asked Questions" (FAQs) and other website updates/changes 11

Pending regulations 11

New and revised special taxes and fees publications August 2014 – August 2015 12

Annual Taxpayers' Bill of Rights hearings 12

Know your rights 12

Civil behavior in trying times 12

Ethics at work — "Thank you" is enough 12

FIND ARTICLES OF INTEREST

We invite you to scroll through the pages to find, or to click on the article title in the "In this issue" section to move directly to, an article of interest. Click on the BOE icon in the top left corner of the page to return to the table of contents. Links within the articles will take you to our website where you can find more information on the topic referenced.

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This electronic format allows you to print the entire publication or to print just the pages that provide information that pertains to your interests. If you are going paperless, download this document to your computer.

STAY INFORMED

This newsletter is published each December. Back issues of Environmental Fees, Excise Taxes, and Fuel Taxes newsletters are available on our website.

For more information, regarding the special tax and fee programs administered by the Board of Equalization (BOE), please go to www.boe.ca.gov. You can also sign up online to receive this newsletter at [Get BOE Updates](#).

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New Legislation



The following is a summary of law changes enacted during the 2015 California legislative session that affect several BOE special tax and fee programs. The changes described in this article are effective January 1, 2016, unless otherwise noted. To read the bills visit www.leginfo.ca.gov/bilinfo.html.

- **Assembly Bill (AB) 266 (Stats. 2015, Ch. 689)** requires the BOE to adopt a commercial cannabis and cannabis products distribution tracking system in consultation with the Department of Food and Agriculture. The system must also employ secure packaging and be capable of providing specified information to the BOE.
 - **AB 301 (Stats. 2015, Ch. 104)** Requires CAL FIRE to notify fee payers that upon the sale of the habitable structure, the fire prevention fee may be apportioned between the parties as a condition of sale.
 - **AB 401 (Stats. 2015, Ch. 662)** requires the BOE, in collaboration with the State Water Resources Control Board and relevant stakeholders, to develop a Low-Income Water Rate Assistance Program funding and implementation plan.
 - **AB 815 (Stats. 2015, Ch. 108)** among other changes to the law, deletes unnecessary pipeline operator registration requirements for the oil spill prevention and administration fee, clarifies who may pay the fee, and excludes from the fee petroleum products derived from fee-paid crude oil.
 - **AB 1032 (Stats. 2015, Ch. 481)** allows a diesel fuel tax refund to a supplier for tax paid on the biodiesel fuel portion of dyed blended biodiesel fuel removed from the terminal rack, to the extent a supplier can show that the tax on that biodiesel fuel has been paid by the same supplier.
- For more information, see the [related article](#), Assembly Bill 1032, allows suppliers to claim a refund of diesel fuel tax paid on the biodiesel portion of dyed blended biodiesel removed from the rack.
- **AB 1277 (Stats. 2015, Ch. 789)** BOE-sponsored bill increases from \$1,500 to \$2,300 the amount of levied funds the BOE's Taxpayer Rights Advocate is permitted to return to a taxpayer when the taxpayer can demonstrate that the levy threatens the health or welfare of the taxpayer or the taxpayer's family. The bill also provides a mechanism for future inflation adjustments, extends this authorization irrespective of a jeopardy determination as specified, and adds levy return authority to the remaining BOE-administered tax and fee programs that do not have this provision.
 - **AB 1295 (Stats. 2015, Ch. 640)** creates a new "craft distiller's license" in the Alcoholic Beverage Control (ABC) Act with specified privileges, including to sell up to three bottles of product authorized to be produced or bottled by, or for the licensee to each person at a tasting on the licensee's premises; limited to persons who manufacture less than 100,000 gallons of distilled spirits annually, exclusive of brandy production; and provides that the original fee for a craft distiller's license shall be \$600, the annual fee shall be \$300, and the fees must be deposited in the ABC Control Fund.
 - **Senate Bill (SB) 84 (Stats. 2015, Ch. 25)** among other provisions, imposes a fee on owners of hazardous material transported by rail in California and requires railroads to collect the fee from the owner of the hazardous material and to pay the fee to the BOE. The bill also requires every person who operates a railroad that transports hazardous materials by tank car to register with the BOE. Although effective June 24, 2015, the bill requires the director of the Office of Emergency Services (OES) to first establish a schedule of fees and then the fee shall be imposed within six months of that date.
- SB 84 also makes various changes to the Emergency Telephone Users Surcharge Act (ETUS), including:

1. Changing the date from October 15, to October 1, that OES is required to notify the BOE of the ETUS (911) rate.
2. Expanding the rate notification methods by BOE to include email and website postings.

Changes were also made to the Prepaid Mobile Telephony Services (MTS) Surcharge Collection Act, including:

1. Clarifying that direct sellers must electronically report the prepaid 911 surcharge portion of the prepaid MTS surcharge to the BOE pursuant to the 911 Surcharge Act.
2. Starting January 1, 2017, exempting a seller, other than a direct seller, with sales of prepaid MTS of less than \$15,000 during the previous calendar year from collecting and remitting the prepaid MTS surcharge and local charge.

tires for trailers, construction equipment, or farm equipment.

For information regarding the California Tire Fee and registering for an account, please see [publication 91](#), *California Tire Fee*.

Cigarette and Tobacco Products Taxes and Licensing



California Tire Fee



Who must collect the California Tire Fee?

In addition to retailers of tires and vehicles, retailers of trailers, and construction and farm equipment are required to register with the BOE and collect the California Tire Fee if they sell the following:

- Any trailer with new tires that will be pulled upon a highway or road.
- Any construction or farm equipment that includes new tires.
- New tires to retail customers as replacement

Free BOE cigarette and tobacco products licensing classes for retailers

Cigarette and tobacco products tax laws can be complicated and difficult to understand. The BOE can help you understand these laws and make you aware of business requirements when making sales of cigarettes and other tobacco products in California.

The BOE now offers free cigarette and tobacco products classes on a *continuous* basis to help you understand and comply with the Cigarette and Tobacco Products Licensing Act (Licensing Act). The class provides information about licensing inspections, keeping records, and other resources for industry. Classes are offered at all BOE field offices located throughout the state. To register, visit www.boe.ca.gov/sutax/cigtobclass.htm and select the location you prefer. When the class is scheduled at that location, you will be contacted with the date and time.

We also offer an online seminar that presents information similar to the instructor-led classes. Visit our website at www.boe.ca.gov/info/VirtualSeminars/VirtualSeminar_online_cig_tob_retail_.htm. The online seminar provides information about licensing, inspections, keeping records, and other industry

resources. The online seminar is available in English, Spanish, Chinese, Korean, Vietnamese, Arabic, and Punjabi. You can also call our Customer Service Center at 1-800-400-7115 (TTY:711) with questions, or visit www.boe.ca.gov/info/email_virt.html to submit your questions specifically related to our online seminar.

We highly encourage all new cigarette and tobacco products licensees take this class to help businesses avoid compliance issues in the future. The class is also helpful for those considering becoming a California seller of cigarettes or tobacco products, as a refresher course for current sellers, or to get information about recent changes in the cigarette and tobacco tax laws.

What are the requirements for an “itemized” listing of cigarettes and/or tobacco products?

The law requires distributors, wholesalers, manufacturers, and importers to include on each invoice an itemized listing of the cigarettes and/or tobacco products sold. An itemized list of cigarettes sold must include the brand and style names, and the cigarettes must be further identified by flavor, filter, and/or packaging when applicable. The number of cartons or packs sold and the sales price also must be included on the invoice.

Similarly, other tobacco products must be identified by brand, type of tobacco (such as pipe, cigars, or roll-your-own), flavor, packaging (such as pouches, tins, or boxes), quantity sold, and sales price. An invoice is considered sufficiently itemized when each item is listed separately and the description is detailed enough to identify the specific items in question without ambiguity.

Cigarette and tobacco products retailers: retain your invoices and maintain accurate records

Keeping accurate records helps you comply with important state laws and regulations. It also helps support that the cigarettes and tobacco products were purchased from legitimate vendors and makes inspections by BOE enforcement staff more efficient, thus minimizing disruptions to your business. Retain purchase invoices for your stock of cigarettes and tobacco products for four years.

Among other required information, the invoices

received from a wholesaler or distributor must include the name, address, telephone number, and cigarette and tobacco products license number of the wholesaler or distributor, as well as a statement indicating tax was paid. For further information regarding invoice requirements, watch our online seminar, *Tobacco Sales in California – What Retailers Should Know About Keeping Records*, to help you understand your obligations, or view [publication 78](#), *Sales of Cigarettes and Tobacco Products in California, License Requirements for Retailers*, for more information about recordkeeping.

IMPORTANT REMINDER: Invoices must be kept at the retail location for at least one year after the date of purchase and made available for inspection upon request during normal business hours.

Any retailer who fails, refuses, or neglects to retain or make available invoices for inspection is in violation of the Licensing Act and may be cited.

Cigarettes and tobacco products transferred between stores

If you own more than one store and licenses are held by the same legal entity, you may be allowed to transfer cigarettes and tobacco products between stores belonging to the same legal entity. When transferring cigarettes and tobacco products, legible transfer records and copies of the original purchase invoice must be kept at each location involved in the transfer. Such transfer records, which must be prepared at the time of transfer, must include the address of each store, the purchase invoice date, the purchase invoice number, the supplier’s name and license number on the invoice, a detailed description of the items transferred including type of packaging, flavor and/or style, and the quantity transferred. Sales transactions between retailers are prohibited.

Diesel Fuel Tax



Assembly Bill 1032 allows suppliers to claim a refund of diesel fuel tax paid on the biodiesel portion of dyed blended biodiesel removed from the rack

Effective January 1, 2016, licensed diesel fuel suppliers may claim a refund or credit for the tax they have paid on the biodiesel portion of dyed blended biodiesel fuel removed from a terminal rack. You may file a claim for refund using form [BOE-101](#). Your sales invoice must not include any charge for the diesel fuel tax, as you are invoicing an exempt, dyed biodiesel blend.

How to Claim a Credit on Your Supplier Return

To claim the credit on form [BOE-501-DD, Supplier of Diesel Fuel Tax Return](#), suppliers should use Disbursement Schedule 13M, *Tax-Paid Fuel Removed From a Terminal*, to claim only the tax-paid biodiesel portion of the dyed blended biodiesel fuel. Transactions may be summarized by day, week, or month. Report the full volume of dyed biodiesel fuel blends removed on Schedule 6F, *Reportable Products Removed Not Subject to Tax*.

You need to maintain records to support the tax-paid biodiesel fuel gallons claimed as being blended into the dyed biodiesel fuel. You may be asked to supply supporting documentation for your claim for refund or credit. Supporting documentation may include, but is not limited to:

- Purchase invoice(s) showing the tax-paid biodiesel
- Proof that a blended dyed biodiesel fuel was produced, to a volume that equals or exceeds the volume necessary to support the diesel fuel tax refund

- Records supporting the disposition of the fuel produced

If you have any questions regarding dyed biodiesel fuel blends, you may contact the BOE through our website at www.boe.ca.gov/info/email.html. You can also call our Customer Service Center at 1-800-400-7115 (TTY:711). Customer service representatives are available to assist you weekdays from 8:00 a.m. to 5:00 p.m., (Pacific time), except state holidays.

For more information, please view our [Motor Fuels Biodiesel-Biofuel Frequently Asked Questions](#) on our Diesel Fuel Tax Program webpage.

Refunds are not allowed for tax-paid diesel fuel used for diesel fuel particulate filter regeneration

Diesel fuel is sometimes used in a process known as "regeneration." This process burns off particulate matter from a diesel particulate filter which removes particulates from the exhaust of a diesel engine.

Revenue and Taxation Code section 60501(a)(4) (A) provides for a refund of diesel fuel tax paid on diesel fuel used for purposes other than operating motor vehicles upon the public highways. Since the regeneration process is essential for the continued operation of the engine, a refund of tax paid on diesel fuel used for this purpose is not allowed. For information on nontaxable uses of diesel fuel in a motor vehicle, see [Regulation 1432, Other Nontaxable Uses of Diesel Fuel in a Motor Vehicle](#).

Renew your International Fuel Tax Agreement (IFTA) credentials to avoid penalty charges

Your IFTA credentials will expire on December 31, 2015 (unless your credentials are revoked or canceled before then). If you plan to travel interstate in 2016, log on to the [BOE online registration system](#) to renew your credentials. As explained below, you are subject to a penalty charge if you enter California on or after January 1, 2016, without proper IFTA credentials or a valid California Fuel Trip Permit.

If you have filed all your IFTA returns, paid all amounts due, and filed and paid for renewal of your credentials on time (on or before December 31, 2015), you have until February 29, 2016, to display your 2016 decals. Many IFTA jurisdictions, including California, increase IFTA credential enforcement beginning on March 1 each year.

You will be assessed a penalty if you enter California after the grace period ends February 29, 2016, without valid IFTA credentials or a valid California Fuel Trip Permit.

IFTA accounts – Do we have your correct business email address?

We will send reminders to file your return and renew your IFTA credentials to your business email address listed in our system. Log on to the [BOE Online Services](#) webpage to verify your email address.

Attend one of our IFTA workshops

We hold quarterly workshops throughout the state to help new IFTA carriers understand their rights and responsibilities as IFTA licensees. Our staff provides hands-on assistance to make sure you can access our system and file your return. Visit our [International Fuel Tax Agreement \(IFTA\) Workshops](#) webpage to find the workshop location nearest you.

Emergency Telephone Users Surcharge



Prepaid mobile telephony services (MTS) surcharge for direct sellers

Beginning January 1, 2016, direct sellers of prepaid MTS are required to be registered under the Emergency Telephone Users Surcharge Program and to begin collecting the prepaid MTS surcharge and local charges. A direct seller is a prepaid MTS provider or service supplier, including a telephone company, or Voice over Internet Protocol (VoIP) company, that sells prepaid mobile telephone service to a customer for purposes other than resale in the regular course of business. Additionally, certain retailers that are closely

related to a telephone company or a VoIP company that meet the above description are considered direct sellers.

The prepaid 911 surcharge is a percentage of the purchase price and is collected from the purchaser of prepaid MTS at the time of the retail sale. The prepaid MTS surcharge is comprised of two components:

- The prepaid 911 surcharge rate,
- The California Public Utility Commission (CPUC) reimbursement fee and telecommunications universal service surcharges.

In addition to the prepaid MTS surcharge rate, local charge(s) may apply for the jurisdiction in which the retail transaction occurs.

Direct sellers will pay each component of the prepaid MTS surcharge to BOE, CPUC, and the local jurisdictions respectively. In addition to the registration and collection requirements, direct sellers are required to file their returns online with the BOE. However, online filing will not be available until Fall 2016. In the meantime, your returns will be mailed to you and will include a temporary waiver of the online filing requirement. We will notify you by mail once online filing is available.

For more information on the emergency telephone users surcharge and prepaid 911 surcharge for direct sellers, visit the [emergency telephone users surcharge webpage](#).

For more information on the prepaid MTS surcharge, visit the [Prepaid Mobile Telephony Services \(MTS\) Surcharge Industry Guide](#).

Surcharge rate information

The Governor’s Office of Emergency Services (OES) determines the annual rate of the emergency telephone users surcharge and the prepaid 911 surcharge component of the prepaid MTS surcharge. The OES has determined that the current emergency telephone users surcharge rate will remain at 0.75 percent (0.75%) in order for the fund to remain solvent. The OES has also determined the prepaid 911 surcharge component of the prepaid MTS surcharge rate to be 0.75 percent (0.75%). The prepaid surcharge rate is 8.51 percent (8.51%). For further information, see our notice, [2016 Emergency Telephone Users Surcharge Rate and Prepaid 911 Surcharge Rate](#).

Fire Prevention Fee



Natural disaster exemption

The Fire Prevention Fee is an annual fee for fire prevention services that owners of habitable structures in the State's Responsibility Areas (SRA) are required by law to pay. The SRA does not include lands within incorporated city boundaries or federally owned lands.

An exemption from the Fire Prevention Fee will provide relief for the owner of a habitable structure that is subsequently deemed uninhabitable as a result of a natural disaster during the year for which the fee is due. If the habitable structure has not been repaired or rebuilt, then the exemption may apply to one subsequent year. An exemption may be granted if the habitable structure owner satisfies both of the following conditions:

- Owner certifies that the structure is not habitable as a result of a natural disaster.
- Owner either:
 - o Documents that the habitable structure passed a defensible space inspection conducted by CAL FIRE or its agent within one year of the date the structure was damaged or destroyed; or
 - o Certifies that clearance, as required per [Public Resources Code section 4291](#), was in place at the time that the structure was damaged or destroyed as a result of a natural disaster.

To request a natural disaster exemption, you must submit your request to CAL FIRE. The form and mailing instructions can be found at www.firepreventionfee.org/sra_NDE.php.

Hazardous Substances Tax/Fees



New hazardous substances and occupational lead poisoning prevention program fee rates

Visit our [Tax Rates - Special Taxes and Fees](#) webpage for the new rates that are in effect for these programs as of January 1, 2016.

The BOE administers six programs under the Hazardous Substances Tax Law; five for the California Department of Toxic Substances Control (activity fee, disposal fee, environmental fee, facility fee, and generator fee) and one (occupational lead) for the California Department of Public Health.

The Hazardous Substances fees and the Occupational Lead Poisoning Prevention fee are adjusted each year by the incremental change in the Consumer Price Index (CPI) published by the California Department of Industrial Relations.

New telephone contact number for Department of Toxic Substances Control (DTSC)

For more information regarding the activity fee, disposal fee, facility fee, generator fee, or environmental fee, you may contact DTSC at 1-916-445-1664, or visit their website at www.dtsc.ca.gov/IDManifest/fees.cfm or visit our [Hazardous Waste program](#) webpages.

Environmental Fees



Traveling employees and employment in California

The calculation of the Environmental Fee for organizations operating in California that have employees who perform work both in-state and out-of-state can be confusing. Examples of such employees include pilots, flight attendants, traveling sales representatives, truck drivers, and railroad workers. The following question and answer topics will help address the most frequent areas of confusion.

Q1: What is the definition of “employed in this state?” What determines that an employee is a California employee?

A1: Employment includes service in interstate commerce. “Employed” includes the number of hours for which an employee is paid by the organization regardless of whether the employee works both inside and outside of California. Therefore, a person is “employed in this state” if the organization reports the employee to the California Employment Development Department (EDD) and the employee is paid by the organization for more than 500 hours during the calendar year.

Q2: How does an organization determine hours worked for employees that are traveling to California for work purposes? Is it appropriate to evaluate the hours that an out-of-state employee is working in California to determine if they have exceeded the 500-hour threshold?

A2: Hours worked for employees who are traveling to California for work purposes depends on whether the organization reports these employees to the EDD in California and whether the employee is paid by the organization for more than 500 hours during the

calendar year. If an employee is reported to another state for employment tax purposes, that person is not considered employed in California, regardless of the number of hours the employee actually works in this state.

Q3: Can the time for which an employee is being paid, but not necessarily working in their normal environment, be used to calculate the 500 hours? An example is a sales representative, who is paid for travel time and works while traveling on the plane. Do the hours that the employee is working at the airport calculate into the 500 hours?

A3: Yes. As explained in question one (Q1) above, the hours that an employee is paid by the organization is the appropriate way to calculate hours worked.

Q4: If an organization is unable to estimate the employed hours of an employee working in California, is it appropriate to use a proration between in-state and out-of-state to determine hours worked? An example is a company calculating hours by using a percentage of in-state sales over the total sales of the company. Another example would be an airline using passenger miles in California over the total passenger miles overall for the company.

A4: No. Hours worked in California are calculated based on the number of hours paid by the organization, regardless of the number of hours the employee works in California or out-of-state.

Oil Spill Response, Prevention, and Administration Fees



Oil spill prevention and administration fee clean-up legislation

Operators of refineries, marine terminals, and pipelines are affected by the passage of Assembly Bill (AB) 815 (Stats. 2015, Ch. 108), which changes the Oil Spill Prevention and Administration and Response Fees Law.

Changes effective January 1, 2016, include:

- Removing the requirement for pipeline operators to register for the oil spill prevention and administration fee;
- Clarifying which persons may pay the fee to the BOE; and
- Adding a presumption that the fee has been previously collected on petroleum products derived from crude oil refined in the state.

Revisions to Government Code (GC) section 8670.40(b) (4) delete the option for the owner of the crude oil or petroleum products to pay the fee to the BOE. This eliminates confusion and potential overpayment caused by an owner self-accruing fees on crude oil or petroleum products shipped through third party terminals.

The bill also amends GC section 8670.40(b)(5) to provide that a marine terminal operator or a refinery operator may presume that the oil spill prevention and administration fee has been previously paid on petroleum products derived from crude oil refined in California.

Revisions to Revenue and Taxation Code section 46101 eliminate the registration requirement for pipeline operators for the oil spill prevention and administration fee effective January 1, 2016. Pipeline operators must still register for the oil spill response fee.

For further information regarding these changes, see our September 2015 Special Notice, [New Legislation Affects the Oil Spill Prevention and Administration Fee](#).

Pure renewable diesel fuel is not subject to the oil spill response, prevention, and administration fees

Pure renewable diesel (R100) is a biomass-derived product that does not contain petroleum and is not a crude-based product. It is not subject to the oil spill response, prevention, and administration fees (fee). However, if renewable diesel is blended with any amount of petroleum-based diesel fuel, the entire volume is subject to the fee when received at a marine terminal from outside the state or at a refinery from within or outside the state, by any mode of delivery that passed over, across, under, or through waters of the state.

Underground Storage Tank Maintenance Fee



Compatibility of underground storage tanks storing gasoline with ethanol

Underground storage tanks (USTs) installed after January 1, 1991, are required to demonstrate compatibility with the substance stored by being approved by an independent testing organization in accordance with industry codes, voluntary consensus standards, or engineering standards. An Underwriters Laboratory (UL) 1316 listing/approval satisfies the requirement; however, fiber reinforced plastic (FRP) a UL 1316 listing/approval does not guarantee that the tank is compatible with alcohol or alcohol mixtures. Only FRP tanks with a UL 1316 listing/approval that explicitly includes a rating for alcohol or alcohol mixtures are acceptable to store gasoline with ethanol.

For further information, visit the State Water Resources Control Board's website at www.waterboards.ca.gov/water_issues/programs/ust/tech_notices/docs/ethanol_tank_compatibility_letter.pdf or contact Cory Hootman, P.E. at 1-916-341-5668 or cory.hootman@waterboards.ca.gov.

Underground storage tank owners owe the fee

The UST maintenance fee is imposed upon the owner of a UST for each gallon of petroleum placed into the UST. The owner of the UST is liable for payment of the fee. This is true even if the owner does not operate the UST. The owner is liable for the fee even if the owner and operator have entered into an agreement that requires the operator to pay the fee to BOE.

For further information, see [publication 88](#), *Underground Storage Tank Fee*.

If you have any questions regarding the underground storage tank maintenance fee, please contact our Customer Service Center at 1-800-400-7115 (TTY:711).

Regulation clarifies who is an “owner” for purposes of the fee

[Regulation 1205](#), *Feepayer; Rebuttable Presumption*, clarifies who owns a UST for purposes of the UST fee. The regulation states the owner of the real property is presumed to be the owner of the USTs located on the property, even if the property is leased to another person. If you are the owner of the real property and need to prove that someone else is the owner of the UST, you must provide evidence to support your claim. Examples of evidence include:

- The lessee installed the USTs at the location and the lease agreement gives the lessee the right to remove the USTs at the termination of the lease, regardless of whether the lessor’s approval of the removal is required.
- The lessee installed the USTs at the location and the lease agreement states that any improvements installed by the lessee are the property of the lessee during the term of the lease.
- Documentation, such as a bill of sale, specifically shows the transfer of ownership of the USTs to a person other than the real property owner.
- The USTs are depreciated on the state or federal income tax returns of a person other than the real property owner.
- The USTs existed at the premises at the time the lease agreement was signed, and the lease agreement specifies that the USTs are owned and title is vested to the lessee during the term of the lease.

Use Fuel Tax



Proof of annual flat rate decals

The BOE provides purchasers of annual flat rate decals a letter (BOE-512-C) that should be used as proof that the annual flat rate fuel tax has been paid for the vehicle(s) displaying a current flat rate decal number. Purchasers of fuel subject to the use fuel tax should provide a copy of this letter annually to their vendors as proof that the annual flat rate fuel tax has been paid for the vehicle(s) displaying a current flat rate decal number identified on the letter. If you misplace your BOE-512-C letter, please contact our Customer Service Center at 1-800-400-7115 (TTY:711) and follow the prompts for the Motor Carrier Office.

When is hydrogen subject to the use fuel tax?

Hydrogen used in hydrogen fuel cell vehicles which use electrochemical conversion of hydrogen rather than combustion, is not currently subject to any excise tax. However, the use fuel tax rate of 18 cents a gallon applies when hydrogen is used in a hydrogen internal combustion engine vehicle (HICEV).

General Interest



Disaster relief

Emergency tax or fee relief is available from the BOE for business owners and fee payers directly affected by a disaster, including the recent California wildfires. Relief may include extending filing return due dates, relieving penalties and interest, or replacing copies of records lost due to the disaster. For further information regarding disaster/relief request, please see our Frequently Asked Questions webpages at:

[Disaster Relief - Frequently Asked Questions \(FAQ\)](#)

[Relief Request – Frequently Asked Questions](#)

To request a filing extension or relief from interest and penalties, please visit our [Relief Request](#) webpage.

To obtain copies of critical tax or fee records on file with the BOE, please call us toll-free at 1-800-400-7115. These forms may include copies of prior tax or fee returns filed with the BOE, audits, or permit applications.

New “Frequently Asked Questions” (FAQs) and other website updates/changes

We have updated several of our Special Tax and Fee program webpages to include FAQs. We anticipate updating the remaining program webpages in the coming months. From the main Special Taxes and Fees program webpage select the applicable program, and then select “Frequently Asked Questions” under “Information About.”

Pending Regulations

Diesel fuel tax

Regulation 1432, *Other Nontaxable Uses of Diesel Fuel in a Motor Vehicle*, has proposed amendments

to clarify the definition of highway use, provide examples of qualifying equipment, and provide safe harbor percentages for nontaxable uses of diesel fuel. This topic was discussed and approved at the September 16, 2015, Business Taxes Committee Meeting. The revisions will have an April 1, 2016, effective date.

Cigarette and tobacco products tax

Regulation 4076, *Wholesale Cost of Tobacco Products*, and Regulation 4001, *Retail Stock*, are proposed regulations to clarify the definitions of “wholesale cost” and “retail stock” with regard to tobacco products. The first two Interested Parties Meetings were held earlier this year. These proposed regulations will be discussed at the January 26, 2016, Business Taxes Committee Meeting.

Emergency telephone users surcharge and prepaid mobile telephony services surcharge

Regulations under the Emergency Telephone Users Surcharge Program are being updated to incorporate information from the Prepaid Mobile Telephony Services (MTS) Collection Act for direct sellers, who are defined as service suppliers or prepaid MTS providers that make retail sales of prepaid wireless services directly to consumers. The following regulations were discussed and approved at the September 16, 2015, Business Taxes Committee Meeting and have an April 1, 2016 effective date:

Regulation 2401, *Definitions*, has proposed amendments to add the definitions for prepaid mobile telephony services and direct sellers.

Regulation 2422, *Returns, Reporting, and Payment*, has proposed amendments to clarify reporting requirements for direct sellers.

Regulation 2413, *Exemptions from surcharge*, has proposed amendments to delete the exemption incorrectly provided to foreign governments for charges levied for specific services rendered.

The following new regulations under the Prepaid MTS Collection Act to interpret, clarify and make specific the recently enacted legislation regarding prepaid MTS were discussed and approved at the September 16, 2015, Business Taxes Committee Meeting and have an April 1, 2016, effective date:

Regulation 2460, *Administration*

Regulation 2461, *Exemptions, Deductions, Credits, and Specific Applications of Tax*

Regulation 2462, *Refunds of Excess Charges Collected*

New and Revised Special Taxes and Fees Publications August 2014 to August 2015

| Publication Name | Publication Number | Revision Date |
|---|-------------------------|---------------|
| California Use Fuel Tax – A Guide for Vendors and Users | Pub 12 | 03/15 |
| Emergency Telephone Users (911) Surcharge | Pub 39A | 10/14 |
| Board of Equalization Resource Guide to Free Tax Products and Services | Pub 51 | 08/14 |
| Managed Audit Program | Pub 53 | 09/15 |
| Cigarette Distributor Licensing and Tax Stamp Guide | Pub 63 | 01/15 |
| Sales of Cigarettes and Tobacco Products in California – License Requirements for Retailers | Pub 78 | 08/15 |
| Environmental Fee | Pub 90 | 08/15 |
| California Tire Fee | Pub 91 | 04/15 |
| Cigarette and Tobacco Products Taxes | Pub 93 | 06/15 |
| Online Services | Pub 439 | 09/14 |

Annual Taxpayers’ Bill of Rights Hearings

Do you have suggestions for improving our services? Do you have an idea for changing a tax or fee policy or procedure? If you do, share your ideas and concerns with our Board Members at our annual Taxpayers’ Bill of Rights hearings. You may present your proposal in person or in writing for either the business or property tax portion of the hearings.

Although you are not required to make advance arrangements to speak, it will help us prepare if you contact the Taxpayers’ Rights Advocate Office at 1-888-324-2798 beforehand to let us know your topic. If your proposal is complex or extensive, we encourage you to submit it in advance and then summarize it in your oral presentation.

The annual Taxpayers’ Bill of Rights hearings for 2016 are scheduled for April 26 in Culver City and May 24 in Sacramento, both starting at approximately 1:30 p.m.

For more detailed information about the hearings, please call the Taxpayers’ Rights Advocate Office or visit our [Taxpayers’ Rights Advocate Office](#) webpage, where you can also view the office’s latest [annual report](#).

Know your rights

As a taxpayer, you have many rights under the law, including the right to:

- Information and assistance to help you comply with the law;
- Fair and courteous treatment and prompt service;
- Confidentiality;
- Appeal a decision or file a claim for refund as allowed by law; and
- Address your elected Board Members.

Along with those rights, you have responsibilities to:

- Stay informed about tax laws and regulations that affect your business;
- Report and pay taxes and fees when due;
- Promptly respond to BOE attempts to contact you;
- Inform the BOE of changes to your business ownership or address; and
- Maintain adequate records.

For more information, see [publication 70](#), *Understanding Your Rights as a California Taxpayer*. You may also call the Taxpayers’ Rights Advocate Office if you have questions about your rights, or if you have not been able to resolve a problem through normal channels (for example, by speaking to a supervisor). The Advocate Office can be reached toll-free at 1-888-324-2798.

Civil behavior in trying times

Some observers have noted that civility is decreasing in our society as our lives become more complex. We know that you may find yourself frustrated with the difficulties of the tax laws or pressed for time when dealing with our staff. Still, we ask that you treat our employees just as you would like to be treated in a business situation. Any threatening statement or gesture made to a BOE employee—even a statement made in jest—will be referred to our Internal Affairs Section for investigation.

Ethics at work — “Thank you” is enough

We would like to remind you that BOE policy prevents our employees from accepting gifts of any type. So if you are grateful to someone for going the extra mile to help you with a complicated issue, a simple “thank you” will do. You may also use our online [Customer Service Survey](#) form, *How Are We Doing?—Special Taxes & Fees Department*, to express yourself.

SPECIAL TAXES AND FEES

December 2015

NEWSLETTER

Need more information?

Special Taxes and Fees

State Board of Equalization, MIC:88
PO Box 942879
Sacramento, CA 94279-0088

Internet Mail

www.boe.ca.gov/info/email.html

Customer Service Center:

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

Customer service representatives are available to help you
from 8:00 a.m. to 5:00 p.m., Pacific time,
Monday through Friday, except state holidays.

Tax Evasion Hotline

1-888-334-3300

Legislation

www.leginfo.ca.gov

Taxpayers' Rights Advocate

www.boe.ca.gov/tra/tra.htm

1-888-324-2798

Board Member contact and website

Visit our website at www.boe.ca.gov for Board Member information, legislative summaries, regulations, forms and publications, translated publications, and more.

Check out Online Services

We offer several options to make it easier for you to file your returns and pay your taxes or fees online. You can find them on our website under the [Online Services tab](#).