

MOBILE FOOD VENDORS

TAX GUIDE



CALIFORNIA STATE
BOARD OF EQUALIZATION



The Board of Equalization wants your business to succeed. As a mobile food vendor you need to register for a seller's permit and report sales taxes to us as if you were a store or restaurant. We hope this guide helps you with questions you may have as a mobile food vendor.

Who is a mobile food vendor?

Anyone who sells food or drinks from a truck, stand, or wheeled cart with no fixed, physical location.

How do I register?

Log onto our website at www.boe.ca.gov and click on "New Registration." If you need help, call our Customer Service Center at 1-800-400-7115.

What is taxable?

If you sell hot, prepared food or carbonated beverages, such as sodas, you must report tax on those sales. In addition, all food sold for consumption at tables that you provide is considered taxable.

One exception to hot prepared food is the sale of hot bakery goods (donuts, muffins, etc.) which are not taxable. Sales of hot coffee and tea are also not taxable as long as they are purchased "to-go."

If you sell at a place that charges admission such as swap meets, trade shows, etc., all of your sales are taxable.

What is not taxable?

Sales of cold food products generally are not taxable. Cold food products include cold sandwiches, milkshakes, smoothies, ice cream, and cold salads, among others. Keep track of your sales of cold food items. The 80/80 rule applies when 80% of your sales are food and 80% of the food you sell is taxable. If this rule applies to you and you do not separately track sales of cold food products sold for take-out, 100% of your sales are taxable.

What tax rate do I report?

Sales tax must be reported at the rate for the location in which the sales are made whether it is included in the menu price or added separately. A listing of tax rates is available on our website at www.boe.ca.gov/sutax/pam71.htm.

How do I price my menu items that are taxable?

You may price your items as tax-included* or you may add tax to the menu price of taxable items. Beginning July 1, 2014, if you do not add a separate sales tax amount to the menu price, any taxable menu items sold are presumed to have the tax included in the sales price. This does not apply when you are making sales as a caterer (hired by a private party to provide food/drink on the customer's premises).

**Until July 1, 2014, if your menu items include tax, you must post a notice for customers that reads, "All prices of taxable items include sales tax."*

How do I pay the sales taxes?

After you register online, click on the log in button on our home page to file and pay your taxes.

Remember that you owe tax on sales of taxable items whether you collect sales tax reimbursement or not from your customers.

What records must I keep?

Save all cash register receipts, bills, invoices, computer sales logs, menus, and any other documents that record your sales amounts. You will need this information to accurately report and pay your sales tax. You must also keep all records related to purchases, such as invoices and purchase journals, and should keep all schedules and working papers used to prepare your sales tax returns.

For information on possible qualified itinerant vendor veteran's exemption, please contact our Customer Service Center.

For More Information:
Customer Service Center
1-800-400-7115 (TTY:711)
Monday through Friday
8:00 a.m. to 5:00 p.m.

Visit www.boe.ca.gov

- Publication 214, Doing Business Just Got Easier with eReg
 - Tax Guide for Caterers
 - Tax Guide for Restaurant Owners
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Taxpayers' Rights Advocate

Call for help with problems you have not been able to resolve through normal channels.
1-888-324-2798

This publication is available in Chinese, Korean, Spanish, and Vietnamese.



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