

Electronic Waste Recycling Fee

This publication is designed to provide basic information about California's Electronic Waste Recycling Fee. If you have questions that are not answered in this publication, please contact us (see next page).

What is the Electronic Waste Recycling Fee?

The Electronic Waste Recycling (eWaste) Fee is a fee imposed on the purchase of certain video display devices. The various products subject to the fee are called "covered electronic devices" or "CEDs."

How are the fee revenues used?

eWaste fee revenues are used to fund the safe, cost-free, and convenient collection and recycling of CEDs, which contain hazardous materials. For more on the recycling of electronic products, see www.erecycle.org.

How much is the fee?

For information on fee rates, please visit our website at www.boe.ca.gov/sptaxprog/tax_rates_stfd.htm.

The retailer must separately state the eWaste fee on the receipt or invoice provided to customers.

What CEDs are subject to the fee?

Effective January 1, 2005, the eWaste fee applies to new or refurbished electronic devices that contain video displays measuring more than four inches diagonally and are identified as CEDs by the Department of Toxic Substances Control (DTSC).

These devices include:

- Computer monitors
- Laptop computers
- Portable DVD players with liquid crystal display (LCD) screens
- "Bare" cathode ray tubes and devices containing cathode ray tubes
- Televisions with:
 - LCD screens
 - Plasma screens
 - Cathode ray tubes

- Plasma screens
- Cathode ray tubes

For more detailed information on CEDs, call the DTSC's Regulatory Assistance Office at 1-800-728-6942 or visit the DTSC's website at www.dtsc.ca.gov/HazardousWaste/EWaste.

What products are not subject to the fee?

The fee does not apply when a customer purchases a video display device that is *any* of the following:

- Used but not refurbished.
- Part of a motor vehicle, as defined in Vehicle Code section 415, or a component part of a motor vehicle assembled by or for a vehicle manufacturer or franchised dealer. This includes replacement parts for use in a motor vehicle.
- Contained within, or a part of a piece of industrial, commercial, or medical equipment, including monitoring or control equipment.
- Contained within a clothes washer, clothes dryer, refrigerator, freezer, oven or range, microwave oven, dishwasher, room air conditioner, dehumidifier, or air purifier.

Who is required to register and pay the fee?

You must register with the Board of Equalization (BOE), file as required, and pay the fee to the BOE if you are:

- A California retailer that sells or leases CEDs, or
- A purchaser (consumer) who purchases CEDs for personal or business use, but does not pay the eWaste fee at the time of purchase. Such a purchaser must register and pay the fee to the BOE. This includes retailers that become purchasers by removing CEDs from inventory for purposes other than retail sale or resale.

A civil penalty in an amount of up to \$5,000 per sale or lease may be imposed for not paying the fee to the BOE.

For special conditions that apply if you lease to consumers, see the next column.

What if my business is located outside California?

If you are required to have a California seller's permit or Certificate of Registration—Use Tax, you must register for an eWaste account and collect the fee when you sell CEDs to California retail customers. If you are not sure if you need to register and pay sales or use tax, see our *Out-of-State Sellers: Do You Need to Register with California?*, publication 77, or call our Customer Service Center.

If you are not required to register for an eWaste account, you may voluntarily register so you can collect the eWaste fee as a courtesy to your California customers. Payment of the eWaste fee by you would satisfy your customer's obligation to the BOE. Any time you collect the fee from a California customer, you must provide the customer with an invoice or similar document. The document should show the fee as a separate item and that it has been paid in full. A copy of the document should be retained for your records.

What if I lease CEDs?

If you are a retailer who leases CEDs, generally you must collect the eWaste fee on your first lease of a new or refurbished CED; *however*, you may choose to pay the fee to the vendor who sells you the devices. This option is available only if *all four* of the following conditions apply:

- The vendor who sells to you is registered with the BOE to collect and pay the eWaste fee.
- The vendor holds a valid California seller's permit.
- You pay the fee to the vendor. Your invoice from the vendor shows a separate amount for the fee you paid.
- You provide a written statement on your customer's invoice, contract, or other lease document showing that you have paid the fee for the customer.

BOARD MEMBERS (Names updated 2016)

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When these conditions are met, the vendor—not the retailer or consumer—owes the fee to the BOE and must pay it with the eWaste return. The vendor may retain three percent of the fee as reimbursement for all costs associated with the collection of the fee and must pay the remainder to the BOE.

Retailers that make no sales and only lease CEDs to consumers, and whose transactions meet the conditions listed above, are not required to register and collect/pay the fee.

How do I register?

You can apply for an account, license, or permit at www.boe.ca.gov. Select New Registration to get started. If you have questions, please contact our Customer Service Center at 1-800-400-7115, Monday through Friday, 8:00 a.m. - 5:00 p.m., (Pacific time,) excluding state holidays.

Is the amount of the fee subject to sales or use tax?

No. Do not include the fee amount in your sales or use tax calculation.

Are any sales exempt from the fee?

The fee does not apply to the following sales:

- Sales for resale.
- Sales to American Indians on Indian reservations.
- Sales of CEDs the retailer ships directly to a location outside California, when the transaction is not subject to California sales or use tax. The fee *will* apply if the buyer takes possession of the CEDs in California.

Please note: Sales to the United States Government are *not* exempt from the eWaste fee.

When are my fee payments and returns due?

eWaste Fee returns for retailers are due for the reporting period in which the CEDs were sold, leased, or used for purposes other than retail sale or resale. For consumers who did not pay the fee at the time of purchase, the reporting period is the period in which the CEDs were purchased. The reporting period may be monthly, quarterly, or annually, *as determined by the BOE*. The due date for the return and payment

is the last day of the month following the reporting period. The BOE will mail a return within 15 days of the due date. If you do not receive a return within 15 days of the due date, please contact the BOE or download an eWaste return from the BOE's website at www.boe.ca.gov/pdf/boe501er.pdf.

If you have an eWaste account, you must file a return even if you did not sell or lease any products subject to the fee during any reporting period. You must also file a return and pay any fees due even if you do not receive a return form from the BOE.

Retailers may retain three percent of the fee as reimbursement for all costs associated with the collection of the fee and must pay the remainder to the BOE.

If you close or sell your business, you are required to notify the BOE and file your return the last day of the month following the quarter in which you close or sell your business.

If you file a late fee return and/or make a late fee payment, you are liable for interest and/or penalty charges. If you pay your fee liability on time but do not file your return on time, you are still liable for a penalty for filing a late return.

Sales Suppression Software Programs and Devices

It is a crime for anyone to knowingly, sell, purchase, install, transfer or possess software programs or devices that are used to hide or remove sales and to falsify records.

Using these devices gives an unfair competitive advantage over business owners who comply with the law and pay their fair share of taxes and fees. Violators could face up to three years in county jail, fines of up to \$10,000, and will be required to pay all illegally withheld taxes, plus penalties including applicable interest and fees.

What is required from manufacturers?

Manufacturers are required to submit a notification letter and report each year.

Manufacturer's Notification Letter

On or before April 1 each year, manufacturers are required to send a notice to all retailers that sell CEDs produced by the manufacturer on or before December 31 of the prior year. The notice must identify the electronic devices the manufacturer makes that are CEDs subject to the eWaste fee.

The manufacturer is also required to send a copy of every notice sent to all retailers or a sample of the notice plus a list of the

retailers to whom the notice was sent to the BOE at the email or mailing address shown below. We prefer that these notices are sent to the BOE electronically.

PSTD-STFD-eWasteNotification@boe.ca.gov

Board of Equalization
Special Taxes and Fees
Registration and Licensing Section
Attn: Principal Compliance Supervisor
PO Box 942879
Sacramento, CA 94279-0088

Manufacturer's Report

In addition to the notification letter, a manufacturer is required to file a report with CalRecycle. This report is due on or before July 1 each year.

For more information on the manufacturer's notification letter requirements and the manufacturer's report, please see the CalRecycle website or access publication *Guidance for Manufacturer Reporting for the Electronic Waste Recycling Act*.

For More Information

BOE Electronic Waste Recycling Fee information:

www.boe.ca.gov/sptaxprog/ewaste.htm

Electronic waste recycling information:

www.erecycle.org

Department of Resources Recycling and Recovery:

www.calrecycle.ca.gov

Manufacturers' reporting requirements:

www.calrecycle.ca.gov/Electronics/Act2003/Manufacturer/Reporting/

Department of Toxic Substance Control:

www.dtsc.ca.gov

BOE website and Member contact information: www.boe.ca.gov

Customer Service Center:

1-800-400-7115

TTY: 711

Representatives are available to help you from 8:00 a.m. to 5:00 p.m. (Pacific time), Monday-Friday, except state holidays.

Electronic Waste Recycling Fee:

Write to us at:

Special Taxes and Fees
State Board of Equalization
PO Box 942879
Sacramento, CA 94279-0088
or by email: www.boe.ca.gov/info/email.html

Taxpayers' Rights Advocate:

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