

For Immediate Release
February 16, 2012**Contact: NR 18-11-G**
Jaime Garza
916-327-8988**BOE OFFERS CONVENIENT WAY TO REPORT “USE TAX”**
New Look-Up Table Makes Estimating Easy

Sacramento - Now that most Californians have received their tax materials and are getting ready to file their 2011 personal income tax returns, the Board of Equalization (BOE) wants to remind taxpayers not to forget to include the “use tax” they owe on purchases made from out-of-state online and mail order retailers, or purchased from an out-of-state retailer and brought back into California.

To help make the reporting process more convenient, the BOE, working with the California Franchise Tax Board, has made available an easy-to-read reference guide, the *Use Tax Lookup Table*. Californians will find the table included in the instructions that accompany tax Forms 540, 540A, and 540 2EZ, and on the BOE website at www.boe.ca.gov/pdf/2011UseTaxTable.pdf, providing a simple way to estimate use tax, based on California Adjusted Gross Income, on any number of non-business purchases less than \$1,000 each.

What is “use tax”?

In its simplest form, it is tax due on any item bought from an out-of-state retailer that will be “used” in California that if purchased in the state would have been subject to sales tax. Generally, the use tax rate is equal to your local sales tax rate.

While all Californians have an obligation to pay use tax, the revenue it generates for the state and local communities helps to fund important services all Californians enjoy, such as public safety, education, and transportation.

Use tax is not an “internet tax”. It has been on the books since 1935 to protect in-state retailers from the competitive price disadvantage held by out-of-state retailers who do not collect California tax.

The Use Tax Look-Up Table is estimated to bring in \$10.6 million annually, and is an important tool to help close California’s \$1.1 billion use tax gap.

Use Tax Lookup Table

CA Adjusted Gross Income (AGI) Range	Use Tax Liability
Less Than \$20,000	\$7
\$20,000 to \$39,999	\$21
\$40,000 to \$59,999	\$35
\$60,000 to \$79,999	\$49
\$80,000 to \$99,999	\$63
\$100,000 to \$149,999	\$88
\$150,000 to \$199,999	\$123
More Than \$199,999	Multiply AGI by 0.070% (0.0007)

- more -

For more information on sales and use tax rates, visit www.boe.ca.gov/sutax/pam71.htm, or call us at 800-400-7115.

Use Tax Look Look-Up Table: <http://www.boe.ca.gov/pdf/2011UseTaxTable.pdf>.

Use Tax Frequently Asked Questions: <http://www.boe.ca.gov/sutax/fausetax.htm>.

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The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$50 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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