



Special Notice

STATE BOARD
OF EQUALIZATION

450 N STREET
SACRAMENTO, CA 95814

Taxable Food Sales by Mobile Food Vendors (Food Truck Operators) Presumed to Include Tax Beginning July 1, 2014

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www.boe.ca.gov

CUSTOMER SERVICE
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Effective July 1, 2014, taxable sales by mobile food vendors (that is, food truck operators) are presumed to include tax, unless a separate sales tax amount is added to the charged price. This presumption does not apply when mobile food vendors make sales as caterers hired by a private party to provide food and/or drink on the customer's premises (see Sales and Use Tax [Regulation 1603](#), *Taxable Sales of Food Products*).

How does the change help me?

You are required to report and pay tax to the Board of Equalization (BOE) on your sales of taxable items at the tax rate for the location in which you make sales. Prior to July 1, 2014, for sales to be considered tax-included, you were required to post signs stating that tax was included in your listed menu prices. If you did not, your prices did not include tax and you were required to report and pay tax on the prices charged. This change allows you to charge the same tax-included price for each menu item no matter where you are (without additional signage), eliminating the need to recalculate sales tax at each stop where the tax rate changes. Again, you will still need to calculate and report tax at the proper rate(s) of the various locations of your sales.

How can I find the right tax rate to use?

You can find the list of current tax rates on our website at www.boe.ca.gov. Go to the *How Do I . . .* column, select [Find a City or County Sales Tax Rate](#), and click on the tab [Find a Tax Rate by Address](#). Enter the address where your mobile food truck is parked to find the applicable tax rate for the sales made at that location. If you need help determining the correct tax rate to use or calculating your tax owed, please call our Customer Service Center to speak with a representative.

Why is this important to me?

Calculating and paying the correct amount of tax is important to the success of your business. It ensures you are in compliance with the tax laws, reducing the chance that your business may owe back taxes, penalties, or interest if you are audited. Also, paying the correct amount of sales tax due supports many essential services in California, including those in your own community.

Where can I find more information?

We've enclosed our *Mobile Food Vendors Tax Guide*, [publication 287](#), in this notice, which contains helpful information on what's taxable and what's not, and the importance of keeping good records to ensure accurate reporting of tax due. You can find more information for your business on our website. From our home page go to the *Business Center* column, select [Industry Guides](#), select [Caterers](#), and then click on the [Mobile Food Vendors](#) tab. Our *Industry Tax Guides* for business owners and operators are a one-stop shop for information on key tax and fee issues relevant to their businesses. Each guide covers the most common industry issues, and includes links to relevant resources, in a convenient, tab-based format.