



Special Notice

Important New Requirements for Vehicles, Vessels, and Aircraft Purchased Out of State

CALIFORNIA
STATE BOARD
OF EQUALIZATION

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Sacramento, CA 95814

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The approval of the 2004-2005 California Budget included Senate Bill 1100 (SB1100), which in part amends Revenue and Taxation Code (RTC) section 6248 to replace the existing "90-day test" with a "12-month test" to determine whether the out-of-state purchase of a vehicle, vessel, or aircraft was for the purpose of storage, use, or other consumption in California and therefore subject to California use tax.

From October 2, 2004, through June 30, 2006, any vehicle, vessel, or aircraft purchased outside of California and brought into the state within 12 months from the date of its purchase is presumed to be acquired for storage, use, or other consumption in California and subject to tax if any of the following occur:

- the vehicle, vessel, or aircraft was purchased by a California resident as defined in Section 516 of the California Vehicle Code, **or**
- in the case of a vehicle, the vehicle was subject to vehicle registration in California during the first 12 months of ownership, **or**
- in the case of an aircraft or vessel, the aircraft or vessel was subject to property taxation in California during the first 12 months of ownership, **or**
- the vehicle, vessel, or aircraft is used or stored in this state for more than one-half of the time during the first 12 months of ownership.

Under any of the conditions described above, it is presumed that the vehicle, vessel, or aircraft was purchased for use in California and use tax will apply. However, if a purchaser provides satisfactory documentary evidence showing that the vehicle, vessel, or aircraft was purchased for use outside of California during the first 12 months of ownership, use tax will not apply. Acceptable evidence may include proof of registration of that vehicle, vessel, or aircraft with the proper out-of-state authority. This documentation must be submitted to the Board of Equalization for evaluation.

Binding Contract: The provisions of amended RTC section 6248 do not apply if a vehicle, vessel, or aircraft is purchased, or is the subject of a binding purchase contract that was entered into, on or before October 1, 2004.

Resident: Vehicle Code section 516 provides in part that a "resident" means any person, including a natural person, firm, partnership, association, limited liability company, or corporation, who shows an intent to live or be located in California on more than a temporary basis. A person's presence in California for six months or more in any 12-month period creates a rebuttable presumption of residency, as evidenced by factors including, but not limited to, the address where the person is registered to vote, their place of employment, or business location.

LIMITED EXCLUSIONS

Repair, Retrofit, and Modification of Aircraft and Vessels

An aircraft or vessel is not presumed to have been purchased for use in California, and is therefore not presumed to be subject to use tax, if the aircraft or vessel is brought into this state within the first 12 months of ownership for the limited purposes of repair, retrofit, or modification, provided that no more than 25 hours of air or sailing time in California is logged for incidental or other use. This exclusion does not apply to vehicles.

Important New Requirements for Vehicles, Vessels, and Aircraft Purchased Out of State (continued)

Interstate or Foreign Commerce

If a purchaser claims that a vehicle, vessel, or aircraft which enters California within 12 months from the date of its purchase was not purchased for use in California because of its use in interstate or foreign commerce, the use may qualify for exclusion from tax. If the vehicle, vessel, or aircraft is first functionally used outside of California and one-half or more of the vehicle miles traveled, nautical miles traveled, or flight time traveled, respectively, during the six-month period immediately following its entry into the state are commercial miles traveled or commercial flight time traveled in interstate or foreign commerce, the use of the property in California is excluded from use tax.

REGISTRATION OF A VEHICLE WITH CALIFORNIA DMV

Form BOE-447, *Statement Pursuant to Section 6247 of the California Sales and Use Tax Law*, is used by a purchaser to claim that their vehicle purchase was for use outside of the state. This form is also used by a dealer to document that a California resident purchased the vehicle for use outside of the state. When a California resident brings their vehicle into California during the first 12 months of ownership, the Board considers the vehicle to be purchased for use in California and use tax may apply. If use tax applies, the purchaser must remit the tax directly to the Board of Equalization.

Form BOE-448, *Statement of Delivery Outside California*, is used by a dealer to certify that a vehicle was delivered to a purchaser at an out-of-state location. It is used by a purchaser to support the fact that delivery was accepted out of state.

The registration of a vehicle with the California DMV by a California resident supports an intent to use a vehicle in California. A dealer may complete the DMV registration of a vehicle for its California customers. However, if the dealer accepts BOE-447 from a California resident who requests that the dealer register the vehicle in California, the dealer's good faith acceptance of this certification may be questioned.

THE CONTINUATION OF OTHER EXISTING REQUIREMENTS

SB 1100 amended RTC section 6248 to expand the "90-day test" to a "12-month test." This expanded "12-month test" applies only to the use of vehicles, vessels, and aircraft, having no effect on the "90-day test" applicable to the use of all other types of tangible personal property. Additionally, amended section 6248 does not change the imposition of use tax on tangible personal property, including vehicles, vessels, and aircraft, purchased outside of the state and first functionally used in California.

**STATEMENT PURSUANT TO SECTION 6247
OF THE CALIFORNIA SALES AND USE TAX LAW**

Please submit a copy of this form, the sales contract, and, when applicable, a completed form BOE-448.

The good faith acceptance by the retailer (seller) of a full and complete 6247 Statement from the purchaser will relieve the retailer of any liability for failure to collect use tax from the purchaser. The seller must retain the original statement. If the seller, in good faith, does not collect the use tax from the purchaser and it is determined that the vehicle was purchased for use in California, the purchaser must pay the applicable use tax directly to the State Board of Equalization. Seller: If you complete California registration on behalf of the purchaser, and it is determined that the vehicle was actually purchased for use in California, your good faith acceptance of this 6247 Statement may be questioned and you may be held liable for the use tax.

Seller — please retain the original for your records, provide a copy to the purchaser, and send a copy of this statement to:

BOARD OF EQUALIZATION
Consumer Use Tax Section
P.O. Box 942879
Sacramento, CA 94279-0037

This form to be completed by purchaser or agent of purchaser

Please type or print

I have an address or I am stationed in the military within the State of California.

California Address:

STREET	CITY	STATE	ZIP CODE
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I am purchasing a vehicle described as:

YEAR	MAKE	MODEL
VIN/LIC NUMBER	PURCHASE PRICE	DATE OF PURCHASE

Name and address of California seller:

NAME	SELLER'S PERMIT NUMBER	DAYTIME TELEPHONE NUMBER ()	
STREET	CITY	STATE	ZIP CODE

This vehicle will be delivered to me at the following out-of-state address (cannot be a P.O. Box):

STREET	CITY	STATE	ZIP CODE
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I certify that the above described vehicle is being purchased for use outside California and not for storage, use, or other consumption in California, and will be used at the following out-of-state address or addresses (cannot be a P.O. Box; use an additional sheet if necessary to provide all required information)

STREET	CITY	STATE	ZIP CODE
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NOTICE TO PURCHASER

I understand that if this vehicle is, for any reason, brought into California within the first 12 months of its delivery to me, it shall be presumed that I have purchased the vehicle for use in California and that California use tax may apply.

All Purchasers — Because you have signed this document relieving the seller of obligation to collect use tax from you, this transaction is subject to audit verification by the State Board of Equalization. Since you are claiming that this vehicle is not purchased for use in California, it is important that for the first 12 months of ownership you obtain documentary evidence of your place of use of this vehicle (e.g., proof of registration in another state, gas and/or service receipts, credit card statements, check registers, travel logs, lodging, or campground receipts). You must retain these documents as evidence of the vehicle's out-of-state use for not less than eight years, unless the State Board of Equalization authorizes in writing the destruction of these documents within a lesser period. For more detailed information, please contact the Board's Information Center at 800-400-7115 or the Board's Consumer Use Tax Section at 916-445-9524.

NAME OF PURCHASER (please print)	SIGNATURE 	DATE
DRIVER LICENSE NUMBER	STATE	DAYTIME TELEPHONE NUMBER ()
NAME OF AGENT (please print)	SIGNATURE 	DATE

Fraudulent use of this statement to avoid the payment of California sales and use tax may result in severe penalties.

STATEMENT OF DELIVERY OUTSIDE CALIFORNIA

Please submit a copy of this form, the sales contract, and, when applicable, a completed form BOE-447

NOTICE TO SELLER

Since this transaction may be subject to audit verification as authorized under the Sales and Use Tax Law section 7054, you must retain documentation such as receipts for meals, lodging, fuel, and transportation to support any claimed exemption. All records required to be retained must be preserved for a period of not less than four years unless the State Board of Equalization authorizes in writing their destruction within a lesser period.

Seller – please retain the original for your records, provide a copy to the purchaser, and send a copy of this statement to:

BOARD OF EQUALIZATION
Consumer Use Tax Section
P.O. Box 942879
Sacramento, CA 94279-0037

Please type or print

NOTE: When a vehicle is delivered to the purchaser outside California, the seller (or person making the delivery on behalf of the seller) and the purchaser would both be at the out-of-state delivery point at the time of delivery. In order to establish that the delivery did not occur in California, both persons are urged to appear at the same time before a notary at the out-of-state delivery location to sign this statement and have it notarized. **The seller must retain the original of this statement to support any claimed exclusion or exemption from the California Sales and Use Tax.**

I hereby certify, under penalty of perjury under the laws of the State of California, that the below described vehicle was delivered outside California on the date and at the place stated below.

YEAR	MAKE	MODEL	VIN/LIC NUMBER	
OUT-OF-STATE ADDRESS (street, city, zip code)			DATE OF DELIVERY	
NAME OF SELLING DEALER		SELLER'S PERMIT NUMBER	DAYTIME TELEPHONE ()	
STREET ADDRESS		CITY	STATE	ZIP CODE

I have received the above described vehicle from the seller named above.

NAME (please print)	CHECK (✓) ONE			
	<input type="checkbox"/> SALESMAN	<input type="checkbox"/> EMPLOYEE	<input type="checkbox"/> PARTNER	<input type="checkbox"/> OTHER (explain below)
SIGNATURE	DATE			

Notice to Purchasers
(check appropriate box)

California Resident

The vehicle described above was delivered to me by the above-named person. As a California resident, I understand that if this vehicle is, for any reason, brought into California within 12 months of its delivery to me, it shall be presumed that I have purchased the vehicle for use in California and use tax may apply. If use tax applies, I will pay it directly to the State Board of Equalization.

Non-California Resident

The vehicle described above was delivered to me by the above-named person. As a non-resident, I understand that if this vehicle is brought into California within 12 months of its delivery to me and is used or stored in California more than one half the time during the first 12 months of ownership, or is subject to registration in California within 12 months of its date of purchase, it shall be presumed that I have purchased the vehicle for use in California and use tax may apply. If use tax applies, I will pay it directly to the State Board of Equalization.

All Purchasers — Because you have signed this document relieving the seller of obligation to collect use tax from you, this transaction is subject to audit verification by the State Board of Equalization. Since you are claiming that this vehicle is not purchased for use in California, it is important that for the first 12 months of ownership you obtain documentary evidence of your place of use of this vehicle (e.g., proof of registration in another state, gas and/or service receipts, credit card statements, check registers, travel logs, lodging, or campground receipts, etc.). You must retain these documents as evidence of the vehicle's out-of-state use for not less than eight years, unless the State Board of Equalization authorizes in writing the destruction of these documents within a lesser period. For more detailed information, please contact the Board's Information Center at 800-400-7115 or the Board's Consumer Use Tax Section at 916-445-9524.

I have received the above described vehicle from the seller named above.

NAME OF PURCHASER (please print)	DRIVER LICENSE NUMBER	STATE
PURCHASER'S SIGNATURE	DATE	DAYTIME TELEPHONE NUMBER ()

NOTARY STATEMENT

On _____, before me, _____,
(date) (notary name)
a Notary Public in and for the County of _____, State of _____,
(county) (state)
duly commissioned and sworn, together, personally appeared both _____
(seller or agent)
and _____, known to me to be the persons whose names are subscribed
(purchaser)
to the _____ within instruments, and acknowledged that they executed the same in the authorized
capacities, and that by their signatures on this instrument the persons executed the instrument. WITNESS my hand and official seal.

Signature _____



Fraudulent use of this statement to avoid the payment of California sales and use tax can result in severe penalties.