



Special Notice

STATE BOARD
OF EQUALIZATION

450 N STREET
SACRAMENTO, CA 95814

California Statewide Sales and Use Tax Rate is 7.25 Percent

Rate Reduced By 1 Percent July 1, 2011

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BOE WEBSITE AND
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www.boe.ca.gov

TAXPAYER INFORMATION
SECTION
800-400-7115
TTY
711

TAXPAYERS' RIGHTS
ADVOCATE
888-324-2798

On July 1, 2011, the statewide sales and use tax rate decreased from 8.25 percent to 7.25 percent. In areas where there are voter-approved district taxes, the tax rate is the statewide base tax rate of 7.25 percent plus any applicable district tax.

How do I find my current rate?

For a current listing of California sales and use tax rates by city and county, please visit our website at www.boe.ca.gov/cgi-bin/rates.cgi. Our website also includes a link to a free sales and use tax rate locator (www.geotax.com) that allows you to determine a tax rate for any address in the state. However, we provide the GeoTax link only as a public service. We do not maintain the website and are not responsible for the content or accuracy of the information on that site.

What if I collected tax at the incorrect rate?

We are aware that some retailers may not have reprogrammed their cash registers in time for the tax rate change. If you charged sales tax reimbursement or collected use tax at the higher rate on or after July 1, 2011, you must return any excess tax collected to your customers or pay it to the State.

How do I handle returned merchandise?

If a customer purchases merchandise before July 1, 2011, but returns it after that date, you should refund tax based on the rate in effect at the time of the sale (that is, the amount you collected from the customer).

What if I have a fixed-price contract?

In general, fixed-price contracts and fixed-price lease agreements entered into prior to the effective date of a tax increase are not subject to the tax increase. The fixed-price contract exemption, however, is designed to protect the business expectations of the parties when they enter into the contract and protect them from an unplanned increase in tax rate. When the tax rate decreases after the terms of your contract have been established, any sales made after the date of the tax decrease would be taxed at the new, lower rate.

What is the date of sale?

A sale occurs when a customer takes title to or possession of an item. (Not when payment is received.) Consequently, sales are generally subject to the applicable tax rate in effect when the merchandise is delivered to the customer, unless a contract specifically identifies and passes title to the customer at a different time.

How is the rate of the partial state tax exemptions affected?

On July 1, 2011, the partial state tax exemption rate decreased from 6.25 percent to 5.25 percent for qualifying sales of the following:

- Teleproduction or other postproduction service equipment
- Farm equipment and machinery



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- Diesel fuel used in farming activities or food processing
- Timber harvesting equipment and machinery
- Racehorse breeding stock

How do I obtain new tax rate charts?

The BOE-180, *Sales Tax Reimbursement Schedules*, for transactions up to \$100, are available at www.boe.ca.gov/sutax/streimsched.htm.

How do I receive future notices via email?

By maintaining your account email address, we can send you periodic notices and updates which are specific to you or your business in a timely and cost efficient manner. You may add or update your account email address when you login as a registered eClient and select the Maintain Your Sales and Use Tax Account link. To register or to login as an eClient, begin by selecting the eServices tab at www.boe.ca.gov. You may also complete and send to us form [BOE-345-WEB](#), *Notice of Business Change*.

How can I get more information?

Please visit our website at www.boe.ca.gov or call our Taxpayer Information Section at 800-400-7115 (TTY:711). Customer service representatives are available weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.