



## Salvaged vehicles sold by nondealers

Vehicle Code section 11519 in part provides that a vehicle with a salvage certificate may not be registered until the vehicle has passed specific safety inspections with the Department of Motor Vehicles (DMV) and/or the California Highway Patrol.

If a vehicle is sold that has not yet passed the required inspections, it is considered to be a sale of “rolling parts” rather than the sale of a vehicle required to be registered under the Vehicle Code. Accordingly, the sales tax exemption provided by section 6282 is not applicable, and the transactions are subject to sales tax. Sales tax is imposed upon the retailer who may collect sales tax reimbursement from their customer.

As such, in situations where salvage certificate vehicles are purchased at an auto auction by a nondealer (retailer) and are subsequently sold to the public, the retailer must collect and remit the sales tax on these transactions. A receipt should be provided to the customer indicating tax was collected so the customer can document to DMV that tax was already paid at the time of registration.

The measure of tax on the retail sale is the separately stated charge for the salvage certificate vehicle which includes fees that are part of the sale (for example: finder’s fee, service fee, auction fee, agent fee, representative fee, brokerage fee, etc).

In other situations, if the retailer obtains the necessary safety inspections and obtains a revived salvage title prior to selling the vehicle, the vehicle is required to be registered under the Vehicle Code. If the seller is not a manufacturer, remanufacturer, dealer, dismantler, or lessor-retailer, the applicable tax is the use tax which the purchaser pays directly to the DMV at the time of registration.

## Natural gas consumption from interstate pipelines

If you consume natural gas directly from an interstate pipeline, you must report and pay the surcharge to the Board of Equalization (BOE).

The BOE administers the Natural Gas Surcharge Law. The surcharge is imposed upon the consumption of natural gas in California on and after January 1, 2001. Each consumer of natural gas from an interstate pipeline that is delivered to them by a provider other than a public utility gas corporation, must register with the BOE, file a Natural Gas Surcharge return, and remit the applicable surcharge. Returns are due on or before the last day of the month following each calendar quarter for the preceding quarterly period.

The surcharge applies to all natural gas consumed in California. However, consumption does not include the following:

- Use to generate power for sale
- Sale or purchase for resale to end users
- Sale or use of gas for enhanced oil recovery
- Use in cogeneration technology projects to produce electricity
- Natural gas that is produced in California and transported on a proprietary pipeline

Each year, the Public Utilities Commission (PUC) determines the per-therm surcharge rate for each class of customer for the service territory of each public gas corporation. You may view the current natural gas surcharge rates on our website at [www.boe.ca.gov/pdf/boe500ng.pdf](http://www.boe.ca.gov/pdf/boe500ng.pdf).

For additional information regarding your registration and reporting requirements, please visit our natural gas surcharge webpage at [www.boe.ca.gov/sptaxprog/natgas.htm](http://www.boe.ca.gov/sptaxprog/natgas.htm) or contact us at 800-400-7115.

## **Retailers of cigarette and tobacco products – transfers between multiple locations**

If you are a retailer of cigarette and tobacco products operating multiple retail locations in California and hold a Cigarette and Tobacco Products Retailer's License for each location, we recognize there are occasions when transfers of cigarettes or tobacco products between your retail stores take place. However, a transfer of products between your retail stores is permitted only in specific instances.

A retailer with multiple locations may transfer product from one location to another only when the retailer is the legal owner of both locations, there is documentation to prove that the product is tax-paid and the documentation is made available to BOE staff during an inspection at the location to which the product was transferred. In order to prove that the transferred product is tax-paid, the retailer must provide at the time of inspection:

- (1) A copy of the original purchase invoice;
- (2) Legible records showing the name, address and license number of each retail location;
- (3) The date the transfer took place;
- (4) A detailed description of the items transferred including packaging, flavor and style; and
- (5) The number of items transferred.

The description must match exactly the description on the original purchase invoices and the number of items transferred cannot exceed the number of items on the original purchase invoice. Without this documentation available at the time of inspection, it is not possible to establish that the product is tax-paid and the product is subject to seizure.

Please refer to [publication 78](#), *Sales of Cigarettes and Tobacco Products in California*, for additional information in regard to the transfer of product between retail locations. For answers to other questions, please visit our website or call the Taxpayer Information Section at 800-400-7115 (TTY:711) and select the option for Special Taxes and Fees.

## **New and revised publications April-July 2011**

Pub 17, *Appeals Procedures: Sales and Use Taxes and Special Taxes* 07-11

Pub 22, *Dining and Beverage Industry* 06-11

Pub 48, *Property Tax Exemptions for Religious Organizations* 04-11

Pub 71, *California City and County Sales and Use Tax Rates* 07-11

Pub 76, *Audits* 05-11

Pub 77, *Out-of-State Sellers: Do You Need to Register with California* 06-11

Pub 78, *Sales of Cigarettes and Tobacco Products in California* 04-11

Pub 79B, *California Use Tax - For purchases made from out-of-state businesses* 04-11

Pub 86, *California Timber Yield Tax* 04-11

Pub 87, *Guide to the CA Timber Yield Tax* 07-11

Pub 123TG, *California Businesses: How to Identify California Use Tax Due* 07-11

Pub 127, *Organized Camps* 05-11

Pub 161, *Criminal Citations Include a Civil Administrative Process* 05-11

Pub 164 SUR, *Statewide Compliance and Outreach Program Survey* 05-11

Pub 165, *Statewide Compliance and Outreach Program for the Chamber of Commerce* 07-11

Pub 186A, *Digital Office Vision Roadmap Update* 05-11

Pub 317, *Taxpayers' Bill of Rights Hearing Posters & Flyers* 04-11

Pub 329, *Economic Perspective* 05-11

Pub 347, *BOE Publication CD 06-11*

Pub 382, *Strategic Plan (trifold) 07-11*

## Translated publications

### New Publications

Pub 126, *Mandatory Use Tax Registration For Residential Property Assessment Appeals 03-10* (Chinese, Korean, Punjabi, Spanish, Russian and Vietnamese)

Pub 51, *Board of Equalization Resource Guide to Free Tax Products and Services for Small Businesses 01-11* (Korean and Vietnamese)

### New Forms

BOE-400LR, *Application for Retailer's Cigarette and Tobacco Products License*

BOE-400LRR, *Renewal Application for Retailer's Cigarette and Tobacco Products License*

BOE-438, *Can Retailers Purchase Cigarette and Tobacco Products over the Internet or from an Unlicensed Supplier?*

These are all available in Arabic, Chinese, Korean, Punjabi, Spanish and Vietnamese

### Revised Publications

Pub 51, *Board of Equalization Resource Guide to Free Tax Products and Services for Small Businesses 01-11* (Chinese and Spanish)

Pub 71, *California City and County Sales and Use Tax Rates 04-11* (Chinese, Korean, Spanish and Vietnamese)

Pub 101, *Sales Delivered Outside California 05-10* (Spanish)

Pub 107, *Do You Need a California Seller's Permit? 05-10* (Chinese, Korean, and Spanish)

Pub 110, *California Use Tax Basics 05-10* (Spanish)

Pub 111, *Operators of Swap Meets, Flea Markets, or Special Events 06-10* (Spanish)

Pub 113, *Coupons and Sales Tax 12-10* (Spanish)

Pub 117, *Filing a Claim for Refund 02-10* (Spanish)

Pub 152, *Cigarette and Tobacco Product Sales 04-11* (Arabic, Chinese, Korean, Punjabi, Spanish and Vietnamese)

Pub 159, *e-File Guide 01-11* (Chinese, Korean, Spanish, Vietnamese, Thai)

Pub 164, *SCOP, Statewide Compliance and Outreach Program 05-10* (Chinese, Korean, Spanish and Vietnamese)

Pub 403, *New California Counterfeit-Resistant Cigarette Tax Stamp 12-10* (Chinese, Korean, Spanish and Vietnamese)