



Special Notice

CALIFORNIA STATE BOARD
OF EQUALIZATION
450 N STREET
SACRAMENTO, CA 95814

BOARD MEMBERS

SEN. GEORGE RUNNER (RET.)
First District
Lancaster

FIONA MA, CPA
Second District
San Francisco

JEROME E. HORTON
Third District
Los Angeles County

DIANE L. HARKEY
Fourth District
Orange County

BETTY T. YEE
State Controller

EXECUTIVE DIRECTOR

DAVID J. GAU

BOE WEBSITE AND
BOARD MEMBER CONTACT
INFORMATION
www.boe.ca.gov

CUSTOMER SERVICE CENTER
1-800-400-7115

TTY
711

Interstate or Foreign Commerce Exemption for Trucks and Trailers

Use tax generally applies to purchases made outside of California of trucks and trailers by California residents if the truck or trailer is purchased for use in California. If the truck or trailer is purchased by a California resident and brought into California within the first 12 months of ownership, it is presumed the property was purchased for use in California and use tax will apply. However, your truck or trailer purchase may qualify for an exemption from use tax if you purchase the vehicle for use in interstate or foreign commerce and you primarily use the vehicle in interstate or foreign commerce.

How can my purchase qualify for the interstate or foreign commerce exemption?

- You must take delivery of the truck or trailer outside of California;
- You must first functionally use the truck or trailer outside of California (explained below); *and*
- One-half or more of the miles traveled by your vehicle must be commercial miles traveled in interstate or foreign commerce during the six-month period immediately following the truck or trailer's first entry into California.

What is "first functional use"?

"First functional use" for a truck or trailer occurs when the vehicle first hauls cargo or is first dispatched to pick up a specific load of cargo. First functional use occurs outside of California when:

- You pick up your first load of cargo outside of California, *or*
- You have a contract in place prior to the truck or trailer's first entry into this state to pick up a *specific* load in California.

If the first functional use occurs in California, use tax will apply regardless of how often the truck or trailer is later used in interstate or foreign commerce. For example, if you take delivery out of state and then enter California without having a contract in place to pick up a specific load, when you pick up your first load *the first functional use occurs in California and use tax applies.*

(Please see reverse side for additional information)

What records should I keep?

To overcome the presumption that your truck or trailer was purchased for use in California, and support its use in interstate or foreign commerce, you should keep the following records:

- A purchase contract.
- A statement signed by the seller verifying the truck or trailer was delivered to you outside of California. If your purchase was from a California dealer, keep a copy of a completed [BOE-448](#), *Statement of Delivery Outside California*.
- A load confirmation, bill of lading, or other similar document verifying the truck or trailer was first functionally used outside of California.
- Bills of lading and driver logs, fuel receipts, and other similar documents verifying the *location and use* of your truck or trailer and the *origin and destination* of each load from the date of out-of-state delivery until the vehicle first enters California and for the next six months.

Please note: Having Apportioned Registration or an International Fuel Tax Agreement (IFTA) license does not automatically qualify your purchase for this exemption. You must meet the qualifications listed above to qualify for the interstate or foreign commerce exemption.

How do I claim the exemption?

When the California State Board of Equalization (BOE) receives information regarding your truck or trailer purchase from a California dealer, you will generally be sent a *Combined State and Local Consumer Use Tax Return for Vehicle* form. If you qualify for the exemption, select the exemption on line 3 of the return form and mail it along with copies of your supporting documentation to the BOE for review.

If you did not purchase your truck or trailer from a California dealer and you intend to register your vehicle in California, contact your local BOE district office to obtain form BOE-111, *Certificate of Vehicle, Mobilehome, or Commercial Coach Use Tax Clearance*. You must submit a completed form [BOE-106](#), *Vehicle/Vessel Use Tax Clearance Request* along with copies of your supporting documentation to obtain a tax clearance. Once the BOE issues you a certificate, it will allow you to claim the exemption and complete your registration with the California Department of Motor Vehicles (DMV) without payment of the use tax. For more information regarding obtaining form BOE-111, please see [publication 52](#), *Vehicles and Vessels: Use Tax*. Form BOE-106 and publication 52 are located on the BOE website at www.boe.ca.gov under the [Forms & Pubs](#) tab. Additionally, a list of office locations can be located at www.boe.ca.gov/info/phone.htm.

If you do not qualify for the exemption, you must pay use tax directly to the BOE or to the DMV when you register your truck or trailer.

For additional information

If you have any questions, please call the Customer Service Center at 1-800-400-7115 (TTY:711) Monday through Friday from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.