



Special Notice

STATE BOARD
OF EQUALIZATION

450 N STREET
SACRAMENTO, CA 95814

Sales and Use Tax Rate Will Increase on January 1, 2013

Due to voter approval of Proposition 30, the statewide sales and use tax rate will increase one quarter of one percent (0.25%) on January 1, 2013. The higher tax rate will apply for four years – January 1, 2013 through December 31, 2016.

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For a listing of tax rates, please visit our City and County Tax Rates webpage at www.boe.ca.gov/sutax/pam71.htm.

In addition to the statewide sales and use tax rate increase, voters in some cities and counties approved a number of new or increased district taxes that will go into effect April 1, 2013. These new or increased district taxes will be sent to taxpayers in a separate notice.

What if I collect tax at the lower rate for sales made after January 1, 2013?

If you incorrectly collect sales tax reimbursement or use tax at the lower rate after January 1, 2013, you will still owe the 0.25 percent difference.

If a customer purchases merchandise before January 1, 2013, but returns it after that date, what tax rate should I use to refund the tax payment?

You should refund tax based on the rate in effect at the time of the sale (for example, the amount you collected from the customer).

What if I enter into a fixed-price contract?

The statewide 0.25 percent rate increase will apply to all taxable sales and purchases made as part of fixed priced contracts and fixed price lease agreements that were entered into prior to January 1, 2013. The increased rate will replace the rate in effect at the time you entered into the fixed-price contract or fixed-price lease agreement.

What if I have additional questions?

If you have questions about this notice, the tax rate increase, or how the increase may affect the overall tax rate in your area, please visit our tax rate increase webpage. You may also call our Taxpayer Information Section at 1-800-400-7115 (TTY:711). Customer Service representatives are available to assist you weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays. In addition to English, assistance is available in other languages.

EXECUTIVE DIRECTOR CYNTHIA BRIDGES

BOE WEBSITE AND
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INFORMATION
www.boe.ca.gov

TAXPAYER INFORMATION
SECTION
1-800-400-7115

TTY
711

