

SAM—MISCELLANEOUS ACCOUNTING PROCEDURES

NONTAXABLE SALES

8722

(Revised 12/01)

Nontaxable sales will be supported by exemption certificates, resale certificates, shipping documents, or other evidence. Nontaxable sales include, but are not limited to, sales (1) to the United State Government and its instrumentalities, (2) for resale by the purchaser, (3) made in interstate commerce, and (4) of food products for human consumption or feed for food animals. Tax does not apply to sales of food animals. Food animals are considered to be those animals, birds, or insects commonly used in producing food items that people eat, such as meat products, dairy products, eggs, and honey. Examples of food animals include cattle, sheep, swine, chickens, hatching eggs, rabbits, ostriches, emus, fish, and bees. Tax does apply to retail sales (including sales for breeding purposes) of any form of animal life that does not meet the definition of a food animal, for example, cats, dogs, horses, mink, tropical fish, and pet birds.

State agency sales of used vehicles that are required to be registered under the Vehicle Code (typical cars and trucks for highway use) are not subject to sales tax.. The purchaser must pay use tax to the Department of Motor Vehicles, who acts on behalf of the [BOE](#), when the purchaser registers the vehicle.

Sales to political sub-divisions of the State are subject to sales tax.

A transfer of tangible personal property between State agencies is not considered a sale and not subject to tax since title to the property remains with the State of California.

Refer all sales tax questions to the BOE Information Center at 1-800-400-7115, through the BOE website at <http://www.boe.ca.gov/>, or by mail to the State Board of Equalization, P.O. Box 942879, Sacramento, CA 94279-0040.