

## SAM—MISCELLANEOUS ACCOUNTING PROCEDURES

### USE TAX

8730

(Revised 06/13)

State departments will report and pay to the Board of Equalization ([BOE](#)) the amount of use tax due on purchases made from retailers who do not maintain a place of business in California. The California Contract Public Code (CPC) section [10295.1\(a\)](#) provides that a state department shall not contract for the purchase of tangible personal property from a vendor, contractor, or an affiliate of a vendor or contractor, unless that vendor or contractor and all its affiliates that make sales for delivery into California are holders of a California seller's permit or are holders of a certificate of registration for use tax. A state department is exempt from the provisions of subdivision (a) if the executive director of that state department or a designee makes a written finding that the contract is necessary to meet a compelling state interest. A compelling state interest includes, but is not limited to, the ensuring of essential services such as public health, safety, and welfare, or responding to an emergency. See CPC section [1102](#).

When a state department is exempted from the provisions of CPC section 10295.1(a) those departments will report and pay to the BOE the amount of use tax due on purchases made from retailers who are not registered to collect the use tax. Those departments who, in limited circumstances, purchase from an unregistered vendor must obtain a Consumer Use Tax Permit from the BOE. To register for a Consumer Use Tax Permit go to the BOE's online registration page located at <https://efile.boe.ca.gov/ereg/index.boe> and select "Register a business activity with BOE." Departments that use property purchased with a resale certificate will also report and pay use tax on their purchases. The BOE requires departments to efile their sales and use tax return on either a quarterly, calendar year, or fiscal year basis, depending upon the volume of transactions per month generated by the department. Purchases made for several locations within a department will be consolidated into a single return to the BOE under one Consumer Use Tax Permit. Departments that are required to register with BOE for a seller's permit will use the BOE's online registration page.

State departments that have a seller's permit or a Consumer Use Tax Permit will file their sales and use tax or consumer use tax return online using the BOE's efilng system. The BOE's efilng system allows for departments to properly allocate the 1% Uniform Local Sales and Use Tax and district taxes. For information on efilng of sales and use tax returns, go to the [BOE's](#) website.