

County Fee and Use Tax Changes

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New Information

On October 1, 2017, the abandoned vehicle abatement (AVA) program, fingerprint identification (FID) program, and sales/use tax rate fee collection by the Department of Motor Vehicles (DMV) will change as follows.

Effective with vehicle registration expiration dates of October 1, 2017, and after:

- **El Dorado County (county code [CC] 9)** will suspend collection of AVA fees indefinitely.
- **Glenn County (CC 11)** will suspend collection of AVA fees indefinitely.
- **Merced County (CC 24)** will increase its FID program fees from \$1 to \$2 for autos and from \$3 to \$6 for Commercial Vehicle Registration Act (CVRA).

All other counties that currently have fee programs will continue to participate and DMV will continue to collect their various program fees.

- Sales/use tax rates will increase for the following counties.

<i>City</i>	<i>Affected Zip Codes</i>	<i>County</i>	<i>CC</i>	<i>Current Sales/Use Tax Rate (%)</i>	<i>Increase (%)</i>	<i>New Total Sales/Use Tax Rate (%)</i>
Corcoran	93212 ¹	Kings	16	7.25	1.00	8.25
Seaside	93955 ¹	Monterey	27	8.75	0.50	9.25
Lindsay	93247 ¹	Tulare	54	7.75	1.00	8.75
countywide	all ²	Los Angeles	19	9.25	0.25	9.50

1. Certain zip codes may represent areas that have different tax rates based on city and county boundaries.
2. The countywide use tax increase of 0.25 percent for Los Angeles County will not affect residents of Compton, La Mirada, Long Beach, Lynwood, Pico Rivera, Santa Monica, and South Gate.

All other existing state, county, and city sales and use tax will continue at their current rates. For complete state, county, and city sales/use tax rate information, visit the Board of Equalization (BOE) website at www.boe.ca.gov, look under the category *Popular Topics*, and click *All Sales and Use Tax Rates*.

Other Sales/Use Tax Rates

Only the cities listed in the previous tables have tax rate changes on October 1, 2017. All other existing state, county, and city sales/use tax will continue at their current rate.

Procedures

Process registration applications as normal; programming will generate the correct use tax and county fees.

The sales/use tax rate increases will apply to:

- Original applications with a “fee due date” or “date of first operation” of October 1, 2017, or later.
- Transfer applications with a purchase date of October 1, 2017, or later.

Procedures, *continued*

City tax waivers are available for customers residing in unincorporated areas of a city/county that have a special sales/use tax rate(s). For waiver of a city use tax, a resident or business must provide one of the following:

- A Statement of Facts (REG 256) form stating “at the time the vehicle/vessel was purchased, they or the business resided at (resident/business address), which is in an unincorporated area of the city/county, and they or the business is exempt from the special tax imposed on (name of the city).
- A Certificate of Vehicle, Mobilehome, or Commercial Coach Use Tax Clearance (BOE 111) form for the vehicle/vessel from BOE.
- A letter on city/county letterhead, stating that the city use tax is not due for the customer.

To identify the correct tax rate for the area or business, visit the BOE website at www.boe.ca.gov, look under the category Popular Topics, and click Find a Sales and Use Tax Rate.

Background

Registered voters approved or extended measures to charge a special district sales/use tax rate for certain jurisdictions beginning October 1, 2017. The sales and use tax rate varies throughout the state of California. The sales/use tax rate is higher than the current state rate of 7.25 percent in areas where there are voter-approved special district (county, city, or both) taxes. The state, county, and/or city taxes are combined to determine the total sales/use tax rate due.

Under an Interagency Agreement Contract, DMV acts as an agent for BOE to collect sales or use tax when a vehicle or undocumented vessel is sold or transferred from someone other than a licensed California dealer, manufacturer, or dismantler, unless the transaction is specifically exempted from payment of the sales or use tax.

California Vehicle Code §9250.19 allows participating California counties to increase the FID and CVRA FID fees. *California Vehicle Code* §9250.7 allows participating California counties to collect AVA and CVRA AVA fees.

Distribution

Notification that this memo is available online at www.dmv.ca.gov under Publications was made via California DMV’s Automated Email Alert System in August 2017.

References

California Revenue and Taxation Code §§6067, 6366, 6366.1, 7251, and 7285.9
California Vehicle Code §§4000, 9250.7, 9250.19, 9840, and 22660
Vehicle Industry Registration Procedures Manual, Appendix 1A

Contact

Call the DMV Customer Communications Section at (916) 657-6560 for further clarification of this memo.