

Express Terms
Title 13, Division 1, Chapter 1
Article 4.2 – Vehicle Dealers

§274.00. Used Vehicle Dealer Sales Tax: Applicability

(a) Effective January 1, 2021, a used vehicle dealer shall report and submit the sales tax due, as required by Revenue and Taxation Code section 6295 and Vehicle Code section 4456, to the department, if one or more of the following apply:

(1) The dealer has been issued an occupational license by the department for less than two consecutive years,

(2) The dealer’s Seller’s Permit was reinstated after it was cancelled, suspended, revoked or voluntarily surrendered at any time within the last two years,

(3) The dealer had an understatement of tax reporting from the California Department of Tax and Fee Administration at any time within the last two years, or,

(4) The dealer does not participate in the department’s Business Partner Automation program, as provided in Article 3.6.

(b) Effective January 1, 2023, used vehicle dealers not subject to subsection (a) shall submit sales tax, as required by Revenue and Taxation Code section 6295 and Vehicle Code section 4456, to the department.

(c) Once a dealer begins reporting and submitting sales tax to the department, they shall continuously thereafter report and submit sales tax due to the department.

Note: Authority cited: Sections 1651 and 4456, Vehicle Code. Reference: Sections 4456, Vehicle Code; Section 6295, Revenue and Taxation Code.

§274.02. Used Vehicle Dealer Sales Tax: Payment and Reporting

(a) A used vehicle dealer shall report and submit the sales tax using the department’s electronic registration database for the used vehicle sales application. For purposes of this section, “application” means an application for registration for which all registration-related fees due, including transfer and renewal fees, have been paid.

(b) Dealers presenting their application in person at a field office or to a registration service shall pay sales tax with the application.

Note: Authority cited: Sections 1651 and 4456, Vehicle Code. Reference: Sections 4456, Vehicle Code; Section 6295, Revenue and Taxation Code.

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§274.04. Used Vehicle Dealer Sales Tax: Non-Titling Transactions

A used vehicle dealer complying with 274.02 shall make a specific notation in the registration database and collect the sales tax due before releasing the titling document(s) to an individual if either of the following applies:

(a) a California resident requests the title, or

(b) a vehicle is sold to an individual who will title it in another state.

Note: Authority cited: Sections 1651 and 4456, Vehicle Code. Reference: Sections 4456, Vehicle Code; Section 6295, Revenue and Taxation Code.