Sales and Use Tax Rate Changes

Issue Date: November 10, 2016

New Information

Effective October 1, 2016, the sales/use tax rates will increase for the following special districts. The new total sales/use tax rates include the state, county, and city (special district) rates.

<table>
<thead>
<tr>
<th>City</th>
<th>County Code (CC)</th>
<th>Affected Zip Code(s)</th>
<th>Current Total Sales/Use Tax Rate (%)</th>
<th>New Total Sales/Use Tax Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compton</td>
<td>19</td>
<td>90220-24</td>
<td>9.00%</td>
<td>10.00%</td>
</tr>
<tr>
<td>Corning</td>
<td>52</td>
<td>96021</td>
<td>7.50%</td>
<td>8.00%</td>
</tr>
<tr>
<td>Isleton</td>
<td>34</td>
<td>95641</td>
<td>8.00%</td>
<td>8.50%</td>
</tr>
<tr>
<td>Marysville</td>
<td>58</td>
<td>95901</td>
<td>7.50%</td>
<td>8.50%</td>
</tr>
<tr>
<td>San Jose</td>
<td>43</td>
<td>94043, 94089, 95002, 95008, 95014, 95037, 95054, 95101, 95103, 95106, 95108-13, 95115-36, 95138-41, 95148, 95150-61, 95164, 95170, 95172-73, 95190-94, and 95196</td>
<td>8.75%</td>
<td>9.00%</td>
</tr>
</tbody>
</table>

Effective January 1, 2017, the sales/use tax rates will increase for the following special district.

<table>
<thead>
<tr>
<th>City</th>
<th>County Code (CC)</th>
<th>Affected Zip Code(s)</th>
<th>Current Total Sales/Use Tax Rate (%)</th>
<th>New Total Sales/Use Tax Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Beach</td>
<td>19</td>
<td>90801-10, 90813-15, 90822, 90831-35, 90840, 90842, 90844, 90846-48, 90853, and 90899</td>
<td>9.00%</td>
<td>10.00%</td>
</tr>
</tbody>
</table>

The current tax rate for Pittsburg in Contra Costa County (CC 07) will continue at 9.00 percent through September 30, 2035.

Other Sales/Use Tax Rates

Only the cities listed above have tax rate changes on October 1, 2016, or January 1, 2017. All other existing state, county, and city sales/use tax will continue at their current rate.
Other Sales/Use Tax Rates, continued

The state, county, and/or city taxes are combined to determine the total sales/use tax rate due. Sales/use tax rates vary throughout the State of California; for complete state, county, and city sales/use tax rate information, visit the Board of Equalization (BOE) website at [www.boe.ca.gov/sutax/pam71.htm](http://www.boe.ca.gov/sutax/pam71.htm).

Procedures

The new city or county sales/use tax rate for cities in the chart on the first page will apply to:

- Original applications with a “fee due date” or “date of first operation” of October 1, 2016, or later, or January 1, 2017, or later.
- Transfer applications with a purchase date of October 1, 2016, or later, or January 1, 2017, or later.

City tax waivers are available for customers residing in unincorporated areas of a city/county that have 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 from the customer stating that “at the time the vehicle/vessel was purchased, he/she or the business resident at [resident/business address], which is in an unincorporated area of the city/county, and he/she 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.

Background

Registered voters approved or extended measures to charge a special district sales/use tax rate for certain jurisdictions beginning October 1, 2016, or January 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 7.50 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, the Department of Motor Vehicles 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.

Distribution

Notification that this memo is available online, at [www.dmv.ca.gov](http://www.dmv.ca.gov) under Publications was made via California DMV’s Automated Email Alert System in November 2016.

References

*California Revenue and Taxation Code §§6067, 6366, 6366.1, 7251, and 7285.9*

*California Vehicle Code §§4000 and 9840*

*Vehicle Industry Registration Procedures Manual, Appendix 1A*
Contact

Call the DMV Customer Communications Section, at (916) 657-6560 for further clarification of this memo. Upon request, this document can be produced in Braille or large print.

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Communication Programs Division