



# SPECIAL NOTICE

CALIFORNIA DEPARTMENT  
OF TAX AND FEE  
ADMINISTRATION  
450 N Street  
Sacramento, CA 95814

**GAVIN NEWSOM**  
Governor

**AMY TONG**  
Secretary  
Government Operations Agency

**NICOLAS MADUROS**  
Director

CDTFA WEBSITE  
[www.cdtfa.ca.gov](http://www.cdtfa.ca.gov)

CUSTOMER SERVICE CENTER  
**1-800-400-7115**

CRS  
**711**

## Extension on Sales and Use Tax Exemption for Fuel Sold to Water Common Carriers

Effective immediately, the sales and use tax exemption on the sale of fuel and petroleum products (fuel) to water common carriers for immediate shipment outside California has been extended through December 31, 2028.<sup>1</sup> This exemption applies to sales of fuel to water common carriers when used by the carrier after it has reached its first out-of-state destination.

### Qualifying fuel sales

To qualify for the exemption, fuel sales must satisfy each of the following requirements:

- The fuel must be sold to a water common carrier holding a valid seller's permit or who has promptly obtained a fuel exemption registration number.
- The fuel must be for immediate shipment outside of California.
- The fuel must be consumed by the water common carrier in the conduct of its business after the first out-of-state destination.

To document an exempt fuel sale, fuel vendors must promptly obtain an exemption certificate from purchasers. See the *Exemption certificate* section below.

### Exemption certificate

An exemption certificate must be issued by the water common carrier to the fuel vendor documenting the exempt sale by using CDTFA-230-K-1, *Certificate E—California Sales Tax Exemption Certificate Supporting Exempt Fuel Purchases Under Section 6385(c)—Water Carriers*,<sup>2</sup> available on our website. Fuel vendors should keep documentation to support all exempt fuel sales.

### For more information

If you have additional questions regarding this notice, you may call our Customer Service Center at 1-800-400-7115 (CRS:711). Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.

<sup>1</sup> [leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202320240AB543](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB543)

<sup>2</sup> [www.cdtfa.ca.gov/formspubs/cdtfa230k-1.pdf](http://www.cdtfa.ca.gov/formspubs/cdtfa230k-1.pdf)