



SPECIAL NOTICE

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New Reporting and Publication Requirements for Local Agencies Regarding Tax Revenue Sharing Agreements

Beginning January 1, 2025, Revenue and Taxation Code section 7213 requires each California city and county (local agency) to report annually on all sales and use tax revenue sharing agreements from the previous fiscal year. Local agencies must report all agreements involving the direct or indirect payment, transfer, diversion, or rebate of Bradley-Burns Uniform Local Sales and Use Tax revenue.

Reporting requirements

Each local agency is required to report to us annually, on or before April 30, information from the immediately preceding fiscal year. The first reporting due date is **April 30, 2025**. Prior to the due date, we intend to email each local agency a link to a form to report the required information. This email will be sent from our Local Revenue Branch at, Jservices@cdtfa.ca.gov.

Information to provide

A local agency with tax revenue sharing agreements must report the following for each agreement that resulted in rebated sales and use tax revenue during the immediately preceding fiscal year:

- The name or names of parties to the agreement
- The date the agreement was originally executed
- The date the agreement terminated or will terminate, absent any renewal
- The total dollar amount of rebated sales and use tax revenues received by each party on or after the date of execution of the agreement through June 30 of the fiscal year immediately preceding the report date
- The total dollar amount of rebated sales and use tax revenues received by each party to the agreement during the fiscal year immediately preceding the date of the report
- The percentage of a retailer's sales and use taxes, if any, used to calculate or otherwise determine the rebated sales and use tax revenues received by each party to the agreement
- The percentage of a retailer's sales and use taxes, if any, used to calculate or otherwise determine the rebated sales and use tax revenues received by any other person who is not a party to the agreement

Additionally, a local agency reporting an agreement to us must also publish the information on its website. The local agency's homepage must always have a visible hyperlink to the published information.

Local agency without tax revenue sharing agreements

Every local agency must file a report with us by April 30 of each year, even if it has no sales and use tax revenue sharing agreements. A local agency with nothing to report will still file the report stating that no revenue has been shared, but it is not required to post this information on its website.

Penalties

If a local agency does not report or publish the required information by the due date, we may impose a penalty for each day, up to 365 days, after the expiration of the applicable period as follows:

- For days one to 180, inclusive, one thousand dollars (\$1,000) per day
- For days 181 to 365, inclusive, four thousand dollars (\$4,000) per day

Legislation information

[Assembly Bill 2854](#) (Stats. 2024, ch.842) added section 7213 to the Revenue and Taxation Code, which imposes these requirements on local agencies.

For more information

If you have questions about reporting your local agency's tax revenue-sharing agreements, please see the *Reporting Requirements* section of our online *Tax Guide for Local Jurisdictions and Districts* at www.cdtfa.ca.gov/industry/local-jurisdictions-and-districts/tax-revenue-sharing-agreements.htm. If you need assistance, please contact our Local Revenue Branch at Jservices@cdtfa.ca.gov or 1-916-309-5800.