



TAX INFORMATION BULLETIN

Publication 388 | December 2024 | www.cdtfa.ca.gov



Tax Relief to Businesses Impacted by Los Angeles Wildfires

CDTFA has automatically extended the tax filing deadline for three months for taxpayers within Los Angeles County.

This automatic extension applies to all filers with a January 2025 return due date, whose prior return (third quarter 2024) was for less than \$1 million in tax. Returns and payments will now be due on April 30, 2025. Taxpayers who need assistance but do not fall into this automatic category are encouraged to request relief.

Used automobile dealers required to pay tax directly to the Department of Motor Vehicles (DMV) along with vehicle registration will continue to pay DMV, but the three-month extension applies to any additional sales and use tax reported and paid directly to CDTFA.

Annual licensing fees under the Cigarette and Tobacco Products Licensing Act and returns due under the International Fuel Tax Agreement are not extended.

Information on how to ask for help is available on CDTFA's [State of Emergency Tax Relief](#) webpage.

Our Customer Service Center is ready to assist those affected by the wildfires. Please contact us toll-free at 1-800-400-7115 (TTY:711), Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except on state holidays.

New Sales and Use Tax Rates Effective January 1, 2025

Starting January 1, 2025, new local sales and use tax rates that may impact you or your business became effective. The impacted cities are:

DISTRICT TAX RATE CHANGING			
Citywide	New Code	Prior Rate	New Rate
City of Amador City (located in Amador County)	B13	7.750%	8.00%

DISTRICT TAX RATE DECREASING & DISTRICT TAX CODE CHANGING				
Citywide	Prior Code	New Code	Prior Rate	New Rate
City of Rio Dell (located in Humboldt County)*	391	B15	8.750%	8.500%

**Measure O, approved by voters in the November 2022 election, decreases the city tax to 0.75 percent effective January 1, 2025. The existing 1.00 percent tax expired on December 31, 2024. A new code is required.*



Bad Debt Deductions Changed on January 1, 2025 (Senate Bill 167)

Lenders and affiliated entities of a retailer may no longer take a bad debt deduction or file a claim for refund for accounts found worthless and written off for income tax purposes on and after January 1, 2025. Lenders and affiliated entities may continue to take a bad debt deduction or file a claim for refund for accounts found worthless and written off prior to January 1, 2025.

Retailers who incur bad debts are not affected and may continue to take bad debt deductions and file claims for refund for sales and use tax paid to the state that is later found worthless and written off for income tax purposes. For more information, see our special notice [Bad Debt Deductions for Lenders and Affiliated Entities Will Change on January 1, 2025](#).



California Firearm and Ammunition Excise Tax

Retail Sales Amounts Subject to the California Firearm and Ammunition Excise Tax

Effective July 1, 2024, licensed firearms dealers, ammunition vendors, or firearms manufacturers (sellers) making sales of firearms, firearm precursor parts, or ammunition (firearm products) are responsible for paying the California Firearm and Ammunition Excise Tax (CFET) at the rate of 11 percent of the gross receipts from the retail sale (sales to consumers) in California of firearm products. Gross receipts include the retail selling price of the firearm product and all charges related to the sale, such as any business expense added to any taxable sale, including those that may be listed separately on the invoice or receipt provided to the purchaser. Examples of charges included in the calculation of gross receipts that are subject to the CFET include but are not limited to: merchant credit card fees, discretionary transfer fees, handling fees, shipping charges, and fabrication labor charges.

When a retailer is required to collect and remit fees imposed by the state on the purchase of a firearm, those fees are excluded from gross receipts and are not subject to the CFET. Examples of state-imposed fees include but are not limited to: the Firearms Dealer's Record of Sale (DROS) fee, the firearms safety fee, and the firearms safety and enforcement fee. Also, sales tax reimbursement and CFET reimbursement should not be included in the gross receipts.

For more information, please read our [Tax Guide for Sellers of Firearm and Ammunition Products](#), which includes [California Firearm and Ammunition Excise Tax Frequently Asked Questions](#).



Cannabis Excise Tax—Vendor Compensation

Until December 31, 2025, when a cannabis retailer has been approved by the [Department of Cannabis Control](#) (DCC) to receive a fee waiver under Business and Professions Code section 26249 (DCC fee waiver) for the issuance or renewal of their cannabis retailer license, they may request approval to retain vendor compensation under Revenue and Taxation Code [section 34011.1](#) by submitting an online application to CDTFA. Generally, the retention period is 12 months, as long as the cannabis retailer remains eligible for the DCC fee waiver for that period. Please note, however, vendor compensation retention periods will not continue beyond December 31, 2025. Please review your online services notifications for reminders about expiring eligibility for vendor compensation.

For more information, please see [Regulation 3810, Vendor Compensation](#), and special notice [Certain Cannabis Retailers May Apply to Retain Vendor Compensation](#). You can also refer to the [Vendor Compensation](#) section in our tax guide, [Cannabis Retailers with Cannabis Businesses](#).



911 and 988 Surcharge Rates

For calendar year 2025, the 911 surcharge rate will increase from 30 cents (\$0.30) to 41 cents (\$0.41) per access line. The 988 surcharge rate remains at eight cents (\$0.08) per access line, according to the California Governor's Office of Emergency Services.

For the current and prior 911 and 988 surcharge rates, see our [Special Taxes and Fees Rates](#) page under the [Emergency Telephone Users Surcharge—911 Surcharge and 988 Surcharge](#) section.

For additional information, please see our special notice [2025 Emergency Telephone Users Surcharge Rates \(911 and 988 Surcharges\)](#).

HAZARDOUS SUBSTANCES FEES

Hazardous Waste Generation and Handling Fee—New Penalties and Return Reporting Clarification

A new law makes several changes to the generation and handling fee program ([Senate Bill \[SB\] 156](#) Stats. 2024, ch. 72).

New penalties for generation and handling fee

A new state law imposes escalating penalties for any late-filed generation and handling fee return, payment, or prepayment.

The escalating penalties are in addition to any other penalties imposed under the [Hazardous Substances Tax Law](#).

For information about escalating penalties and to view a schedule detailing the penalty calculation, please visit our [Hazardous Substances \(Waste\) Fee Guide](#).

For payments and returns due on and after November 30, 2024, we will apply a new 300 percent penalty if we determine that you willfully or knowingly provided incorrect information or withheld information on your return that resulted in a deficient payment of the generation and handling fee.

Return reporting period clarification

The due dates for your prepayment, return, and final return payment have **not** changed. SB 156 made clarifying amendments to Revenue and Taxation Code [section 43152.7](#) to refer to the generation and handling fee as a “fiscal return” rather than an “annual return.” Accordingly, when you log in to your account to file your generation and handling fee return, the period for your return will display the end date of the fiscal year in which your return is due. For example, “30-Jun-2025” will display for the fiscal year 2024-2025.

Your generation and handling fee due for each reporting period is calculated based on waste generated in the prior calendar year. For information about the return reporting period schedule, please visit our [Hazardous Substances \(Waste\) Fee Guide](#).

Please see our special notice, [Hazardous Waste Generation and Handling Fee Important Updates](#), for detailed information about the changes.

2024-2025 hazardous waste fee rates and upcoming due date reminders

The Board of Environmental Safety determines the fee rates for the Environmental fee, Hazardous Waste Facility fee, and Hazardous Waste Generation and Handling fee by October 1 of each year. For information about the fee rates for the three hazardous waste fees mentioned above, please visit [Tax Rates—Special Taxes and Fees—Hazardous Substance Taxes](#).

Online filing

You must use our online filing system for all hazardous waste fee program returns and prepayments.

Log in to our online services system with your username and password to file your return. For assistance with creating a username and password and filing online, please view our [Video Resources and Tutorials](#) or call our Customer Service Center at 1-800-400-7115 (TTY:711), selecting the option for [Special Taxes and Fees](#). Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.

Due date reminders

Prepayment, final payment, and return due dates are as follows:

Environmental Fee—Calendar Year 2024 (January 1, 2024–December 31, 2024)

- Return and final payment—Due February 28, 2025

Facility Fee (includes transportable treatment unit [TTU] facility permit types)—Fiscal Year 2024-2025 (July 1, 2024–June 30, 2025)

- Prepayment—Due December 2, 2024. The payment must be 50 percent of the fee due for the fiscal year.
- Return and final payment—Due February 28, 2025. The payment is the remaining 50 percent of the fee due for the year.

Generation and Handling Fee—Fiscal Year 2024-2025 (July 1, 2024–June 30, 2025)

You will report the fee based on the hazardous waste tons you generated in the calendar year 2023.

- Prepayment—Due December 2, 2024. The prepayment must be 50 percent of the fee for hazardous waste generated in the calendar year 2023.
- Return and final payment—Due on February 28, 2025. The payment is the remaining 50 percent of the fee due for hazardous waste generated in the calendar year 2023.

Please see our special notices listed below for additional information.

- [2024-2025 Hazardous Waste Facility Fee Rates and Upcoming Due Date Reminder](#)
- [2024-2025 Hazardous Waste Generation and Handling Fee Rate and Important Reminders](#)
- [New Environmental Fee Rates and Upcoming Due Date Reminders](#)

We also invite you to visit our [Hazardous Substances \(Waste\) Fee Guide](#).



Cigarette and Tobacco Products: Taxes and Licensing

We may seize flavored cigarettes, tobacco products, and tobacco product flavor enhancers from retailers and wholesalers

Beginning January 1, 2025, we may seize flavored cigarettes, tobacco products, and flavor enhancers from retailers and wholesalers who possess, store, own, or have sold such products. Upon seizure, we will impose a civil penalty of \$50 per individual package of product seized and will take the following action against the retailer or wholesaler’s cigarette and tobacco products license:

- First seizure: No action taken on license.
- Second seizure: License suspended.
- Third seizure: License revoked.

The [California Office of the Attorney General](#) must establish and publish a list of unflavored cigarettes and tobacco products, known as the Unflavored Tobacco List (UTL), on its website by December 31, 2025. Any product not listed on the UTL is considered a flavored product.

We may inspect any place where evidence may be found of a violation of the [flavored tobacco products ban](#) or the provisions of the UTL.

Distributors and wholesalers may not sell flavored cigarettes, tobacco products, or any tobacco product flavor enhancers to any retailer, wholesaler, or other person in California. We will take the following actions against the distributor, wholesaler, or delivery seller’s cigarette and tobacco products license when we discover such sales:

- First offense: Notice of violation provided to licensee.
- Second offense: License suspended.
- Third offense: License revoked.

For more information, see our special notice [Flavored Cigarettes, Tobacco Products, and Tobacco Product Flavor Enhancers Are Subject to Seizure](#).

Occupational Lead Poisoning Prevention Fee

New Occupational Lead Poisoning Prevention Fee Rates Effective January 1, 2025

We recently approved new Occupational Lead Poisoning Prevention Fee rates effective January 1, 2025, through December 31, 2025. We are required to annually adjust the fee rates to reflect increases or decreases in the cost of living during the prior fiscal year as measured by the California Consumer Price Index.

Occupational Poisoning Prevention Fee Rates Effective 1/1/2025 through 12/31/2025	
Number of Employees	Fee Rates
Category A**	
10 to 99	\$440
100 to 499	\$882
500 or more	\$2,201
Category B***	
10 to 99	\$631
100 to 499	\$1,760
500 or more	\$5,040

****Category A** applies to businesses in a SIC code that had fewer than 20 reported cases of persons with elevated blood lead levels.

*****Category B** applies to businesses in a SIC code that had 20 or more reported cases.

For more information about the occupational lead poisoning prevention fee, please see our online [Occupational Lead Poisoning Prevention Fee Guide](#), or call our Customer Service Center at 1-800-400-7115 (TTY:711) and select *Special Taxes and Fees* from the main menu. Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.

Covered Electronic Waste Recycling Fee

Covered Electronic Waste Recycling Fee Rates

The Covered Electronic Waste Recycling (eWaste) Fee for all covered electronic devices (CEDs) will remain the same for the next calendar year. The [current](#) eWaste fee rates approved by the California Department of Resources Recycling and Recovery (CalRecycle) will be in effect until January 1, 2026, and are provided below:

eWaste Fee Rates Effective 1/1/2020 through 12/31/2025	
Screen Size-Measured Diagonally	Fee Rates
More than 4 inches, less than 15 inches	\$4.00
15 inches or more, less than 35 inches	\$5.00
35 inches or more	\$6.00

If you would like to learn more about the eWaste program and CalRecycle’s role, visit the [CalRecycle](#) website.

The Department of Toxic Substances Control (DTSC) determines which products qualify as CEDs. If you have questions regarding CEDs, visit the [DTSC](#) website.

We administer and collect the eWaste fee. Please visit our [Covered Electronic Waste Recycling Fee Guide](#) for more information about the eWaste fee program.

Energy Resources (Electrical Energy) Surcharge

2025 Energy Resources (Electrical Energy) Surcharge Rate

The California Energy Commission (CEC) set the electrical energy surcharge rate for the 2025 calendar year to remain at three-tenths mill (\$.0003) per kilowatt-hour.

The CEC determines the electrical energy surcharge rate each November for the following calendar year. The electrical energy surcharge is imposed upon electrical energy consumed in California that is purchased from an electrical utility.

For more information about the electrical energy surcharge, please see our online [Tax Guide for Energy Resources \(Electrical Energy\) Surcharge](#), or call our Customer Service Center at 1-800-400-7115 (TTY:711) and select the option for *Special Taxes and Fees*. Customer service representatives are available to assist you Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.



No Change in Bulk Sales Exemption Threshold for Coins and Bullion

Revenue and Taxation Code (R&TC) [section 6355](#) exempts from sales and use tax the sale in bulk of monetized bullion, nonmonetized gold or silver bullion, and numismatic coins (coins and bullion) that are substantially equivalent to specified transactions in securities or commodities. Beginning July 1, 2023, “a sale in bulk” occurs when the total market value of the coins and bullion sold in a single transaction is \$2,000 or more ([Regulation 1599](#)). R&TC section 6355 further mandates that, by October 1 of each year, we must calculate what the exemption threshold would be if adjusted for changes in the California Consumer Price Index. When the threshold amount as adjusted for inflation equals or exceeds the operative threshold by \$500, the threshold automatically increases to that amount, rounded to the nearest multiple of \$500, as of the specified effective date.

After making the annual inflation adjustment calculation to the current \$2,000 threshold for 2024, we determined that no change to the operative bulk sales exemption threshold is required according to R&TC section 6355. Accordingly, CDTFA will not amend Regulation 1599 to adjust the bulk sales exemption this year.



Restaurant Month Social Media Toolkit

Our [Restaurant Month Social Media Toolkit](#) provides ready-to-use social media posts with information about our free tax and fee resources. Share these resources on your social media platforms and help us spread the word! Don't forget to follow us on social media and tag CDTFA in your posts.

Irvine Office Closed and Will Relocate to Santa Ana

On Wednesday, November 27, 2024, we permanently closed our Irvine Office, located at 16715 Von Karman Avenue, Suite 200, Irvine, CA 92606-2414. The office will be relocating to Santa Ana during spring 2025. Additional details regarding the office, including its opening date and location, will be shared in a special notice which will be distributed prior to the date the office opens to the public. If you need assistance in the interim, please contact our Customer Service Center at 1-800-400-7115 (TTY:711). Customer service representatives are available Monday through Friday from 7:30 a.m. to 5:00 p.m. (Pacific time), except state holidays.

If you need services that you cannot obtain through our Customer Service Center, Irvine Office team members can still be reached at 1-949-440-3473 or by email at IrvineInquiries@cdtfa.ca.gov. For in-person assistance, you can schedule an appointment by contacting our Cerritos Office at 1-562-356-1102 or Diamond Bar Office at 1-626-480-7200.