



# TAX INFORMATION BULLETIN

Publication 388 | June 2024 | [www.cdtfa.ca.gov](http://www.cdtfa.ca.gov)



## California Firearm and Ammunition Excise Tax

### New program for firearms dealers, ammunition vendors, and firearms manufacturers

Beginning July 1, 2024, licensed firearms dealers, ammunition vendors, and firearms manufacturers (retailers) are required to register with us for a California *Firearm and Ammunition Excise Tax Certificate of Registration*. They must also pay us an excise tax at the rate of 11 percent of the gross receipts from the retail sales in California of any firearms, firearm precursor parts, or ammunition ([Assembly Bill 28 \[Stats. 2023, ch. 231\]](#)).

Retailers must register for both a seller's permit and a California *Firearm and Ammunition Excise Tax Certificate of Registration*. You may register for both through our *Online Services* at [onlineservices.cdtfa.ca.gov/](http://onlineservices.cdtfa.ca.gov/).

If you are a retailer currently licensed with the California Department of Justice and you have an active seller's permit with us, we should have automatically registered you for a California *Firearm and Ammunition Excise Tax Certificate of Registration* in June 2024. If we did not automatically register you and you plan to make any retail sales of firearms, firearm precursor parts, or ammunition in California on or after July 1, 2024, you must register with us. Assistance with online registration is available by contacting our Customer Service Center at 1-800-400-7115 (TTY:711) and selecting the option for *Special Taxes and Fees*.

For more information, visit our *Tax Guide for Sellers of Firearm and Ammunition Products* at [www.cdtfa.ca.gov/industry/sellers-of-firearm-and-ammunition-products/](http://www.cdtfa.ca.gov/industry/sellers-of-firearm-and-ammunition-products/).

## Cannabis Taxes

**Are you calculating the cannabis excise tax correctly? Find out now!**

If you are a cannabis retailer, you are required to collect the 15 percent cannabis excise tax from purchasers (customers) based on gross receipts from the retail sale of cannabis or cannabis products. For more information, see Regulation 3802, *Gross Receipts from Sales of Cannabis and Cannabis Products*, at [www.cdtfa.ca.gov/lawguides/vol3/ctr/ctr-all.html#3802](http://www.cdtfa.ca.gov/lawguides/vol3/ctr/ctr-all.html#3802), the *Gross Receipts Subject to Cannabis Excise Tax* section under the *Tax Facts* page on our *Tax Guide for Cannabis Businesses* at [www.cdtfa.ca.gov/industry/cannabis/tax-facts.htm#Gross-Receipts-Subject-to-Cannabis-Excise-Tax](http://www.cdtfa.ca.gov/industry/cannabis/tax-facts.htm#Gross-Receipts-Subject-to-Cannabis-Excise-Tax), and watch our new video on how to calculate the cannabis excise tax at [www.youtube.com/watch?v=PtpmqFHZ5Zc](https://www.youtube.com/watch?v=PtpmqFHZ5Zc).

## CANNABIS GROSS RECEIPTS

Include charges like these when calculating cannabis excise tax:



Cannabis Product Selling Price



Local Cannabis Business Tax



Delivery Fee



Service Fee



Packaging



## Cigarette and Tobacco Products Tax

### New tax rate for tobacco products

Effective July 1, 2024, through June 30, 2025, the new tax rate for tobacco products (products other than cigarettes) is 52.92 percent of the wholesale cost. The tax rate is subject to change annually. For more information, please see our special notice, *New Tax Rate on Tobacco Products Effective July 1, 2024, through June 30, 2025*, at [www.cdtfa.ca.gov/formspubs/L-939.pdf](http://www.cdtfa.ca.gov/formspubs/L-939.pdf).

You may find current and historical tobacco products tax rates on our *Tax Rates—Special Taxes and Fees* webpage under the *Cigarette and Tobacco Products Tax* section at [www.cdtfa.ca.gov/taxes-and-fees/tax-rates-stfd.htm#cigarettetax](http://www.cdtfa.ca.gov/taxes-and-fees/tax-rates-stfd.htm#cigarettetax).

## Oil Spill Prevention and Administration Fee

### Rate increase

Effective July 1, 2024, the Oil Spill Prevention and Administration (OSPA) Fee will increase from nine and one-tenth cents (\$0.091) per barrel to nine and four-tenth cents (\$0.094) per barrel.

The Department of Fish and Wildlife is responsible for determining the OSPA fee rate based on changes in the California Consumer Price Index.

For more information, please see special notice, *Oil Spill Prevention and Administration Fee: Rate Increase Effective July 1, 2024*, at [www.cdtfa.ca.gov/formspubs/L936.pdf](http://www.cdtfa.ca.gov/formspubs/L936.pdf). Current and historical OSPA fee rates are posted on the *Tax Rates—Special Taxes and Fees* webpage, under the *Oil Spill Response, Prevention, and Administration Fees* section at [www.cdtfa.ca.gov/taxes-and-fees/tax-rates-stfd.htm#oilspillfee](http://www.cdtfa.ca.gov/taxes-and-fees/tax-rates-stfd.htm#oilspillfee).



## LEAD-ACID BATTERY FEES

### New lead-acid battery fee regulations

On April 3, 2024, the California Office of Administrative Law approved [Regulations 3210, 3220, 3230, and 3240](#). These regulations provide additional guidance and clarification on several topics, including the requirements for documenting sales of lead-acid batteries or replacement lead-acid batteries (batteries) that are excluded or exempt from the California battery fee and/or manufacturer battery fee (lead-acid battery fee).

### Documenting an exclusion or exemption

If you are a manufacturer or dealer (seller), you must obtain written certification from your customer to support that the lead-acid battery or a replacement lead-acid battery is sold and will be used in a manner or for a purpose entitling the manufacturer or dealer to regard the purchase as not subject to the California battery fee or manufacturer battery

fee. CDTFA-230-L, *General Exclusion & Exemption Certificate—For Lead-Acid Batteries Not Subject to the Lead-Acid Battery Fees*, is now available on our website at [www.cdtfa.ca.gov/DownloadFile.ashx?path=/formspubs/cdtfa230l.pdf](http://www.cdtfa.ca.gov/DownloadFile.ashx?path=/formspubs/cdtfa230l.pdf) and may be used to meet the certification requirements in Regulation 3240.

### Drop shipments

A drop shipper owes the lead-acid battery fee(s) when the drop shipment meets the following two conditions:

- A California retailer makes the drop shipment on behalf of an out-of-state retailer to a consumer in California, and
- The out-of-state retailer does not hold a California seller's permit or a California Certificate of Registration—Use Tax.

For the full text of each regulation or more information regarding lead-acid battery fees, visit our online *Lead-Acid Battery Fees Guide* at [www.cdtfa.ca.gov/industry/lead-acid-battery-fees.htm](http://www.cdtfa.ca.gov/industry/lead-acid-battery-fees.htm).

## New Sales and Use Tax Rates Effective July 1, 2024

Starting July 1, 2024, many new local sales and use tax rates become effective that may impact your business. Additionally, city of Fort Bragg extended a district tax that was set to expire this year, while city of Merced replaced one district tax with another district tax at the same rate. The impacted cities and counties are:

DISTRICT TAX RATES CHANGING			
Citywide	New Code	Prior Rate	New Rate
City of Chino (located in San Bernardino County)	A87	7.750%	8.750%
City of Nevada City (located in Nevada County)	A83	8.375%	8.875%
City of Santa Cruz (located in Santa Cruz County)	A91	9.250%	9.750%
City of Westminster (located in Orange County)	A85	8.750%	9.250%
Unincorporated Area	New Code	Prior Rate	New Rate
Santa Cruz County Unincorporated Area	A89	9.000%	9.500%

DISTRICT TAX CODES CHANGING			
Citywide	Prior Code	New Code	Tax Rate
City of Merced (located in Merced County) <sup>1</sup>	483	A93	8.250%

CURRENT DISTRICT TAXES EXTENDED			
County/City	Code	Tax Rate	Expiration Date
City of Fort Bragg (located in Mendocino County) <sup>2</sup>	A42	8.875%	NONE

<sup>1</sup> The city approved a new 0.50 percent tax to replace the existing tax of 0.50 percent, which will expire June 30, 2024. A new code is required.

<sup>2</sup> The existing city tax of 0.50 percent, set to expire on December 31, 2024, was extended indefinitely by voters in the November 2023 election.

### Certain Used Motor Vehicle Dealers Filing Frequency is Changing

Beginning July 1, 2024, sales and use tax return filing frequency for certain used motor vehicle dealers is changing from monthly reporting to a quarterly reporting basis. This will reduce the number of times some dealers need to file a return with us.

If you are an affected dealer that received a notification from us that your filing frequency is changing, your final monthly return must include sales made in June 2024 and is due July 31, 2024. Your first quarterly return will include sales made during the third quarter of 2024 (July through September) and is due October 31, 2024. You must continue to pay sales tax on your retail sales of vehicles directly to the Department of Motor Vehicles when you submit a motor vehicle registration application. For more information, visit our *New Legislation Affecting Used Vehicle Dealers—Frequently Asked Questions (FAQs)* at [www.cdtfa.ca.gov/industry/faqs-for-used-vehicle-dealers.htm](http://www.cdtfa.ca.gov/industry/faqs-for-used-vehicle-dealers.htm).

## Sales Tax Prepayment Rates and Excise Tax Rates on Fuel

By March 1 of each year, we are required to establish the sales tax prepayment rates on fuels that will be in effect from July 1 through June 30 of the following year. The rates vary depending on the type of fuel involved and may be adjusted during the year, if necessary.

We are also required to adjust the excise tax rates for motor vehicle fuel and diesel fuel effective July 1 every year by the percentage change in the California Consumer Price Index, as calculated by the California Department of Finance. The excise tax on aircraft jet fuel is not subject to an annual adjustment.

### Sales Tax Prepayment Rates—Effective July 1, 2024, through June 30, 2025

The sales tax prepayment rates for motor vehicle fuel, diesel fuel, and jet fuel are as follows:

- Motor vehicle fuel (gasoline) rate remained at \$0.080 per gallon
- Diesel fuel rate decreased to \$0.445 per gallon (from \$0.500 per gallon)
- Jet fuel rate decreased to \$0.150 per gallon (from \$0.185 per gallon)
- Aviation gasoline fuel—not applicable

### Excise Tax Fuel Rates—Effective July 1, 2024, through June 30, 2025

The excise tax fuel rates for motor vehicle fuel, diesel fuel, and jet fuel are as follows:

- Motor vehicle fuel (gasoline) excise tax rate increased to \$0.596 per gallon (from \$0.579 per gallon)
- Diesel fuel excise tax rate increased to \$0.454 per gallon (from \$0.441 per gallon)
- Jet fuel excise tax rate remained at \$0.020 per gallon
- Aviation gasoline fuel excise tax rate increased to \$0.186 per gallon (from \$0.180 per gallon)

For information concerning tax rates, please visit *Sales Tax Rates for Fuels* at [www.cdtfa.ca.gov/taxes-and-fees/sales-tax-rates-for-fuels.htm#motor](http://www.cdtfa.ca.gov/taxes-and-fees/sales-tax-rates-for-fuels.htm#motor) or the *Fuel Taxes* section on the *Tax Rates—Special Taxes and Fees* webpage at [www.cdtfa.ca.gov/taxes-and-fees/tax-rates-stfd.htm](http://www.cdtfa.ca.gov/taxes-and-fees/tax-rates-stfd.htm).



## Taxpayers' Bill of Rights Meeting

The annual Taxpayers' Bill of Rights meeting is an opportunity for the public to provide feedback, make suggestions, or express concerns regarding the administration of the tax and fee programs managed by us. This year's meeting will be held on August 22, 2024, at 9:30 a.m. at 651 Bannon Street, Sacramento, CA 95811. For more information, visit the *Taxpayers' Bill of Rights Meetings* webpage at [www.cdtfa.ca.gov/tra/tbor-meetings.htm](http://www.cdtfa.ca.gov/tra/tbor-meetings.htm).

If you are interested in attending or would like more information about how to participate if you are unable to attend in person, call the Taxpayers' Rights Advocate (TRA) Office at 1-888-324-2798 or visit our website at [www.cdtfa.ca.gov/tra/](http://www.cdtfa.ca.gov/tra/). If you are unable to attend the meeting in person or virtually, you can submit your suggestions or concerns in writing to the TRA Office via email at [taxpayer.rights@cdtfa.ca.gov](mailto:taxpayer.rights@cdtfa.ca.gov).

## Sacramento Office Moved on May 28, 2024

We closed our Sacramento Office, located at 3321 Power Inn Road, Suite 210, Sacramento, CA 95826, and we resumed operations at our new Sacramento Office, located at 651 Bannon Street, Suite 100, Sacramento, CA 95811. You can reach our new office by telephone at 1-916-227-6700 or by emailing [SacramentoInquiries@cdtfa.ca.gov](mailto:SacramentoInquiries@cdtfa.ca.gov).

For more information, see our special notice, *Sacramento Office Moving on May 28, 2024*, at [www.cdtfa.ca.gov/formspubs/l938.pdf](http://www.cdtfa.ca.gov/formspubs/l938.pdf).

## Sacramento Headquarters Moved on July 1, 2024

We closed our Sacramento Headquarters, located at 450 N Street, Sacramento, CA 95814, and we resumed operations at our new Sacramento Headquarters, located at 651 Bannon Street, Suite 100, Sacramento, CA 95811. If you need assistance, 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.

For more information, see our special notice, *Sacramento Headquarters Moving on July 1, 2024* at [www.cdtfa.ca.gov/formspubs/L943.pdf](http://www.cdtfa.ca.gov/formspubs/L943.pdf).



## For More Information

All telephone numbers are toll-free.

### Internet

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

### Customer Service Center

1-800-400-7115  
 (TTY:711)

### Seller's Permit Verification

1-888-225-5263  
[www.cdtfa.ca.gov](http://www.cdtfa.ca.gov)

### Taxpayers' Rights Advocate

1-888-324-2798  
[www.cdtfa.ca.gov/tra](http://www.cdtfa.ca.gov/tra)

### Tax Evasion Hotline

1-888-334-3300

### State Legislation

<https://leginfo.legislature.ca.gov/>

### More Articles Available Online

There are occasions when we have more articles than we have space for in this print version of the *Tax Information Bulletin*. The additional articles are available online at [www.cdtfa.ca.gov/taxes-and-fees/tax-bulletins.htm](http://www.cdtfa.ca.gov/taxes-and-fees/tax-bulletins.htm).

### New and Revised Publications Available Online

For new and revised publications, see our website at [www.cdtfa.ca.gov/formspubs/all-forms-and-publications.htm](http://www.cdtfa.ca.gov/formspubs/all-forms-and-publications.htm).

Thank you for connecting with us.

