



Special Notice

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Notice to Counties, Cities, and Local Agencies: Keep Groceries Affordable Act of 2018 Prevents New Taxes or Fees on Groceries

Effective January 1, 2018, cities, counties, or other local agencies (local agencies) may no longer impose, increase, levy, or collect any new tax, fee, or other assessment on groceries. However, local agencies may continue to collect taxes or fees on groceries imposed *prior* to January 1, 2018.

New Law

Enacted on June 28, 2018, the *Keep Groceries Affordable Act of 2018* (Revenue and Taxation Code 7284.8 et seq.) (Act), prohibits the imposition, increase, levy, and collection, or enforcement by a local agency of any new tax, fee, or other assessment on groceries on or after January 1, 2018, and through January 1, 2031 ([Assembly Bill 1838 \(6/28/18\)](#); [Senate Bill 872 \(7/9/18\)](#)). Any new taxes, fees, or assessments on groceries imposed by a local agency after January 1, 2018, are inoperative as of June 28, 2018, and shall cease to be imposed, levied and collected, and enforced as of that date.

However, a local agency may continue to levy and collect, enforce, or reauthorize any tax, fee, or other assessment on groceries imposed, extended, or increased on or before January 1, 2018. In addition, the Act does not prohibit the imposition, extension, increase, levy and collection, or enforcement of any generally applicable tax, fee, or other assessment, including taxes levied pursuant to, or in accordance with, the Bradley-Burns Uniform Local Sales and Use Tax Law or the Transactions and Use (District) Tax Law.

If it is found that a local agency imposed, increased, levied, or collected new taxes, fees, or other assessments in conflict with the Act, the California Department of Tax and Fee Administration (CDTFA) shall terminate its contract to administer any sales or use tax ordinance of the local agency under the Bradley-Burns Uniform Local Sales and Use Tax Law. Any civil court action arising from this law will be given priority over other actions and the venue will be Sacramento County.

Groceries and Tax, Fee, or Other Assessment Defined

For purposes of this law, “groceries” are defined as any raw or processed food or beverage intended for human consumption, including the packaging, wrapper, container, or any ingredient thereof. Examples include, but are not limited to, meat, poultry, fish, fruits, vegetables, grains, bread, milk, cheese, and other dairy products, or any carbonated or noncarbonated nonalcoholic beverages. “Groceries” do *not* include alcoholic beverages, cannabis, cannabis products, cigarettes, tobacco products, and electronic cigarettes.

“Tax, fee, or other assessment on groceries” includes, but is not limited to, taxes, fees, surcharges, or any other similar levy, charge, or exaction of any kind on groceries, or the manufacture, supply, distribution, sale, acquisition, possession, ownership, transfer, transportation, delivery, use, or consumption of groceries.

For More Information

If you have additional questions regarding this notice, please contact our Local Revenue Branch by phone at 1-916-324-3000, or by email at jservices@cdtfa.ca.gov.

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