



SPECIAL NOTICE

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

GAVIN NEWSOM
Governor

NICOLAS MADUROS
Director

CDTFA WEBSITE
www.cdtfa.ca.gov

CUSTOMER SERVICE CENTER
1-800-400-7115
CRS
711

Sales and Use Tax Exemption Expanded to Include Trucks Used Out-of-State or in Interstate or Foreign Commerce

Beginning January 1, 2020, [Assembly Bill \(AB\) 321](#) amends Revenue and Taxation Code (R&TC) section 6388.5 to also apply to certain *new, used, and remanufactured trucks*. The exemption applies to trucks delivered to both California residents and non-residents in California and that are removed from the state within a specified time and thereafter, exclusively used out-of-state or in interstate or foreign commerce. The expanded sales and use tax exemption will be operative from January 1, 2020, through December 31, 2023.

Documentation requirements

To meet the requirements of R&TC 6388.5, purchasers **must do all** of the following:

- Provide the manufacturer, remanufacturer, or dealer an affidavit attesting they purchased the truck or trailer for exclusive use outside of California or in interstate or foreign commerce.
- Remove the truck or trailer from California within 30 days from the date of delivery if the truck or trailer was manufactured or remanufactured *outside* of California, or remove the truck or trailer from California within 75 days from the date of delivery, if the truck or trailer was manufactured or remanufactured *in* California.
- Provide the manufacturer, remanufacturer, or dealer an affidavit that the vehicle has been removed from California within the appropriate period from the date of delivery.
- Provide the manufacturer, remanufacturer, or dealer written evidence of out-of-state license and registration within 60 days of providing the manufacturer, remanufacturer, or dealer an affidavit, or
- With regard to a trailer registered in-state under the Permanent Trailer Identification (PTI) program, provide written evidence of registration including a copy of the purchaser's U.S. Department of Transportation number or current Single State Registration System filing with the Department of Motor Vehicles within 60 days of providing the manufacturer, remanufacturer, or dealer an affidavit for exemption, as applicable.

To meet the documentation requirements outlined above, a purchaser may use [CDTFA-837, Affidavit for Section 6388 or 6388.5 Exemption from California Sales and Use Tax](#), or an alternative acceptable affidavit that includes all of the essential elements outlined above. The purchaser **must** provide a CDTFA-837, or an acceptable alternative, to the manufacturer, remanufacturer, or dealer of the truck or trailer no later than 30 days from the date the truck or trailer is taken outside California. Both the seller and the purchaser must retain these documents in their records for four years from the date of sale. The updated CDTFA-837 containing the new provisions of R&TC section 6388.5 will be available on the CDTFA website beginning January 1, 2020.

Please note: A section 6388 or 6388.5 exemption is not lost if the purchaser carries a load in the new vehicle or trailer when removing it from the state.

The [CDTFA-447, Statement Pursuant to Section 6247 of the California Sales and Use Tax Law](#), and [CDTFA-448, Statement of Delivery Outside of California](#), are for use to relieve a seller from the obligation to collect sales or use tax when the property is delivered outside of California. They should not be used to substantiate the exemption provided by R&TC section 6388.5 for a truck or trailer delivered in California.

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 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.