

## Agency Restructured to Better Serve Taxpayers and FeePAYERS

Beginning July 1, 2017, most duties performed by the California State Board of Equalization (Board) were transferred to the newly created California Department of Tax and Fee Administration (CDTFA) and the Office of Tax Appeals. This restructure is a result of Assembly Bill 102, *The Taxpayer Transparency and Fairness Act of 2017*, which was recently enacted into law.

The Board will continue to perform the duties it was assigned by the state Constitution, which include administering programs related to property taxes, insurance taxes, and excise taxes on alcohol. Until December 31, 2017, the Board will continue to hear taxpayer appeals on all types of tax and fee matters. However, beginning January 1, 2018, the Board will only hear appeals related to the programs it constitutionally administers, and the Office of Tax Appeals will hear appeals on all other tax and fee matters, such as franchise and personal income tax appeals, sales and use tax, and other special taxes and fees.

**Requirements to register, file, and pay taxes and to meet other obligations are the same as required prior to July 1, 2017; however, the agency administering that tax or fee may have changed. Schedules, forms, and payments will generally be the same during the transition. You will be notified of any future changes and are encouraged to visit CDTFA's website at [www.cdtfa.ca.gov](http://www.cdtfa.ca.gov) for more information.**

Your patience during the transition is appreciated. Please call 1-800-400-7115 (TTY:711) with any questions.



### Fuel Rate Increases

Senate Bill (SB) 1 (Stats. 2017, Ch. 5) increases the excise tax rate on motor vehicle fuel (excluding aviation gasoline) by \$0.12 per gallon, excise tax rate on diesel fuel by \$0.20 per gallon, and also the sales and use tax surcharge on diesel fuel from 1.75 percent to 5.75 percent effective November 1, 2017, at 12:01 a.m. SB 1 also imposes a storage tax on tax-paid inventory of motor vehicle fuel and diesel fuel held for sale on November 1, 2017, at 12:01 a.m. Retailers, wholesalers, suppliers, or their accountants, will receive storage tax returns in October 2017. The tax return and remittance of tax are due on or before January 1, 2018. Keep checking [www.boe.ca.gov](http://www.boe.ca.gov) or [www.cdtfa.ca.gov](http://www.cdtfa.ca.gov) for further information as it will be posted as it becomes available.

## The Taxpayers' Rights Advocate is Here to Help Taxpayers

The Taxpayers' Rights Advocate (TRA) Office helps taxpayers and feePAYERS when they are unable to resolve a matter through normal channels, when they want information regarding procedures relating to a particular set of circumstances, or when there are apparent rights violations in the audit, compliance, or property tax areas.

Upholding the Taxpayers' Bill of Rights is a critical part of the law. The CDTFA and its Taxpayers' Rights Advocate want to assure all taxpayers and feePAYERS that the Taxpayers' Bill of Rights and the legal responsibilities of the Taxpayers' Rights Advocate have been unaffected by the restructure and remain in force. Protecting the California Taxpayers' Bill of Rights remains the top priority of the Department and the Taxpayers' Rights Advocate. Information needed and received by taxpayers will be applied consistently and clearly so that taxpayers will understand their rights.

During the transition, much of the business previously conducted through the Board's website will continue to be transacted through the Board website. Full migration of services to the CDTFA website will occur over time. A FAQ has been developed and can be accessed at [www.cdtfa.ca.gov](http://www.cdtfa.ca.gov).

If you have a concern regarding a tax or fee matter administered by the CDTFA or a BOE-administered tax program, you may contact the CDTFA's Taxpayers' Rights Advocate at Taxpayers' Rights Advocate, California Department of Tax and Fee Administration 450 N Street, MIC 70 /P.O. Box 942879, Sacramento, CA 94279-0070, email [www.boe.ca.gov/info/emailtra.htm](mailto:www.boe.ca.gov/info/emailtra.htm), telephone 1-916-324-2798 or toll free 1-888-324-2798, fax 1-916-323-3319.

## Reminder for Lead-Acid Battery Registration Requirement and Electronic Return Filing

Beginning April 1, 2017, dealers, manufacturers, and importers who sell lead-acid batteries in California are required to register with the CDTFA as a battery dealer and/or manufacturer and collect and/or pay the new lead-acid battery fee(s) at the time of the sale.

The types of lead-acid batteries covered by the fees generally may include batteries designed for use in a vehicle, watercraft, aircraft, or other equipment.

Registration is available online at [efile.boe.ca.gov/ereg/index.boe](http://efile.boe.ca.gov/ereg/index.boe). The lead-acid battery returns are available to file online at [www.boe.ca.gov/File\\_a\\_Return.htm](http://www.boe.ca.gov/File_a_Return.htm). For additional information, you may view our guide for *Lead-Acid Battery Fees* at [www.boe.ca.gov/industry/lead-acid\\_battery\\_fees.html](http://www.boe.ca.gov/industry/lead-acid_battery_fees.html).





## Cannabis Taxes – Where to Find More Information

Sign up for the CDTFA's Cannabis Outreach email listserv at [www.boe.ca.gov/cannabis/subscribe/](http://www.boe.ca.gov/cannabis/subscribe/) to receive the latest news on cannabis tax compliance and related issues, such as our department-issued special notices and news releases. The email listserv will also be used to inform those persons in the industry about opportunities to comment and provide feedback on policy updates related to the taxation of cannabis and cannabis products.

The emergency regulation process is underway. Please visit [www.boe.ca.gov/meetings/pdf/2017BTCcalendar.pdf](http://www.boe.ca.gov/meetings/pdf/2017BTCcalendar.pdf) for specific dates and register online at [www.boe.ca.gov/aprc/index.htm](http://www.boe.ca.gov/aprc/index.htm) to receive announcements of any proposed regulatory change.

New information, as it become available, will be posted in the *Tax Guide for Cannabis Businesses* at [www.boe.ca.gov/cannabis](http://www.boe.ca.gov/cannabis).



## New State Law Requires Employers to Electronically File and Pay Payroll Taxes

As of January 1, 2017, employers with ten or more employees are now required to electronically submit employment tax returns, wage reports, and payroll tax deposits to the Employment Development Department (EDD) (Assembly Bill 1245, Stats. 2015, Ch. 222). Beginning January 1, 2018, this requirement will apply to all remaining employers.

The EDD's *e-Services for Business* at [www.edd.ca.gov/Payroll\\_Taxes/e-Services\\_for\\_Business.htm](http://www.edd.ca.gov/Payroll_Taxes/e-Services_for_Business.htm) is a fast, easy, and secure way to file, pay, and manage an employer payroll tax account online at no cost. Employers and employer representatives/payroll agents can file and pay online with *e-Services for Business* by directly entering return, report, and payment information or by uploading bulk return and bulk payment files for multiple accounts.

For more information on the e-file and e-pay mandate or to access additional resources, please visit *E-file and E-pay Mandate for Employers (Assembly Bill 1245)* at [www.edd.ca.gov/Payroll\\_Taxes/E-file\\_and\\_E-pay\\_Mandate\\_for\\_Employers.htm](http://www.edd.ca.gov/Payroll_Taxes/E-file_and_E-pay_Mandate_for_Employers.htm).