

Vehicle Industry News

VIN 2020-09

Use Tax Rate Changes

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New Information

Effective October 1, 2020, vehicle transfer application fees with applicable sales/use tax rates will **increase** for the following special districts. The **new** total sales/use tax rate includes state, county, and city (special districts) rates:

<i>City</i>	<i>County</i>	<i>County Code (CC)</i>	<i>Affected Zip Codes*</i>	<i>Current Sales/Use Tax Rate (%)</i>	<i>New Total Sales/Use Tax Rate (%)</i>
Hawaiian Gardens	Los Angeles	19	90716	9.50%	10.25%
Vernon	Los Angeles	19	90058	9.50%	10.25%
Blythe	Riverside	33	92225	7.75%	8.75%

* Certain zip codes may represent areas that have different tax rates based on city and county boundaries. To identify a specific tax rate, visit the California Department of Tax and Fee Administration (CDTFA) website at cdtfa.ca.gov, look under *Current Tax Rates*, and click *Find a Sales and Use Tax Rate by Address*.

All other existing state, county, and city sales/use tax will continue at their current rates.

Effective October 1, 2020, vehicle transfer application fees with applicable sales/use tax rates will **be extended** in the following city:

<i>City</i>	<i>County</i>	<i>CC</i>	<i>Extended Current Sales/Use Tax Rate (%)</i>	<i>Until Midnight</i>
Long Beach	Los Angeles	19	10.25%	12/31/2022

Application Affected Dates

The sales/use tax rate changes will apply to:

- Original applications with a “fee due date” or “date of first operation” of October 1, 2020, or later.
- Transfer applications with a purchase date of October 1, 2020, or later.

Procedures

Process registration applications as normal; programming will generate the correct use tax and county fees.

For complete state, county, and city sales/use tax rate information, visit the CDTFA website at cdtfa.ca.gov, look under *Current Tax Rates*, and click *Tax Rates by County and City*.

Background

Registered voters approved or extended measures to charge sales/use tax rates to residents within specific jurisdictions beginning October 1, 2020. The sales and use tax rate varies throughout the state of California. The sales/use tax rate is higher than the current state rate of 7.25 percent in areas where there are voter-approved special district (county, city, or both) taxes. The state, county, and/or city taxes are combined to determine the total sales/use tax rate due.

Background, *continued*

Under an Interagency Agreement Contract, the Department of Motor Vehicles (DMV) acts as an agent for CDTFA to collect sales or use tax when a vehicle or undocumented vessel is sold or transferred from someone other than a licensed California dealer, manufacturer, or dismantler, unless the transaction is specifically exempted from payment of the sales or use tax. DMV assesses tax due based on the state, county, city and zip code of the registered owner's residence.

References

California Revenue and Taxation Code §§6067, 6366, 6366.1, 7251, and 7285.95

Distribution

Notification that this memo is available online at **dmv.ca.gov** under Publications was made via California DMV's Automated Email Alert System in September 2020.

Contact

Call the DMV Customer Communications Section at (916) 657-6560 for further clarification of this memo.