



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

AB-1097 Use tax: registration: qualified purchaser. (2023-2024)

SHARE THIS:  

Date Published: 10/09/2023 09:00 PM

Assembly Bill No. 1097

CHAPTER 355

An act to amend, repeal, and add Section 6225 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor October 07, 2023. Filed with Secretary of State October 07, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1097, Luz Rivas. Use tax: registration: qualified purchaser.

Existing sales and use tax law requires a qualified purchaser to register with the California Department of Tax and Fee Administration to facilitate the collection of the use tax. Existing law defines "qualified purchaser" for this purpose to include a person that satisfies specified conditions, including that the person receives at least \$100,000 in gross receipts from business operations per calendar year.

This bill would, until January 1, 2029, amend the definition of qualified purchaser by removing the condition that the person receives at least \$100,000 in gross receipts per calendar year, and would add as a condition that the person makes more than \$10,000 in purchases subject to the use tax per calendar year if the use tax imposed on those purchases has not otherwise been paid to a retailer, as provided. The bill would also make nonsubstantive changes to these provisions.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 6225 of the Revenue and Taxation Code is amended to read:

6225. (a) In order to facilitate the collection of use tax imposed by this part, a qualified purchaser shall register with the department on a form prescribed by the department and shall set forth the name under which the qualified purchaser transacts or intends to transact business, the location of the qualified purchaser's place or places of business, and other information as the department may require.

(b) Article 1 (commencing with Section 6451) of Chapter 5 shall apply to a qualified purchaser, except that a return showing the total sales price of the tangible personal property purchased by the qualified purchaser, the storage, use, or other consumption of which became subject to the use tax during the preceding calendar year, and which was not paid to a retailer required to collect the tax or which was not paid to a retailer the qualified purchaser reasonably believed was required to collect the tax, shall be filed, together with a remittance of the amount of the tax due, with the department on or before April 15.

(c) A "qualified purchaser" means a person that meets all of the following conditions:

(1) The person is not required to hold a seller's permit pursuant to this part.

(2) The person is not required to be registered pursuant to Section 6226.

(3) The person is not a holder of a use tax direct payment permit as described in Section 7051.3.

(4) The person makes more than ten thousand dollars (\$10,000) in purchases subject to use tax per calendar year and that tax has not otherwise been paid on those purchases to a retailer engaged in business in this state or to a retailer who is authorized by the department, under the rules and regulations as it may prescribe, to collect the tax.

(5) The person is not otherwise registered with the department to report use tax.

(d) This section shall not apply to the purchase of a vehicle, vessel, or aircraft as defined in Article 1 (commencing with Section 6271) of Chapter 3.5.

(e) This section shall remain in effect only until January 1, 2029, and as of that date is repealed.

SEC. 2. Section 6225 is added to the Revenue and Taxation Code, to read:

6225. (a) In order to facilitate the collection of use tax imposed by this part, a qualified purchaser shall register with the board on a form prescribed by the board and shall set forth the name under which the qualified purchaser transacts or intends to transact business, the location of the qualified purchaser's place or places of business, and other information as the board may require.

(b) Article 1 (commencing with Section 6451) of Chapter 5 shall apply to a qualified purchaser, except that a return showing the total sales price of the tangible personal property purchased by the qualified purchaser, the storage, use, or other consumption of which became subject to the use tax during the preceding calendar year, and which was not paid to a retailer required to collect the tax or which was not paid to a retailer the qualified purchaser reasonably believed was required to collect the tax, shall be filed, together with a remittance of the amount of the tax due, with the board on or before April 15.

(c) A "qualified purchaser" means a person that meets all of the following conditions:

(1) The person is not required to hold a seller's permit pursuant to this part.

(2) The person is not required to be registered pursuant to Section 6226.

(3) The person is not a holder of a use tax direct payment permit as described in Section 7051.3.

(4) The person receives at least one hundred thousand dollars (\$100,000) in gross receipts from business operations per calendar year.

(5) The person is not otherwise registered with the board to report use tax.

(d) This section shall not apply to the purchase of a vehicle, vessel, or aircraft as defined in Article 1 (commencing with Section 6271) of Chapter 3.5.

(e) This section shall become operative on January 1, 2029.