

CALIFORNIA SALES TAX POLICY

SCOPE: The California State Board of Equalization (BOE) requires that California sales tax be collected on all products sold within, and/or delivered to end users in the state of California. California accommodates this in two ways: 1) The CE reseller may request a resale permit from the California BOE, and charge and collect California sales tax on all shipments into the state of California. 2) Otherwise, CE charges the CE reseller California sales tax on the California destined drop shipment. CE resellers may not ship CE products into California without California sales tax being collected by someone. Repeating, California sales tax must be collected on all products sold within and/or delivered to end users in the state of California. See REFERENCES immediately below for details.

REFERENCES: This is a link to the applicable California regulation (1706, Drop Shipments).

<http://www.boe.ca.gov/pdf/reg1706.pdf>

Use this link for the FAQ page. <http://www.boe.ca.gov/sutax/faqpurch.htm#11>

Publication 121, "Drop Shipments", also applies. <http://www.boe.ca.gov/pdf/pub121.pdf>

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