



Tax Guide for New Reporting Requirement for Sales on State-Designated Fairgrounds

BACKGROUND

Effective July 1, 2018, if you are a retailer who makes sales of tangible personal property on the real property of a California state-designated fair ("state-designated fairground"), you must separately state the amount of those sales on your Sales and Use Tax return as required under [Assembly Bill 1499](#) (AB 1499).

As a result, beginning July 1, 2018, you will see a new line on the returns to report your total sales made on state-designated fairgrounds. The information reported on this new line will be used for allocation purposes only. ***There is no additional tax or fee due on these sales. Letting the State know which sales occurred on fairgrounds will send more money back to the fairs you do business at.***

NEW REPORTING

The separately-stated amount must include sales that took place at any time and at any event on the state-designated fairground, not just during an actual fair. Examples include sales that are made at Bigfoot BBQ, RV shows, home and garden shows, and festivals held throughout the year or at a retailer's permanent business located on a state-designated fairground.

Sales that take place on state-designated fairgrounds include over-the-counter sales on the fairgrounds and may include sales in which the property is shipped or delivered to or from the fairground.

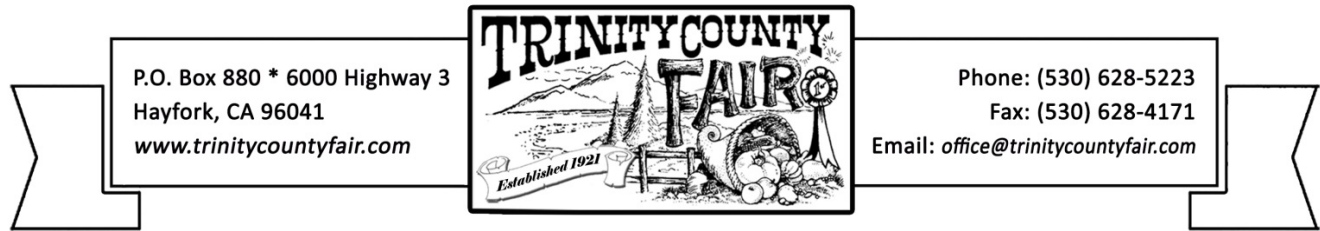
THIS IS NOT A NEW FORM

You already complete the Sales and Use Tax return form, now there's just one more line. And if you file online, there is only one (sometimes two) additional questions. Do you sell products at fairgrounds? What was the total amount of sales?

THIS NEW REPORTING DOES NOT AFFECT YOUR TAXES

Indicating that you did business on the fairgrounds does not change the amount of taxes you pay or how you pay them. This new reporting requirement is like selling products in different cities throughout California. Every city receives a portion of Sales and Use Tax that occurred in their city back from the State; and now fairgrounds do too! This means updated facilities to help you sell even more.

See Reverse



OUT OF STATE COMMERCIAL & CONCESSION VENDORS

If you are an out-of-state seller and your only presence in California is for conventions or trade shows, you are not considered to be engaged in business in California if:

- Your presence in this state is not more than 15 days during any 12-month period, and
- You do not derive more than \$100,000 of net income during the prior calendar year from these events.

However, if you sell merchandise at the fairs and tradeshow, you must register with the California Department of Taxes and Fees Administration for a temporary permit and collect and remit the tax on taxable sales made during the event even though you are not required to hold a regular seller's permit. If you attend such events held on state-designated fairgrounds at which you make sales of tangible personal property, you must separately report these sales when filing your return under your temporary seller's permit.

For more information, visit the California Department of Tax and Fee Administration website:

<http://www.cdtfa.ca.gov/industry/state-fairgrounds.htm>

