

California Sales Tax Rules Summary Seagate Technologies

- Location:** Seagate Technology
- 5100 Scotts Valley Dr.
Scotts Valley, CA 95066

 - 215 El Pueblo Rd.
Scotts Valley, CA 95066

Tax Rate: 8.75%

Auctions:

Auctioneers are “retailers” if engaged in the business of making retail sales at auction of personal property owned by them or owned by others. As retailers, auctioneers must hold a seller's permit and report and pay tax on the gross proceeds of retail sales they make at auctions. [Cal. Rev. & Tax. Cd. §6015(a)(1) ; Cal. Code Regs. 18 §1565 .] Sales made by auctioneers do not qualify for the occasional sales exemption.

Out of state sales:

Taxable as the auction is “As is, where is” and the sales will be deemed as California sales. The sales tax applies to the sale of property that is delivered to the purchaser or purchaser's representative or agent in California, whether or not the property is intended for out-of-state use and whether or not it is actually shipped outside the state. [Cal. Code Regs. 18 §1620(a)(3) .]

Place of delivery: Although transactions made in interstate commerce are exempt from the sales tax, sales made for delivery into California are presumed to be made for storage, use or consumption in the state and are subject to use tax unless the contrary is shown. [Cal. Rev. & Tax. Cd. §6241 ; Cal. Code Regs. 18 §1620(a) ; Cal. Code Regs. 18 §1620(b) .]

Manufacturing Machinery and Equipment:

There are no provisions exempting sales of manufacturing machinery and equipment.

Real Estate: The transfer of buildings or minerals or the like affixed to land is taxable as a sale of personal property if, pursuant to the contract or agreement of sale, the buildings or minerals or the like are to be severed by the seller thereof. If, pursuant to the contract or agreement of sale, such buildings or minerals or the like are to be severed by the purchaser thereof, such a transfer is not taxable as a sale of personal property.

EXEMPTIONS:

Sales of vehicles by nondealers: Vehicles requiring registration with the DMV or mobile homes or commercial coaches requiring annual registration under the Health and Safety Code, are exempt from sales tax (but not use tax) when the retailer does not have a license as a dealer or a certificate as manufacturer, remanufacturer, dealer or dismantler or lessor-retailer. [Cal. Rev. & Tax. Cd. §6282 .] The retailer is not required or authorized to collect the use tax from the purchaser, but the purchaser of the vehicle shall pay the use tax to the Department of Housing and Community Development acting for and on behalf of the board pursuant to Section 18123 of the Health and Safety Code or to the Department of Motor Vehicles acting for and on behalf of the board pursuant to Section 4750.5 of the Vehicle Code.

Resale:

Sales for resale are exempt. The burden of proving that a sale of tangible personal property is not a sale at retail is on the seller unless he or she accepts a resale certificate from the purchaser. [Cal. Rev. & Tax. Cd. §6091 ; Cal. Code Regs. 18 §1668.] The certificate relieves the seller from tax liability only if taken

in good faith from a person engaged in the business of selling tangible personal property and holding a permit and at the time of the purchase is intending to sell the property in the regular course of business. [Cal. Rev. & Tax. Cd. §6092 ; Cal. Code Regs. 18 §1668.] Giving a false certificate is penalized. [Cal. Rev. & Tax. Cd. §6094.5]

Resale Certificate:

Any document, such as a letter or purchase order, timely provided by the purchaser to the seller will be regarded as a resale certificate with respect to the sale of the property described in the document if it contains all of the following essential elements:

- (1) the signature of the purchaser, purchaser's employee, or authorized representative of the purchaser;
- (2) the name and address of the purchaser;
- (3) the number of the seller's permit held by the purchaser (if the purchaser is not required to hold a permit, the purchaser must include on the certificate a sufficient explanation as to the reason the purchaser is not required to hold a California seller's permit in lieu of a seller's permit number);
- (4) a statement that the property described in the document is purchased for resale. The document must contain the phrase "for resale." The use of phrases such as "nontaxable," "exempt," or similar terminology is not acceptable.

The property to be purchased under the certificate must be described either by an itemized list of the particular property to be purchased for resale, or by a general description of the kind of property to be purchased for resale. A document containing the essential elements described above is the minimum form which will be regarded as a resale certificate.

California Resale Certificate form is available at <http://www.boe.ca.gov/pdf/boe230.pdf>

The Multistate Tax Commission's "Uniform Sales & Use Tax Certificate—Multijurisdiction " may also be used as a resale certificate. This form is available at <http://www.mtc.gov/Resources.aspx?id=1594>

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