



Instructions for Vendors Selling Tangible Sales Taxable Items at Festivals and Events in the City of Garden Grove

If you are planning on being a vendor at a future Garden Grove Festival or Event and will be selling an item that is tangible and sales taxable, below contains some information and related instructions on the requirements you will need to fulfil regarding the sales tax you need to charge, collect, and report.

As a selling vendor, you must charge and collect sales tax on all tangible items sold (only a few exceptions apply). The sales taxes you collect are then reported to the state agency called California Department of Tax and Fee Administration (CDTFA). The CDTFA is the agency responsible for allocating sales tax dollars to the applicable counties and cities. In this allocation process, the state gets a portion, the county gets a portion, and the city in which the sales were made gets a portion. Currently, the amount of sales tax you should be collecting from your customers on all of your transactions in Garden Grove is 8.75%.

To ensure Garden Grove receives the sales tax dollars it is due, the CDTFA needs to know what city, or cities, to allocate down to. In order for this to happen, Garden Grove must be listed as a city on your Seller's Permit issued by the CDTFA.

The Seller's Permit process will fall into one of the following scenarios and related requirements:

- 1) If you already possess a Seller's Permit showing a Garden Grove address, you only need to provide the event organizer with a copy of such Seller's Permit.
- 2) If you possess a Seller's Permit but it has another city besides Garden Grove on it, **you will need to add Garden Grove as a sub-location to your existing Seller's Permit.** This can be done by contacting the California Department of Tax and Fee Administration (CDTFA) at www.cdtfa.ca.gov or by calling the closest office at 949-440-3473 (Irvine office). Once Garden Grove has been added, you will need to provide the event organizer with the copy of the Seller's Permit showing a Garden Grove address. A verbal that Garden Grove has been added to your Seller's Permit is not an acceptable process. The actual document must be provided.
- 3) If you do not possess a Seller's Permit, **you will need to obtain one displaying a Garden Grove address.** This can be done by contacting the California Department of Tax and Fee Administration (CDTFA) at www.cdtfa.ca.gov or by calling the closest office at 949-440-3473 (Irvine office).
- 4) If you are an **out of state business**, and are in possession of a valid California Department of Tax and Fee Administration (CDTFA) Seller's Permit, you only need to provide the organizer with a copy of such Seller's Permit. The out of state address is acceptable for these businesses.
- 5) If you are an **out of state business** and **are not in possession** of a California Department of Tax and Fee Administration (CDTFA) Seller's Permit, you will need to obtain one. This can be done by contacting the California Department of Tax and Fee Administration (CDTFA) at www.cdtfa.ca.gov or by calling the closest office at 949-440-3473 (Irvine office). The out of state address on the issued Seller's Permit is acceptable for an out of state business.

MESSAGE TO SELLING VENDORS ----- DO NOT WAIT UNTIL THE LAST MINUTE!!!!

As soon as you sign up as a selling vendor for an event, contact the California Department of Tax and Fee Administration (CDTFA) to obtain a correct Seller's Permit, and then provide the event organizer with a copy of the required document! Failure to do so can inhibit the organizer from finalizing their requirements with the City and inhibit the issuance of their City Permits and Licenses for the event.

FREQUENTLY ASKED QUESTIONS ABOUT THE SELLER'S PERMIT REQUIREMENT

Q: How much will this cost?

A: There is no charge to obtain a Seller's Permit or to add a sub-location to an existing Seller's Permit. It will only take a bit of the vendor's time.

Q: I usually report my temporary sales on a 530B form. Why am I not able to use the 530B form for my temporary sales in the city of Garden Grove?

A: The California Department of Tax and Fee Administration is no longer using the 530B form as a method to report allocated amounts of sales taxes collected at temporary locations. Per state law, each vendor is required to add the temporary location (city) of the event to their existing seller's permit as a sub-location. (See attached publication below)

Q: No other city requires this. Why is Garden Grove requiring this?

A: This is a State law, therefore to ensure Garden Grove receives the sales tax it is due, it is our requirement to verify that our city is listed or has been added as a sub-location.

Q: Why isn't the City of Garden Grove able to verify on the California Department of Tax and Fee Administration's website that Garden Grove is named as a sub-location?

A: The California Department of Tax and Fee Administration's website does not provide a listing of each account's sub-locations or main address. Therefore, the burden of proof is placed on the tax paying vendor to provide a copy of the issued Seller's Permit that clearly shows Garden Grove.

Q: I am an independent consultant for a direct seller such as Avon, Cookie Lee, Pampered Chef etc. Do I need to obtain a Seller's Permit?

A: No. Companies such as those collect and report the sales taxes on behalf of their independent consultants. This is one exception to the Seller's Permit requirement.

Q: I sell pre-packaged snack and baked items, such as candy, chips, or cupcakes. Do I need to obtain a Seller's Permit?

A: No. Those items are exempt from sales taxes, therefore no collection or reporting of such is required.



Special Notice

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Changes to Permit Requirements for Selling at Temporary Locations

The Board of Equalization (BOE) is now requiring business owners (taxpayers) who hold a seller's permit for a permanent place of business **and** who also make sales at temporary locations, such as swap meets, flea markets, trade or specialty shows, fairs, festivals, and similar limited-term events, to register and hold a sub-permit for each selling location.

Registration of these selling locations will ensure the local cities and counties receive the appropriate local and district taxes. Taxpayers will report the sales made at these locations when they file their sales and use tax returns.

What do I need to do if I make or will make sales at temporary locations?

You need to register for a permit for the temporary location, even if you already hold a seller's permit for a permanent place of business. To register and obtain a sub-permit, you can call our Taxpayer Information Section at 800-400-7115 or your local BOE office and state that you would like to register and obtain a sub-permit for the temporary selling location(s). For a list of BOE offices, visit our website at <http://www.boe.ca.gov/info/phone.htm>. This summer, the BOE will be offering an Internet-based registration called "eReg" that will allow businesses to register for permits and/or licenses online for most of the tax and fee programs administered by BOE. This service will also allow taxpayers who have existing seller's permits to register any future temporary selling locations online.

What do Operators of Swap Meets, Flea Markets, or Special Events need to do?

Swap meet, flea market, or special event operators are required by state law to document, in writing, the seller's permit status of all people who sell at your event. You may not rent space to sellers unless they have a seller's permit or sub-permit showing the address of the temporary selling location. For more information you can view or download Publication 111, *Operators of Swap Meets, Flea Markets, or Special Events* at <http://www.boe.ca.gov/pdf/pub111.pdf>.

Do I still complete the BOE-530-B, Combined 1% State and Local Tax Allocation For Temporary Sales Locations and Certain Auctioneers?

With this change, the BOE will no longer require the filing of BOE-530-B, *Combined 1% State and Local Tax Allocation For Temporary Sales Locations and Certain Auctioneers*. Taxpayers who currently receive this form will be notified that they will no longer receive paper returns and will now be eligible to efile their tax returns online. Efiling is the fast, easy and convenient method of filing tax returns or reports and paying amounts owed using the Internet.

What if I no longer make sales at these temporary locations?

You must notify the BOE when any of your business locations (including these selling locations registered under your account) become inactive and no longer make sales. If your seller's permit becomes revoked, a fee of \$100 dollars per active business location plus any outstanding balance of tax, penalty, and interest due, will be required to be paid to reinstate the revoked account.

For more information

For more information regarding this notice, please contact your local BOE office, or call our Taxpayer Information Section at 800-400-7115 (TTY:711). Staff is available to assist you from 8:00 a.m. to 5:00 p.m. (Pacific time), Monday through Friday, except state holidays.