

Sales/Use/Indirect:

California: Reminder: Marketplace Facilitators Must Register, Collect and Remit Specified Fees

SBOE Special Notice L-829, Cal. Dept. of Tax & Fee Admin. (11/21). The California Department of Tax and Fee Administration (CDTFA) issued a notice reminding that pursuant to new law extending California's marketplace facilitator registration, collection, and remittance requirements to include certain fees administered pursuant to California's "Fee Collection Procedures Law" and imposed upon the consumer in relation to some in-state retail sale transactions [see A.B. 1402 (2021) and *State Tax Matters*, Issue 2021-40, for more details on this new law], marketplace facilitators registered with the CDTFA, or required to be registered with the CDTFA, must collect and pay any applicable California Electronic Waste Recycling Fee (eWaste fee), Battery Fee (CBF), Lumber Products Assessment (LPA), and Tire Fee on behalf of marketplace sellers in addition to collecting and paying applicable California sales or use tax due starting January 1, 2022.

URL: <https://www.cdtfa.ca.gov/formspubs/L829.pdf>

URL: https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=20210220AB1402

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/STM/211008_7.html

Conversely, the CDTFA explains that beginning January 1, 2022, marketplace sellers generally are no longer responsible for the collection and payment of the eWaste fee, CBF, LPA, and the Tire Fee on California retail sales made by marketplace facilitators registered with the CDTFA, or required to be registered with the CDTFA. However, marketplace sellers are responsible for:

- Continuing to collect, report, and pay the fees for sales not made through a marketplace facilitator; and
- Obtaining an agreement with, or other written document from, the marketplace facilitator stating they are registered with the CDTFA and are responsible for the collection, reporting, and payment of applicable taxes and fees on sales made through their marketplace.

Please contact us with any questions.

— Galina Philipovitch (San Jose)
Managing Director
Deloitte Tax LLP
gphilipovitch@deloitte.com

Hal Kessler (San Francisco)
Managing Director
Deloitte Tax LLP
hkessler@deloitte.com

Evita Graciela Lopez (Costa Mesa)
Managing Director
Deloitte Tax LLP
evlopez@deloitte.com

Karri Rozario (Sacramento)
Senior Manager
Deloitte Tax LLP
krozario@deloitte.com

Brian Wiggins (Sacramento)
Senior Manager
Deloitte Tax LLP
bwiggins@deloitte.com

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