



Special Notice

STATE BOARD
OF EQUALIZATION

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BOE WEBSITE AND
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www.boe.ca.gov

TAXPAYER INFORMATION
SECTION
800-400-7115
TTY:711

New Resale Certificate Requirements for Dismantlers and Auctioneers

Assembly Bill 2618, effective September 29, 2012, impacts licensed dismantlers and auctioneers. Your sales of vehicles, motorhomes, commercial coaches, and salvage vehicles are taxable unless you accept a resale certificate from someone who is licensed to sell vehicles, vehicle parts, or scrap metal.

Background

Under previous law, dismantlers and auction houses could accept a resale certificate from any person with a seller's permit, not just a licensed dealer. For example, a person with a seller's permit for the operation of a restaurant could have issued a resale certificate for the purchase of a salvage vehicle from an auto auction.

New Resale Certificate Requirement

A dismantler or auctioneer may only accept a resale certificate from the following persons:

- Auto dealers
- Automotive repair dealers
- Dismantlers
- Scrap metal processors

The resale certificate must include all of the required elements as provided in Regulation 1668, *Sales for Resale*, in addition to the applicable license or registration number of the dealer, dismantler, automotive repair dealer, or scrap metal processor providing the resale certificate.

If the purchaser is not required to hold a seller's permit, they must include on line 1 of the resale certificate, where the permit number is requested, a sufficient explanation why the purchaser is not required to hold a California seller's permit.

A dismantler or auctioneer who fails to obtain a timely valid resale certificate as described above may use alternative methods as prescribed by the BOE to rebut the presumption that the sale was not a sale at retail.

The Board of Equalization will create a new resale certificate designed for dismantlers and auctioneers. Until that time, auto dealers, dismantlers, repair dealers, and scrap metal processors who wish to purchase vehicles from dismantlers and auctioneers may use the resale certificate form found in Regulation 1668. The purchaser must include their applicable license or registration number on the form.

For More Information

You can view the Revenue and Taxation Code section 6092.5 which provides further detail regarding this change. If you have any questions regarding this notice, please visit our website at www.boe.ca.gov or call our Taxpayer Information Section at 1-800-400-7115 (TTY:711). Customer service representatives are available weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.

