



Tax Guide for Reporting Requirement for Sales on California Fairgrounds

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) (Chapter 798, Stats. 2017).

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.**

New Reporting Requirement

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 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 also may include sales in which the property is shipped or delivered to or from the fairground. For additional information on sales made on fairgrounds, please see heading *Sales Made on State-Designated Fairgrounds* below.

State-Designated Fairs

A "state-designated fair" means the California Exposition and State Fair in the City of Sacramento and those fairs specified in Business and Professions Code Sections 19418.1 (District Agricultural Associations), 19418.2 (county fairs), and 19418.3 (citrus fruit fairs).

Currently there are more than 70 fairs held throughout California. For a complete listing of fair and fairground locations in this state, please see our [List of State-Designated Fairs](#) webpage.

NOTE: The Yuba-Sutter Fairgrounds is a state-designated fairgrounds who operates under the 13th District Agricultural Association and thus you are required to separately state the amount of sales that take place on the fairgrounds on your Sales and Use Tax return. Thank you!

How to Separately Report Sales Made at State-Designated Fairgrounds

For return periods starting on or after July 1, 2018, the online and paper Sales and Use Tax returns will include an additional line for sales that took place on a state-designated fairground. Reporting an amount on this line does not change the way you fill out the return. You should continue to report the amounts from these transactions as you currently do, and in addition, report them on the new line for fairground sales.

When filing your return online, you will be asked whether you made any sales of tangible personal property on state-designated fairgrounds. If you select:

- **Yes.** You will be taken to the next screen which will ask you to enter the amount of sales of goods made on a state-designated fairground. Instructions and a link to a complete list of state-designated fairs, including the addresses of the fairgrounds, are provided on this screen to assist you in completing this field. After you enter the amount, you will then proceed to the next screen to complete the rest of your return.
- **No.** You will proceed to the next screen to complete the rest of your return as you did prior to this new requirement.

Example:

During third quarter 2018, you made sales of \$100,000 at your storefront location. You also participated as a vendor selling souvenirs at the California State Fair at which you made additional sales of \$25,000.

You report \$125,000 as your *Total (gross) Sales*. This includes sales you made at your storefront and at the California State Fair. You are also required to report \$25,000 on the new line as sales you made on a state-designated fairground from your participation at the California State Fair.

Sales Made on State-Designated Fairgrounds

Sales made on state-designated fairgrounds include all sales you made on any of the listed state-designated fairground locations (see [List of State-Designated Fairs](#) webpage), and at any other events (for example, conventions or trade shows) held on these fairgrounds.

Swap Meets, Flea Markets and Special Events

In general, sellers at swap meets, flea markets and special events such as conventions or trade shows are required to obtain a seller's permit. When you sell items at a location for less than 90 days, you are considered a temporary seller, and are required to hold a temporary seller's permit. You will need to register each temporary sales location. However, if you already hold a seller's permit for a permanent business location but also make sales at a temporary location, you will not need to register for a separate temporary seller's permit. Instead, you must register for a sub-permit for each of your temporary locations. You may register for a sub-permit by selecting the *Permits & Licenses* heading on the top navigation of our website. For more information about temporary sellers, please see our [Temporary Sellers guide](#)

Whether you hold a regular seller's permit or a temporary permit, all sales you make at these events must be separately reported as sales made on a state-designated fairground.

However, any sales you make afterwards from your regular place of business as a result of a lead you received from your participation in these events will not be considered as sales made on a state-designated fairground.

Example 1:

You participated as a vendor at a flea market held on a state-designated fairground where you sold socks. Your sales made on the fairground are subject to the new reporting requirement.

Example 2:

You attended a convention held on a state-designated fairground where you sold sheds. While at the convention, you gathered contact information for a list of potential customers that may be interested in purchasing a shed. After the convention ended, you followed up with a customer you met at the convention and the customer purchased a shed from you at your store. Since your sale was not made on the state-designated fairground it is not subject to the new reporting requirement.

Example 3:

You operate a waterpark on the real property of a state-designated fairground. Since your business operates within a state-designated fairground, generally all of your sales of tangible personal property will be subject to the new reporting requirement.

Out-of-State Sellers

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 trade show or convention, you must register with us 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

If you have any questions regarding AB 1499 or the new reporting requirement, please call the Customer Service Center at 1-800-400-7115 (TTY 711). Representatives are available Monday through Friday, (except state holidays), from 8:00 a.m. to 5:00 p.m. (Pacific time).

You can also call or visit one of the [CDTFA local offices](#) and meet with a representative in person.

Resources

- Special Notice: [Sales Made on State-Designated Fairgrounds Must be Separately Reported Effective July 1, 2018](#)
- [L-560, Reporting Requirement for Sales on State-Designated Fairgrounds](#)

The **WFA** One-Page Breakdown of the



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

THIS IS NOT A NEW TAX

Fairgrounds will receive funds from taxes already collected by the State. Letting the State know which sales occurred on fairgrounds will send more money back to the fairs you do business at.

THIS IS NOT A NEW FORM

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

THIS DOES NOT AFFECT YOUR TAXES

Indicating that you do business on a fairgrounds does not change the amount of taxes you pay or how you pay them. Everything new happens at the backend, when CDTFA (Tax & Fee Admin) sends money to CDFA (Food & Ag) to give to the fairgrounds.

THIS SOUNDS FAMILIAR...

Yes! This already happens when you do business OFF a fairgrounds. 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!

THIS IS AWESOME!

WFA appreciates everything you do to make a trip to the fair (or home show, cultural gathering, or flea market) memorable, and we're excited that the State is now recognizing your economic contribution by reinvesting in the place where you do business.