

## Sales and Use Tax Rate Decreases by 0.25 Percent Effective January 1, 2017

The statewide sales and use tax rate will decrease one quarter of one percent (0.25%) from 7.50 percent to 7.25 percent on January 1, 2017. The decrease in the statewide rate is effective for all cities and counties in California; however, the actual sales and use tax rate may still be higher than the statewide rate in many jurisdictions in California due to the addition of district taxes.

### **Why is the sales and use tax rate decreasing?**

Proposition 30, *The Schools and Local Public Safety Protection Act of 2012*, was approved by California voters in November 2012 to temporarily increase the sales and use tax by 0.25 percent. The sales and use tax imposed by Proposition 30 expires December 31, 2016.

### **Where can I find more information?**

Guidance on how the tax rate decrease affects partial exemptions, fixed-price contracts, returned merchandise, fuel rates, and return filing can be found on the Board of Equalization (BOE) webpage *Sales and Use Tax Rate Decreases January 1, 2017* at [www.boe.ca.gov/sutax/prop30.htm](http://www.boe.ca.gov/sutax/prop30.htm). You may also call the BOE's Customer Service Center at 1-800-400-7115 (TTY:711) where customer service representatives are available to assist you weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except holidays.