

AVA Update and City/County Use Tax Changes

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New Information

Effective January 1, 2020, the Abandoned Vehicle Abatement (AVA) program will be reinstated in Nevada County (county code [CC] 29), and vehicle transfer application fees with applicable sales/use tax rates will **increase** for the following city:

<i>City</i>	<i>County</i>	<i>CC</i>	<i>Affected Zip Codes*</i>	<i>Current Sales/Use Tax Rate (%)</i>	<i>New Total Sales/Use Tax Rate (%)</i>
Arcadia	Los Angeles	19	91006, 91007, 91066, and 91077	9.50	10.25

*Certain zip codes may represent areas that have different tax rates based on city and county boundaries. To identify a specific tax rate, visit the California Department of Tax and Fee Administration (CDFTA) website at cdfta.ca.gov, look under *Current Tax Rates*, and click *Find a Sales and Use Tax Rate by Address*.

All other existing state, county, and city sales/use tax will continue at their current rates.

Application Affected Dates

The sales/use tax rate changes will apply to:

- Original applications with a “fee due date” or “date of first operation” of January 1, 2020, or later.
- Transfer applications with a purchase date of January 1, 2020, or later.

Procedures

Process registration applications as normal; programming will generate the correct county fees.

For complete state, county, and city sales/use tax rate information, visit the CDFTA website at cdfta.ca.gov, look under *Current Tax Rates*, and click *Tax Rates by County and City*.

Background

The California State Controller’s Office suspended the AVA program in Nevada County, effective January 1, 2017. Currently, DMV assesses a base fee of \$1 on all vehicles registered within a participating county to fund its respective AVA program. An additional \$2, for a total of \$3, applies to Commercial Vehicle Registration Act (CVRA) vehicles registered in those participating counties.

Registered voters approved or extended measures to charge sales/use tax rates for certain jurisdictions beginning January 1, 2020. The sales and use tax rate varies throughout the state of California. The sales/use tax rate is higher than the current state rate of 7.25 percent in areas where there are voter-approved special district (county, city, or both) taxes. The state, county, and/or city taxes are combined to determine the total sales/use tax rate due.

Background, *continued*

Under an Interagency Agreement Contract, DMV acts as an agent for CDTFA to collect sales or use tax when a vehicle or undocumented vessel is sold or transferred from someone other than a licensed California dealer, manufacturer, or dismantler, unless the transaction is specifically exempted from payment of the sales or use tax. DMV assesses tax due based on the state, county, city and zip code of the registered owner's residence.

References

California Vehicle Code §§4000(d), 4300.5, 5600, 9250.7, 9928, and 38211

California Revenue and Taxation Code §§6275, 6291, and 6294

Distribution

Notification that this memo is available online at **dmv.ca.gov** under Publications was made via California DMV's Automated Email Alert System in October 2019.

Contact

Call the DMV Customer Communications Section at (916) 657-6560 for further clarification of this memo.