

Sales & Use Tax Enhancements

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New Information

Changes to the Department of Motor Vehicles Automation (DMVA) Host Access Transformation Services (HATS) were implemented to establish a new tax rate inquiry. The change in DMVA HATS will query the California Department of Tax and Fee Administration (CDTFA) system when processing original and transfer applications subject to sales or use tax, establish a link between DMVA and CDTFA to return the appropriate tax rate, and reduce tax calculation errors. DMV will continue to collect vehicle/vessel sales and use taxes during the vehicle registration process and remit to CDTFA.

Procedures

Continue to follow procedures in the *Vehicle Industry Registration Procedures Manual*, Chapters 6 and 11 for original registration and transfers. Use the below procedures for new error messages:

<i>If the Following Error Message Displays</i>	<i>Then</i>
F300 – Rate Not Matched F400 – Rate Not Found	Contact the Enterprise Service/Help Desk to open a trouble ticket at (916) 657-6567 or EnterpriseServiceDesk@dmv.ca.gov .
F401 – Bad Request F403 – Request Forbidden F404 – Request Not Found	
F500 – Server Error	

Background

Sales and use tax rates vary throughout the state of California. Under an Interagency Agreement, DMV acts as an agent for CDTFA to collect sales or use tax when a vehicle or undocumented vessel is sold or transferred, unless the transaction is specifically exempted from payment of sales or use tax.

References

- Assembly Bill 85 (Chapter 8, Statutes of 2020)
- Revenue and Taxation Code* §§6067, 6295, 6366, 6366.1, 7251, and 7285.9
- Vehicle Code* §§4000, 4750.6, and 9840
- Vehicle Industry Registration Procedures Manual*, Chapters 6 and 11

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Distribution

Notification that this memo is available at **dmv.ca.gov** under Vehicle Industry Services, was made via the California DMV Automated Email Alert System in November 2023 to the following:

- Dealers
- Registration Services

Contact

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