STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
1020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)
916/445-3956

January 14, 1976

Mayor
City of Redlands
P. O. Box 280
Redlands, CA 92373

Gentlemen:

New Agreement for State Administration of Local Sales and Use Taxes

Enclosed is your copy of the Agreement for State Administration of the city's Uniform Local Sales and Use Tax Ordinance No. 1565, which became effective on January 1, 1976.

We are continuing to administer your local sales and use tax under our agreement and in conformity with the provisions of the Bradley-Burns Uniform Local Sales and Use Tax Law.

Sincerely yours,

W. W. Dunlop

W. W. Dunlop
Executive Secretary

WWD:db
Enclosure

City of REDLANDS

AGREEMENT FOR STATE ADMINISTRATION OF LOCAL SALES AND USE TAXES

To carry out Part 1.5 of Division 2 of the Revenue and Taxation Code and the sales and use tax ordinance of the City hereinabove designated, hereinafter called the City, copy of which ordinance is attached hereto, the City and the State Board of Equalization, hereinafter called the Board, do agree as follows:

ARTICLE I

DEFINITIONS

Unless the context requires otherwise, wherever the following terms appear in this Agreement they shall be interpreted to mean the following:

1. "Local Taxes" shall mean the sales and use taxes, penalties, and interest imposed by the City under an ordinance which complies with Part 1.5, Division 2, of the Revenue and Taxation Code.

2. "Conforming Taxing Jurisdiction" shall mean any county, city, or city and county of this State which has adopted a sales and use tax ordinance of the kind described in Part 1.5 of Division 2 of the Revenue and Taxation Code and which has entered into a contract with the State Board of Equalization to perform all functions incident to the administration and operation of the ordinance.

3. "City Ordinance" shall mean the Uniform City Sales and Use Tax Ordinance attached hereto, as amended from time to time.

ARTICLE II

ADMINISTRATION AND COLLECTION OF LOCAL TAXES

A. Administration. The Board and the City agree that the Board shall perform exclusively all functions incident to the administration and operation of the City ordinance.

B. Other applicable laws. The City agrees that all provisions of law applicable to the administration and operation of the State Sales and Use Tax Law shall be applicable to the administration and operation of the City ordinance and that money collected pursuant to the City ordinance may be deposited in the State Treasury to the credit of the Retail Sales Tax Fund and may be drawn from that Fund for the purpose of making refunds, for the purpose of compensating and reimbursing the Board pursuant to Article IV of this Agreement and for the purpose of transmitting to the City the amount to which the City is entitled.

C. Transmittal of money. Except as otherwise provided herein, all local taxes collected under the provisions of the City ordinance shall be transmitted to the City periodically as promptly as feasible. Such transmittals shall be made at least twice in each calendar quarter. Transmittals may be made by mail or by deposit to the account of the City in a bank in Sacramento designated by the City. A statement shall be furnished indicating the amount withheld pursuant to Article IV of this agreement.

D. Rules. The Board shall prescribe and adopt such rules and regulations as in its judgment are necessary or desirable for the administration and operation of the City ordinance and the distribution of the local taxes collected thereunder.

E. **Preference.** Unless the payor instructs otherwise and except as otherwise provided in this Agreement, the Board shall give no preference in applying money received for sales and use taxes owed by a taxpayer but shall apply all monies collected to the satisfaction of the claims of the State and the claims of the City as their interests appear.

F. **Security.** The Board agrees that any security which it hereafter requires to be furnished under the State Sales and Use Tax Law will be upon such terms that it also will be available for the payment of the claims of the City for local taxes owing to it as its interest appears. The Board shall not be required to change the terms of any security now held by it and the City shall not participate in any security now held by the Board.

G. **Names of sellers.** The Board agrees to furnish the names, addresses, account numbers, and the business classification codes of all sellers holding sellers' permits within the City.

H. **Records of the Board.** When requested by resolution of the City Council of the City, the Board shall permit any duly authorized officer or employee of the City to examine the sales and use tax records of the Board pertaining to sales and use taxes collected for the City by the Board pursuant to this Agreement. Information obtained by the City from the examination of the Board's records shall be used by the City only for purposes related to the collection of local sales and use taxes by the Board pursuant to this Agreement.

I. **City tax rate.** The City agrees that any change in the rate of its conforming local sales and use tax will be made effective at the beginning of a calendar quarter and that it will give the Board at least two months' notice thereof and that it will also give notice to the Board of Supervisors of the County in which the City lies.

J. **Annexation.** The City agrees that the Board shall not be required to give effect to an annexation, for the purpose of collecting and distributing city sales and use taxes, earlier than the first day of the calendar quarter which commences not less than two months after notice to the Board. The notice shall include two maps of the annexed area together with the address of the property nearest to the extended city boundary on every street crossing that boundary.

ARTICLE III

ALLOCATION OF TAX

A. **Deficiency determination.** All local taxes collected as a result of determinations or billings made by the Board, and all amounts refunded or credited may be distributed or charged to the respective conforming taxing jurisdictions in the same ratio as the taxpayer's self-declared local tax for the period for which the determination, billing, refund, or credit applies.

B. **Allocation.** When the local tax is collected from or refunded or credited to the following:

(1) Retailers having traveling sellers' permits or certificates of authority to collect use tax issued by the Board;

(2) Persons regarded by the Board as retailers pursuant to Section 6015 of the Revenue and Taxation Code;

(3) Persons for whom no continuing account number was active at the date of payment; or

(4) Other retailers or purchasers having no permanent place of business within the State as determined by the Board;

or when the local tax is collected by way of deduction from, or when a refund of local tax is made in conjunction with, refunds of motor vehicle fuel license taxes, or when local tax is collected and direct allocation is impractical, the Board may distribute or charge such local tax to all conforming taxing jurisdictions in the county in which the sale or use occurred using the ratios reflected by the distribution of taxes collected from all other taxpayers in that county. To the extent that this cannot be done in a manner consistent with the economic and efficient performance of the duties of the Board under the Revenue and Taxation Code and the provisions of this Agreement, the Board may distribute or charge such local tax to all conforming taxing jurisdictions of this State using the ratios reflected by the distribution of taxes collected from all other taxpayers in the State. In making allocations under this paragraph county tax imposed at a rate in excess of 1 percent shall be excluded.

C. **Vehicles, Vessels, and Aircraft.** For the purposes of allocating local tax with respect to vehicles required to be registered or identified under the Vehicle Code, and with respect to vessels and aircraft, the address of the registered owner appearing upon the application for registration or identification may be used by the Board in determining the city of use. To the extent this cannot be done in a manner consistent with the economic and efficient performance of the duties of the Board under the Revenue and Taxation Code and this Agreement, the Board may allocate tax with respect to such vehicles, vessels, and aircraft in the manner provided in Paragraph B of this Article.

ARTICLE IV

COMPENSATION

The City agrees to pay the Board as the Board's cost of administering the City ordinances such amount as is provided by law. Such amounts shall be deducted from the taxes collected by the Board for the City.

ARTICLE V

MISCELLANEOUS PROVISIONS

A. **Communications.** Communications and notices may be sent by first-class United States Mail. A notification is complete when deposited in the mail. Communications and notices to be sent to the Board shall be addressed to:

State Board of Equalization
P.O. Box 1799
Sacramento, California 95808

Attention: Executive Secretary

Communications and notices to be sent to the City shall be addressed to:

Mayor
City of Redlands
P. O. Box 280
Redlands, CA 92373

B. Term. The date of this Agreement is the date on which it is approved by the Department of General Services. The Agreement shall take effect on the first day of the calendar quarter next succeeding the date of such approval, but in no case before the operative date of the City ordinance, nor on a day other than the first day of a calendar quarter. This Agreement shall continue until September 30 next following the operative date of the City ordinance, and shall thereafter be renewed automatically from year to year unless one of the parties gives written notice of termination at least two months before the end of the term. The Board may terminate this Agreement in the manner provided by law.

C. This Agreement replaces and supersedes the Agreement dated Dec. 27, 1973 heretofore entered into by the Board and the City, which prior Agreement is hereby terminated.

I hereby certify that all conditions for exemption set forth in State Administrative Manual Section 1201.13 have been complied with and this document is exempt from review by the Department of Finance.

STATE BOARD OF EQUALIZATION

by W. W. Dunlop
Executive Secretary

STATE BOARD OF EQUALIZATION

By W. W. Dunlop
Executive Secretary

CITY OF REDLANDS

By Jack B Cummings
(Signature on this line)

JACK B. CUMMINGS
(Type name here)

MAYOR
(Type title here)

FORM | POLICY | BUDGET | COS
Department of General Services
APPROVED
DEC 23 1975
BY
Deputy Director

IMPORTANT INSTRUCTIONS

1. Insert name of the City at top of page 1; insert address for communications and notices to City in Section A, Article V.

2. Sign five copies of the Agreement, sending all of them to the Secretary, State Board of Equalization, P.O. Box 1799, Sacramento, California 95808. (If the City desires to keep a file copy of the Agreement, an additional copy should be prepared for that purpose.)

~~3. On page 4 insert the date of the original Agreement for administration of the City tax.~~

4. Attach to each copy of the Agreement sent to the Board, a certified copy of the City Sales and Use Tax Ordinance, also attach to each copy a certified copy of the order, motion or resolution of the City Council authorizing the execution of the Agreement.

Explanation

When an Agreement is transmitted in accordance with the foregoing instructions, it will be executed on behalf of the Board and submitted to the Department of General Services for approval. When approved, one copy will be returned to the City with endorsement of approval. If a copy has been retained by the City, it may then be conformed to the approved copy.