



## California Sales and Use Tax Information

The California Department of Tax and Fee Administration (CDTFA) was created through the Taxpayer Transparency and Fairness Act of 2017. The CDTFA administers California's sales and use, fuel, tobacco, alcohol, and cannabis taxes, as well as a variety of other taxes and fees, which account for over 25 percent of all state revenue that fund specific state programs. California's essential services, such as education, state-level public safety, transportation, health and social services, and natural resource management programs, are directly supported by these taxes and fees.

Sales Tax applies to retail sales of tangible personal property sold in California. The statewide sales and use tax rate is currently 7.25 percent, and excludes those sales specifically exempted by law. However, the tax rate is higher in locations where voters have approved one or more district taxes. In the San Diego region, voters approved an additional 0.5 percent sales tax for the San Diego Association of Governments (SANDAG) to implement the region-wide transportation program, which brings the region's sales tax rate to 7.75 percent.

Use Tax is a complement to the sales tax and generally applies at the same rate for purchases made from businesses located outside the state where tax was not paid. The use tax generally applies to the storage, use, or other consumption in California of goods purchased from retailers in transactions not subject to the sales tax. Use Tax may also apply to purchases shipped to a California consumer from another state, including purchases made by mail order, telephone, or Internet. Retailers engaged in business in California must register with the California Department of Tax and Fee Administration (CDTFA) and pay the state's sales tax, which applies to all retail sales of goods and merchandise except those sales specifically exempted by law.

**The City of Escondido currently receives 1 percent of the sales and use taxes collected within its corporate boundaries.**

The following chart and notes describe the components of the California Sale and Use tax as it pertains to Escondido:

Components of the California State Sales and Use Tax	
State General Fund	3.9375%
Counties for Health and Welfare <sup>a</sup>	0.5000%
Counties for Corrections <sup>b</sup>	1.0625%
Counties and Cities Public Safety Prop 172 <sup>c</sup>	0.5000%
County Transportation Fund <sup>d</sup>	0.2500%
City of Escondido General Fund <sup>e</sup>	1.0000%
Total Statewide base rate	7.2500%
SANDAG Regional Transportation Program <sup>f</sup>	0.5000%
<b>Total Tax Rate <sup>g</sup></b>	<b>7.7500%</b>

NOTES:

<sup>a</sup> In 1991, the California Legislature enacted a realignment of state and county programs, assigning various health and welfare program responsibilities to counties and providing funding for those programs including a 0.5 percent portion of the state imposed sales and use tax rate. These funds are polled statewide and allocated among counties according to formula.

<sup>b</sup> In 2011, the California Legislature enacted a realignment of state and county programs, assigning various corrections and rehabilitation program responsibilities to counties and providing funding for those programs including a 1.0625 percent portion of the state imposed sales and use tax rate. These funds are polled statewide and allocated among counties according to formula.

<sup>c</sup> Proposition 172 of 1993 established a 0.5 percent state sales tax to fund public safety programs (sheriff, police, fire, district attorney, etc.) to mitigate the impacts on those programs of state shifts of property tax revenues.

<sup>d</sup> The 0.25 percent rate for county transportation programs is allocated to the county in which the transaction occurs.

<sup>e</sup> The local 1 percent rate is allocated based on a “point of sale” or “situs” of the sales transaction to the City of Escondido where the transaction occurs.

<sup>f</sup> In 2004, San Diego County voters approved Measure A establishing a 0.5 percent regional sales tax to fund regional transportation programs administered by the San Diego Association of Governments (SANDAG).

<sup>8</sup> The total 7.75 percent sales and use tax rate is established in the City of Escondido, of which the City receives 1 percent of the proceeds collected within its corporate boundaries. Voters in many other jurisdictions throughout the county and state have approved higher local sales and use tax rates to fund local services and programs.

*Source: California Department of Tax and Fee Administration*

[www.cdtfa.ca.gov](http://www.cdtfa.ca.gov)