



# Special Notice

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## STATE BOARD OF EQUALIZATION

450 N STREET  
SACRAMENTO, CA 95814

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## Sales Tax Does Not Apply to City and County Paper Bag Surcharges

Some cities and counties have enacted ordinances that prohibit certain retailers from providing plastic bags to customers. In addition to the ban on providing plastic bags, under certain ordinances, the customer is generally required to pay the retailer a specific amount for each paper bag the customer is provided. These ordinances typically impose the charge upon the customer. Some of these ordinances specifically require that the retailer indicate on the customer's receipt the number of paper bags provided and the total amount charged for the paper bags.

*Under these circumstances, this charge is imposed by the local jurisdiction upon the customer, not the retailer. As such, this charge is not included in the retailer's gross receipts and is not subject to sales or use tax.*

If you would like more detailed information regarding the application of sales tax to paper bag surcharges, you may visit our website at [www.boe.ca.gov](http://www.boe.ca.gov), or call our Taxpayer Information Section at 800-400-7115 (TTY: 711), Monday through Friday 8:00 a.m. to 5:00 p.m., Pacific time, excluding state holidays. Please note that the Taxpayer Information Section does not have information about ordinances enacted by local government. For information on a particular ordinance and its effective date, please contact the respective city or county public works department.

BOE WEBSITE AND  
BOARD MEMBER CONTACT  
INFORMATION  
[www.boe.ca.gov](http://www.boe.ca.gov)

TAXPAYER INFORMATION  
SECTION  
**800-400-7115**

TTY  
**711**

TAXPAYERS' RIGHTS  
ADVOCATE  
**888-324-2798**

