

This Week in State Tax (TWIST)

October 7, 2024



California: Governor Signs Bill Requiring Sales Tax Agreement Disclosures

Governor Gavin Newsom recently signed [Assembly Bill 2854](#) into law. The new law requires localities that have entered into agreements to rebate a portion of local sales and use tax revenues to a retailer to annually file certain information about the agreements with the Department of Tax and Fee Administration (Department). Recall, a portion (1.0 percent) of the local sales and use tax in California is sourced on an origin basis to the location of the seller. Over time, local governments have entered agreements with some major retailers to rebate a portion of that tax to encourage them to locate facilities in the jurisdiction. The information required to be reported under the new law includes, among other things, the names of parties, the amount of rebated revenues received by each party for the current and preceding fiscal year, and the percentage of the tax used to determine the rebates received. The information is also to be posted on the locality's website as well as by the Department. The first report is due April 30, 2025. For further information, please contact [Jim Kuhl](#). An earlier TWIST on AB 2854 is available [here](#).

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