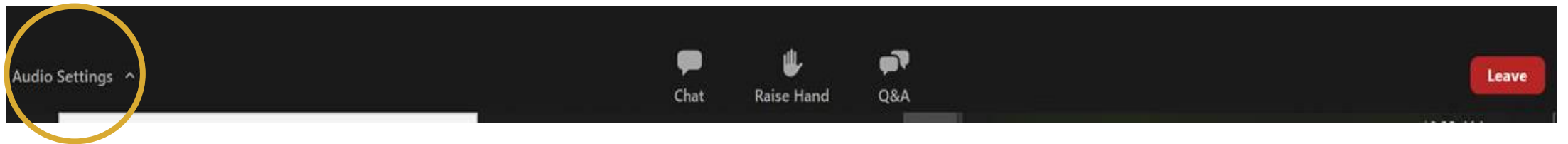


# Impacts on Sales Taxes During COVID-19: A California Department of Tax and Fee Administration Update

June 23, 2020

# Housekeeping Notes

1. If you plan on speaking today, please make sure your audio is connected. You should have been prompted to connect your audio when joining the webinar, but you can confirm by clicking the audio settings on your tool bar.

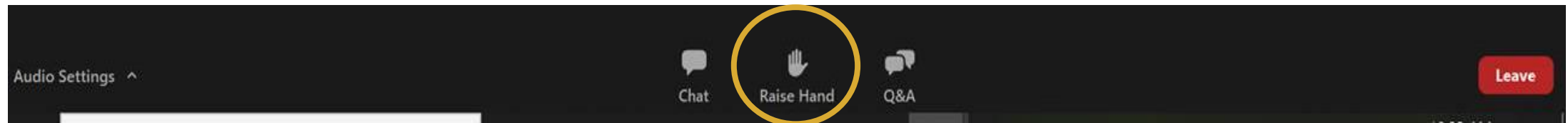


2. All attendees have been muted upon entry.

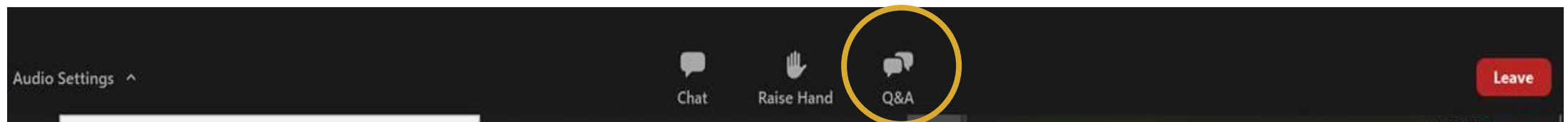
3. This webinar is being recorded.

# How to Ask a Question

1. To verbally ask a question or make a comment, use the 'raise hand' feature on the tool bar at the bottom of the screen once the Q&A portion begins. You will be called on and unmuted.



2. To write in a question, select the 'Q+A' button on your tool bar. You can also "up vote" other attendee's questions if you are interested in hearing the answer.



## Speakers:

### **Nicolas Maduros**

Director, California Department of Tax and Fee Administration

### **Karen Hughes**

Supervising Tax Auditor Local Revenue Branch

# Impact of 1Q-20 Return Extensions

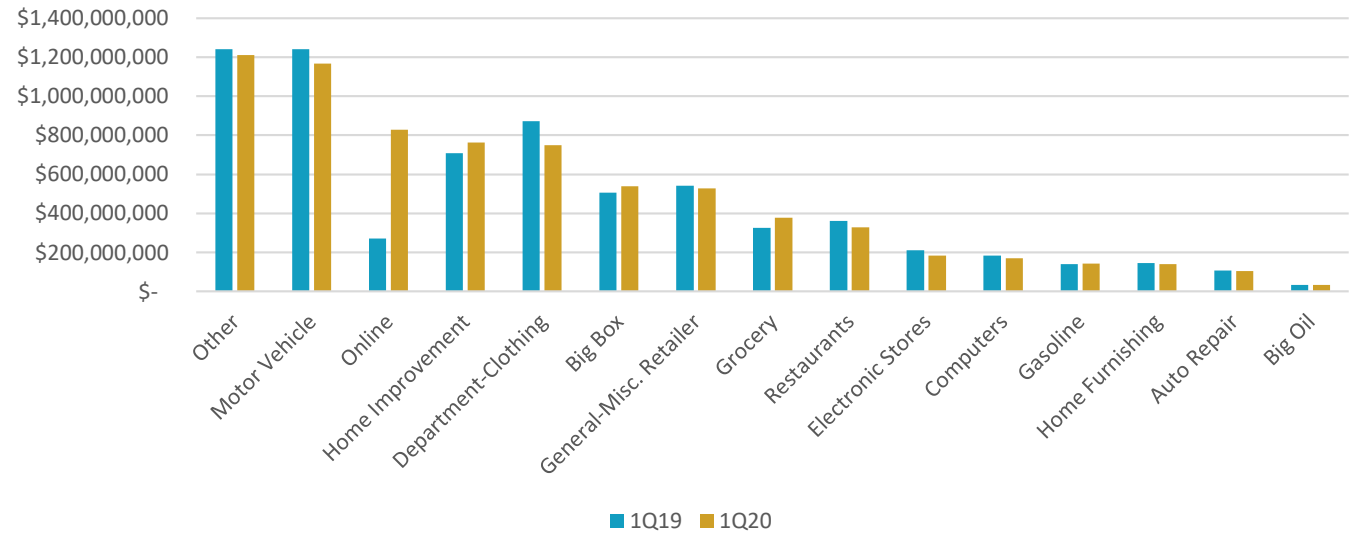
- 3% of taxpayers reporting over \$1 million in tax due have not yet filed their return
- 42% of taxpayers reporting under \$1 million in tax due have not yet filed their return

## 1<sup>st</sup> Quarter 2020 Return Status as of June 18, 2020

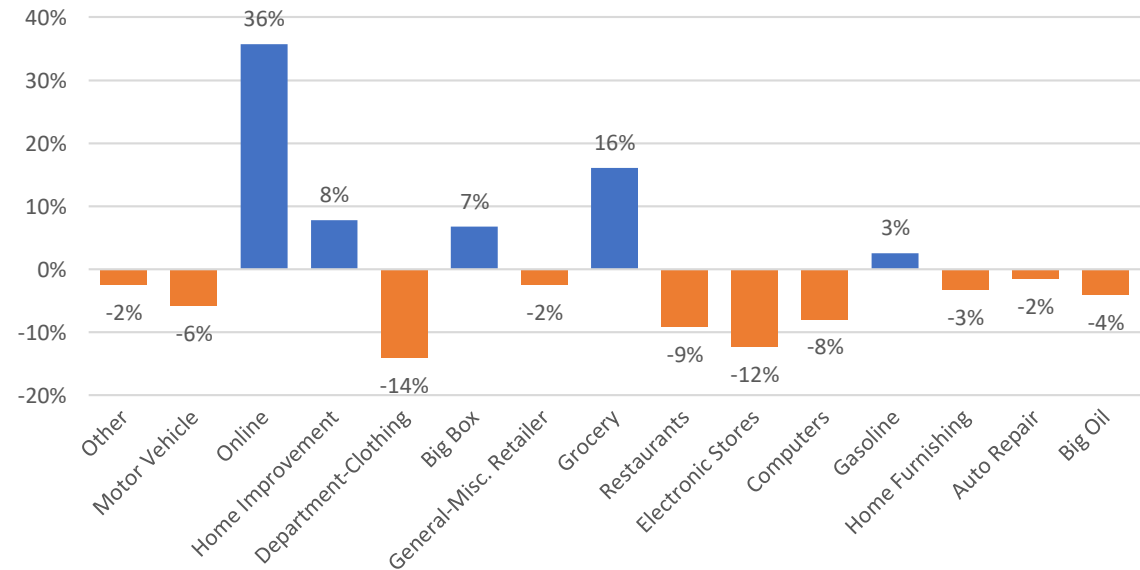
Filing Period	Account Type	Category	Status	% of Category	Net Tax Due	Total Paid
3/31/2020	Sales and Use Tax	Over 1M	Received	97%	\$7.3B	\$7.3B
3/31/2020	Sales and Use Tax	Over 1M	Outstanding	3%		\$28M*
3/31/2020	Sales and Use Tax	Under 1M	Received	58%	\$4.8B	\$4.4B
3/31/2020	Sales and Use Tax	Under 1M	Outstanding	42%		\$530M*
<b>Total:</b>					\$12.1B	\$12.3B
*Represents payments collected to-date from returns still outstanding						

# 1Q-19 and 1Q-20 Industry Comparison

### Large Business SUT Due



### Year-Over-Year Q1 Percent Change



# Second Quarter Allocations

- June advance payment (disbursed June 25<sup>th</sup>)
  - 2020 payment is \$1.276 billion
  - 2019 payment was \$1.469 billion
- July advance payments
  - Advance based on second prepayment for 2Q20 and revenue received from May monthly filers (due June 30).
  - Second prepayment is due June 24<sup>th</sup>.
  - Advance payments will be calculated July 12<sup>th</sup>.
  - Advance payments will be made July 24<sup>th</sup>.
  - Second quarter return due date is July 31, 2020.
  - Second quarter clean up is in August with payment made on August 25<sup>th</sup>.

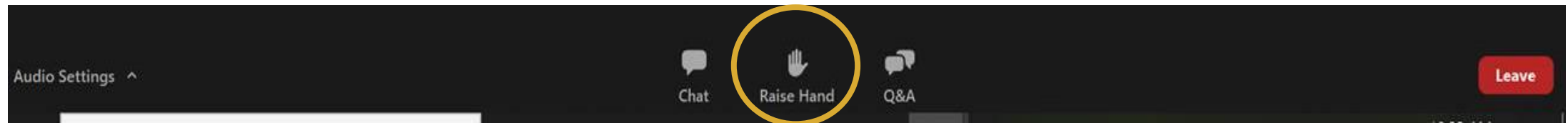
# Small Business Payment Plan

- Zero interest payment plan for small businesses, those with under \$5 million in annual taxable sales.
- Up to \$50,000 of sales and use tax liability.
- For 1Q-20 and 2Q-20 liabilities.
- Must be paid in full by July 31, 2021.
- 7,800 inquiries to date.

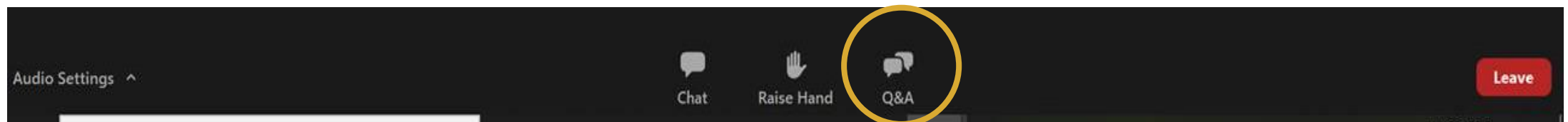


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# *Final Thoughts*



# COVID-19

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**Tuesday, June 30**

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