

## Sales/Use/Indirect:

### California: New Law Revises Pre-Wayfair Qualified Purchaser Program to Allow More Use Tax Registration Avoidance

A.B. 1097, signed by gov. 10/7/23. New law revises California's pre-Wayfair "Qualified Purchaser Program" (QPP) to allow more businesses to avoid the QPP's use tax registration requirements with the California Department of Tax and Fee Administration (CDTFA) by temporarily amending the threshold for requiring a person to register with the CDTFA under the QPP from \$100,000 in annual gross receipts to anyone with over \$10,000 in purchases subject to the California use tax *and* not paid to a California-registered retailer. According to the legislation's underlying fiscal notes, the QPP was created in 2009 to close an estimated California use tax gap of \$2 billion annually by "more effectively collecting use taxes from purchasers;" however, this use tax gap has since "closed substantially over the past few years" pursuant to California legislation implementing *Wayfair*. Please contact us with any questions.

URL: [https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill\\_id=202320240AB1097](https://leginfo.legislature.ca.gov/faces/billHistoryClient.xhtml?bill_id=202320240AB1097)

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