

Sales/Use/Indirect:

California: December 9 Tax Workshop Solicits More Public Input on Technology Transfer Agreements

Announcement Letter, Cal. Dept. of Tax & Fee Admin. (11/22/24). Following its two earlier workshops and multiple requests seeking public input on the same [see *State Tax Matters*, Issue 2024-25, *State Tax Matters*, Issue 2024-6 and *State Tax Matters*, Issue 2024-4, for details on earlier developments on this topic], the California Department of Tax and Fee Administration (CDTFA) announced that it will host a third workshop, which may be attended live or virtually, on December 9, 2024 to discuss and receive additional input on California sales and use tax issues related to technology transfer agreements (TTAs). According to the CDTFA, in addition to any other TTA-related topics raised by participants, the topics for discussion at this upcoming workshop will continue to include:

URL: <https://www.cdtfa.ca.gov/taxes-and-fees/TTAWorkshopIII112224.pdf>

URL: https://dhub.deloitte.com/Newsletters/Tax/2024/STM/240621_3.html

URL: https://dhub.deloitte.com/Newsletters/Tax/2024/STM/240209_7.html

URL: https://dhub.deloitte.com/Newsletters/Tax/2024/STM/240126_8.html

1. A “safe harbor” provision that is rebuttable by the CDTFA;
2. For transactions where the intangible rights are not specifically bargained for as part of that transaction, a rebuttable presumption that the entire charge in the transaction represents the retail value of the tangible personal property (TPP) transferred; and
3. A rebuttable presumption for embedded software.

Additional written suggestions or comments on TTA-related issues may be submitted to the CDTFA by January 20, 2025. Please contact us with any questions.

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