

Sales tax rate drops July 1

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Effective July 1, 2011, the combined statewide sales and use tax rate will decrease from 8.25% to 7.25%. The temporary 1% increase implemented in April 2009 expires June 30, 2011. (California SBE Tax Information Bulletin 388, 06/01/2011)

Remember that district taxes are still applicable, so the tax rates in most areas of California will be greater than 7.25%. For a list of rates as of April 1, 2011, go to <http://www.boe.ca.gov/cgi-bin/rates.cgi>.

If the governor has his way, rates will increase, but that won't happen until later this year. So remind your business clients to reprogram their cash registers to charge the lower sales tax beginning July 1.