

Use Tax Rebate Program

GET YOUR MONEY BACK!

QUALIFY YOUR
BUSINESS FOR REBATES
OF TAXES YOU ALREADY
PAID AND MAKE SURE
YOUR MONEY IS SPENT
LOCALLY IN YOUR
COMMUNITY

WHY SHOULD YOUR BUSINESS PARTICIPATE?

What is the City's Use Tax Rebate Program?

You can participate in the City of Santa Clarita's Use Tax Rebate Program and select one of two different ways to receive your rebate:

- Receive a cash rebate equal to 25% of the additional Use Tax remitted to the City
- Receive a business expansion credit to be used for City permit fees equal to 45% of the additional Use Tax remitted to the City

Benefits of Direct Payment

PAY DIRECT Direct 100 percent of your Use Tax back to Santa Clarita's general fund for public safety, parks, libraries, infrastructure and other City services and receive a cash rebate on a portion of the new use tax remitted to the City.

GET MORE Extend the use of your money by taking advantage of the permit credit option equal to a percentage of the new use tax remitted to the City.

WORRY LESS You can reduce your tax liability risk in the event you are audited.

Use Tax Rebate Program

“The Use Tax Rebate Program is like pennies from heaven, but instead of pennies, we are talking about hundreds of thousands of dollars that companies can direct back to the City.”

— WILLIAM BARRITT
AEROSPACE DYNAMICS INTERNATIONAL INC.

Frequently Asked Questions

Q. How does the City's rebate program work?

A. The rebate program provides the business with either a cash rebate of 25 percent on the additional State collected use tax remitted to the City as a result of the business entering the State's Use Tax Direct Payment Permit program, or a 45 percent rebate to be used on business expansion permit credits with the City's Permit Center.

Q. What is the cost of a State Direct Payment Permit and how does it benefit Santa Clarita?

A. There is no additional cost. Direct Payment Permits are similar to your Sales & Use Tax Permit, and are issued by the State of California Board of Equalization, at no charge. The Direct Payment Permit changes the way the State distributes your paid local Sales & Use Tax, allowing Santa Clarita to receive increased tax revenue benefits.

Q. Who can qualify for a State Direct Payment Permit?

A. Any business that has made purchases subject to Use Tax in the amount of \$500,000 in a 12-month period prior to permit application can qualify.

Q. If my business qualifies, how does it work?

A. You will apply for a Use Tax Direct Payment Exemption Certificate from the California State Board of Equalization, and once the certificate is issued, it can be reproduced and given to vendors for your purchases and leases of property, that otherwise would be subject to Use Tax. You will report and remit the Use Tax directly to the California State Board of Equalization on either your Sales & Use Tax Return or Consumer Use Tax Return. Each quarter you will submit a copy of your Board of Equalization filing to the City of Santa Clarita to generate your rebate.

Q. What are the benefits of a State Use Tax Direct Payment Exemption Certificate?

A. The benefits are many, including: the ability to register for and receive rebates under the City's Use Tax Rebate Program; the extended use of your money for a longer period of time (since you are no longer paying tax at the time you pay your invoices); and you eliminate concerns about a third party correctly fulfilling your Use Tax responsibility. The Permit allows you to pay your Use Tax directly to the State Board of Equalization through your normal reporting process.

BE SURE TO MENTION HOW YOU HEARD ABOUT THE PROGRAM WHEN YOU CALL! THIS PROGRAM DIRECTLY BENEFITS THE SCV CHAMBER, SCV ECONOMIC DEVELOPMENT CORPORATION, VIA, AND THE CITY OF SANTA CLARITA.



Frequently Asked Questions

Q. How does the community benefit from my business using a State Direct Payment Permit?

A. Currently, when you pay California Sales and Use Tax to a lessor or an out-of-state vendor, Santa Clarita receives only a small amount of the 1% local share. However, using a Direct Payment Permit, Santa Clarita would receive the entire 1% local share back, benefiting Santa Clarita's general fund, which supports public safety, parks, library, and infrastructure programs as well as a variety of other City services.

In addition, you can help your local business organizations too, because the SCV Chamber, SCV Economic Development Corporation, and VIA have the opportunity to receive 10% of the new use tax generated just for referring you to the program.



SANTA CLARITA VALLEY
Economic Development Corporation



**CONTACT
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USE TAX REBATE PROGRAM

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 City of
SANTA CLARITA