



April 13, 2023

F2023-03

TO: The Network of California Fairs

SUBJECT: California Department of Tax & Fee Administration (CDTFA) Video

This letter provides information to the Network of California Fairs (Fairs) regarding a recently published educational video and educational flyer discussed at the Collaborative Exchange CEO meeting on March 23, 2023. These two educational tools, detail the vendor sales and use tax reporting requirement of Assembly Bill 1499, and its benefits to fairgrounds.

Background: With the passing of Assembly Bill [1499](#) (Chapter 798, 2017) (AB1499) and the codified Business and Professions Code [19620.15](#), the California Department of Food and Agriculture Fairs and Expositions Branch (F&E) receives three-quarters of one percent of the total gross receipts of sales occurring on a fairground's property. These monies are deposited into the F&E Fund and are distributed to qualified Fairs in the Network on an annual basis that has adopted and implemented the required working conditions. The correct reporting of total gross receipts of sales occurring on fairground property has fluctuated and still may not be accurately reflecting the full three-quarters of one percent. It is crucial that Fairs take steps to educate contractors, event vendors, concessionaires, onsite businesses, and lessees (vendors) on their responsibility to report this information correctly. When reported correctly, this tax allocation from the Governor's budget will have a positive impact on the amount of money deposited in the F&E account to distribute to the network of fairs.

Video: The video was produced by CDTFA Business Tax Specialist, Brad Miller, in partnership with CEO Allison Keaney at the Cow Palace and CEO Michele Richards at the Orange County Fair. The video explains the AB1499 and Business & Professions Code Section 19620.15. The video also demonstrates several easy steps for vendors to follow when reporting their sales on Fairgrounds. The video has been uploaded and can be accessed on [YouTube](#) and the [F&E website](#) homepage under featured items.

To make sure the CDTFA quarterly sales and use tax return is filled out correctly, it is highly recommended to direct your vendors and lessees to this video and allow them to share it with their staff who fill out the return to report the total gross receipts of sales at the fairground location on the line titled "Sales at State Designated Fairgrounds".

Flyer: an educational flyer template was developed in Canva by CEO Allison Keaney at the Cow Palace, that can be [accessed here](#) and modified with specific fair logos and



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information. We recommend providing the video and your logoed flyer to your vendors when signing the contract to keep everyone informed of the reporting requirement.

If you have any questions regarding this package, please contact Michael Francesconi by email at mike.francesconi@cdfa.ca.gov or by phone at 916-900-5365.

Sincerely,

A handwritten signature in blue ink that reads "Michael Francesconi". The signature is written in a cursive style with a blue ink color.

Michael Francesconi
Branch Chief

Enclosures