



## California Fruit Tree, Nut Tree, and Grapevine Improvement Advisory Board (IAB) and Stakeholders

### Clarification of “Gross Sales” for Assessment Calculation for FAC § 6981

The following section is an extract from the California Food and Agricultural Code:

**6981.** (a) An annual assessment of 1 percent shall be levied on the gross sales of all deciduous pome and stone fruit trees, nut trees, olive trees, and grapevines, including seeds, seedlings, rootstocks, and topstock, including ornamental varieties of apple, apricot, crabapple, cherry, nectarine, olive, peach, pear, and plum, produced and sold within the state or produced within and shipped from the state by any licensed nursery dealer. For packaged or containerized stock, the assessment shall be levied on the producer’s bareroot price of the plants.

*This extract is provided for informational purposes only. For the official text, the user should consult the California Food and Agricultural Code published by the California State Legislature.*

#### What does “gross sales” mean?

The assessment shall be levied on “gross sales.” This means that the assessment should be applied to the total sales price – which includes royalties, user fees, etc. – at the point of sale where the nursery stock is sold by a producer to persons other than California producers of nursery stock that is subject to assessment under subdivision (a).

EXAMPLE:	Item	Units	Price/Unit	Cost
	Sauvignon blanc [37] cutting	3	\$6.00	\$ 18.00
	FPS User Fee	3	\$0.08	\$ 0.24
			SUBTOTAL	\$ 18.24
			1% IAB	\$ 0.18
			TOTAL	\$ 18.42

