Effective April 1, 2017
OVERVIEW

- CA Assembly Bill (AB) 2153 - Lead-Acid Battery Recycling Act of 2016 (Act).
  - Health and Safety Code (HSC) 25215
  - Revenue used for cleanup of contaminated sites

- The Act imposes two separate $1 fees on the sale and purchase of lead-acid batteries (those commonly found in vehicles).
  - California Battery Fee - dealers/retailers
  - Manufacturer Battery Fee - manufacturers/importers

- Fees Began April 1, 2017.
  - First Return Due July 31, 2017 (2nd Quarter 2017)

- The California Department of Tax and Fee Administration (CDTFA) and the Department of Toxic Substances Control (DTSC) are responsible for the administration of these new fees.
What is a lead-acid battery?

- Primarily composed of both lead & sulfuric acid (liquid-solid-gel) and
- Weighs - over 5 kilograms (about 11 lbs.) & 6 or more volts
- Used as a:
  - Starting battery for delivering a high burst of energy to start an internal combustion engine,
  - Motive power battery to provide the power for propulsion of a vehicle, including watercraft,
  - Stationary storage or standby energy to be used in a system where the battery acts as electrical storage or a source of emergency/backup power.

Please note: Not subject to the California battery fee.

- Source of auxiliary power to support the electrical systems in a vehicle (Vehicle Codes §670 and 36000) or an aircraft.
What is a replacement lead-acid battery?

A new lead-acid battery that replaces the original equipment or vehicle battery.

A replacement lead-acid battery does not include the following batteries:

- spent
- discarded
- refurbished
- reconditioned
- rebuilt
- reused
Who is a dealer/retailer of lead-acid batteries?

Every person who engages in the retail sale of replacement lead-acid batteries directly to consumers in California.

Dealer includes a manufacturer of new lead-acid batteries who sells to consumers in California.
Retail sale of a lead-acid battery does not include any battery:

- Temporarily stored or used in California, for exclusive use outside of California.
- Incorporated into new equipment to be resold.
- Provided (without a charge) by a warranty or a vehicle service contract. (Insurance Code Section 12800)
- Used in a medical device. (21 U.S.C. 321(h))

Or

- When the California battery fee has already been paid.
Dealer/retailer requirements:

California Battery Fee – administered by CDTFA

- Charge/collect the $1 California battery fee from consumers who purchase replacement lead-acid batteries.
  - Fee is not subject to sales tax.
  - Dealers may retain 1.5% of the fee as cost reimbursement.

- Separately state the fee on all invoices, except sales for resale.
  - Sales of multiple batteries may be listed on one line.

Please note: The $1 California battery fee increases to $2 on 4/1/22
Dealer/retailer requirements:

California Battery Fee – administered by DTSC

- Charge a refundable deposit if no used battery returned. (HSC §25215.2)
  - Separately stated on invoice.
  - Subject to sales tax if the transaction is taxable.
  - Refund deposit if a used battery is returned within 45 days.

- Accept up to 6 used lead-acid batteries of the same type, from one person without charging a fee.
This dealer is required by law to charge a nonrefundable $1 California battery fee and a refundable deposit for each lead-acid battery purchased. A credit of the same amount as the refundable deposit will be issued if a used lead-acid battery is returned at the time of purchase or up to 45 days later along with this dealer’s receipt.

The following are not required to post written notice:
• Businesses that do not normally sell batteries
• Auto repair shops that install batteries as part of service
• Roadside service
Who is a lead-acid battery manufacturer?

The person who manufactures and sells or distributes lead-acid batteries in California.

or

Retailers, or any persons, who import batteries into California which are purchased from a manufacturer without jurisdiction in California.
Manufacturer/Importer requirements:

Manufacturer Battery Fee

- Pay the $1 manufacturer battery fee for each lead-acid battery sold to a dealer, wholesaler, distributor, or other person in California from April 1, 2017 through March 31, 2022.

- Collect the $1 California battery fee when they sell to consumers.

- The manufacturer battery fee becomes inoperative on April 1, 2022.
Dealers/retailers and manufacturers must register & report fees electronically to the CDTFA.
Welcome to the Board of Equalization's (BOE) on-line registration system. The BOE administers various tax and fee programs that fund state, county, city and special taxing jurisdictions. The type of permit, license and/or account required is dependent upon the type of business activity or personal use transaction. The BOE's on-line registration system will guide you through the process whether or not you know what type of registration you require. Answers to specific questions regarding your business activity or personal use transaction will direct you to the appropriate registration type(s) required.

Information Needed to Get Started

Select the option you prefer:

- **Register a business activity with BOE**
  (Seller’s Permit, Temporary Seller’s Permit, Use Tax Account (excluding use tax payment on a one time purchase), Underground Storage Tank Fee and all other accounts)
  - Add a new location to an existing account
  - Register for an International Fuel Tax Agreement (IFTA) Account
  - Register for a Timber Yield Tax Account
  - Apply for and purchase a California Fuel Trip Permit
  - Apply and purchase Annual Flat Rate Decals for private passenger vehicles
  - Pay use tax, file an exemption or request a tax clearance
  (Vehicle, Yessel, Aircraft, or Manufactured Home/Mobile Home)
  - Pay use tax, lumber assessment and/or Prepaid MTS Surcharge on one time purchase
  - Register to pay taxes on Internet purchases of cigarette and/or tobacco products
  - Renew License/Additional or Replacement Decals
  (User ID login required. An express login code is not a valid User ID.)
Registration & Reporting

Current User ID
I am a registered user and would like to log in with my User ID and Password.

User ID

Password (case sensitive)

Submit
Forgot password

Express Login
I have an Express Login code and would like to log in without creating a User ID.

Express Login Code

Enter your Express Login Code (e.g., a234567c)

Account Number

(Omit letters and dashes)

Submit
California Battery Fee Return - Enter the number of replacement lead-acid batteries sold in California during the reporting period subject to the fee.

| Number of Replacement Lead-Acid Batteries Sold Subject to the California Battery Fee | 5000 |
| California Battery Fee Rate | $1.00 |
| Subtotal Amount of Fee Due | $5,000.00 |
| Less 1.5% Retailer Reimbursement Amount | $75.00 |
| Total Amount of Fees Due | $4,025.00 |
Manufacturer Battery Fee Return - Enter the number of lead-acid batteries sold in California during the reporting period subject to the fee.

Electronic Filing - Manufacturer Battery Fee Account

Taxpayer Name: UAT19
Filing Period: 04/01/2018 to 06/30/2018
Due Date: 07/31/2018

For assistance during regular business hours call 1-800-400-7115 (TTY:711)

Number of Lead-Acid Batteries Sold Subject to the Manufacturer Battery Fee

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Manufacturer Battery Fee Rate

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Total Amount of Fees Due

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Recap: Repair Shop Responsibilities

- Charge/collection the California battery fee on all retail sales of new replacement lead-acid batteries.

- California battery fee does not apply to batteries:
  - When the fee has already been paid.
  - For use exclusively outside California.
  - Incorporated into new equipment.
  - Replaced without charge under warranty/vehicle service contract.
  - Used in a medical device.
  - Used as stationary storage or a standby battery for purposes of:
    - Storage for electrical generation equipment
    - A source of emergency power
    - Other backup power
Dealers may retain 1.5% of the fee as cost reimbursement.

Charge a refundable, taxable, deposit.

Separately list the fee and deposit.

Increase the fee to $2 April 1, 2022.
More Information


- If you have additional questions, you may call our Customer Service Center at 1-800-400-7115 (TTY:711) Monday through Friday, 8:00 a.m. to 5:00 p.m. (Pacific time), excluding state holidays.

- The DTSC Fees Unit can be contacted directly at Fees@dtsc.ca.gov. You may also contact DTSC’s Regulatory Assistance Officers at (800) 728-6942 or by email at RAO@dtsc.ca.gov.

Carol Bailey 916.327.7064  Angela DiMeola-Leach 916.341.6978
Carol.bailey@cdtfa.ca.gov  Angela.DiMeola-leach@cdtfa.ca.gov