

SPECIAL UPGRADE BULLETIN

California Gasoline Sales Tax Changes July 1, 2010

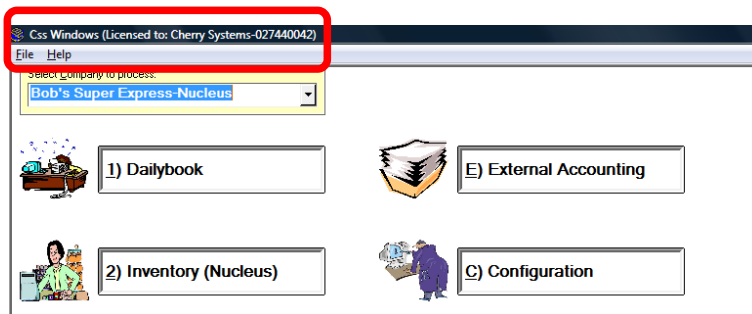
Overview

Because of the changes made to the gasoline sales tax and gasoline state excise tax rates effective July 1, 2010 1201AM it is necessary to change the CSS setup for fuel. The Board of Equalization has frequently asked questions at:

<http://www.boe.ca.gov/sutax/gasswapfaq.htm>

If selling both diesel and gasoline a CSS program update is required to enable a different sales tax rate on each fuel product. If you are current on your annual CSS Maintenance and Support Agreement this update will be provided at no charge. The update can be downloaded from www.cherrysystems.com.

This update requires a password. It is recommended that a day or two before this update is downloaded, you request the password via e-mail to: Randy@cherrycstore.com. You **must include your CSS serial number** which can be found at the upper top left hand corner of the main CSS menu. An e-mail reply will be sent with the password and any special instructions to download the update.



If you are not current on maintenance please call CSS Linda Baum at 978-433-2489 extension 4 to determine the amount due and make the payment. Cherry Systems cannot provide any CSS program updates unless you are current on maintenance.

The update can be downloaded and installed now. Only do the steps below after the CSS Dailybook has been closed through midnight June 30.

For customers selling gasoline only and not updating the CSS programs.

If selling gasoline only and not updating the CSS programs the following must be done to have all accounting records and fuel margins reported correctly:

1. At midnight June 30 (i.e. July 1 at 1201 AM), close the POS (Passport, Nucleus, G-Site, Ruby, Retailix) day. Or if closed at your usual time (e.g. 9 pm) close again and combine both reports into one CSS Dailybook.
2. At midnight June 30, print and save the tank monitor inventory report. This is the basis for paying the motor vehicle fuel storage tax to the BOE. This is also needed to do the Dailybook.
3. Process the CSS Dailybook to June 30 midnight **before** executing the next steps.
4. On the Maintenance – Fuel tab select and add 17.3 cents to the cost of each gasoline fuel product for Last Cost W/tax and Avg Cost W/Tax. Click on Save after changing each gasoline product. If excise tax is included in the base cost of fuel (Chevron invoices usually do this) then also add 17.3 cents to the Base Cost.

The screenshot shows the 'DailyBook' software interface. The 'Maintain Daily Sheet' window is open, displaying various fields for fuel management. The 'Fuel' tab is selected. The 'Last Cost W/Tax' field is set to 2.72149 and the 'Avg. Cost W/Tax' field is set to 2.72498. The 'Base Cost' field is set to 2.35630. The 'Save' button is highlighted with a red box. A red arrow points from the 'Save' button to the 'Fuel Taxes' button in the 'Other Fuel' section.

5. Click on Fuel Taxes.

- Select and change the gasoline excise tax rate from .180 to .353. Click on Save. Verify this rate on the fuel invoice for the first delivery after June 30.

Fuel Taxes

Select a Fuel Tax: Ca Gas Excise Tax Tax Name: CA GAS EXCISE TAX Tax Rate: 0.353000

Tax Total Invoice	Tax Total Unit Cost		Include In Invoice	Unit Cost
0.653190	0.538190	Super	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
0.653190	0.538190	Regular	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
0.530190	0.425190	Diesel	<input type="checkbox"/>	<input type="checkbox"/>
0.653190	0.538190	Special	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
0.000000	0.000000	Product5	<input type="checkbox"/>	<input type="checkbox"/>
0.000000	0.000000	Product6	<input type="checkbox"/>	<input type="checkbox"/>
0.000000	0.000000	Product7	<input type="checkbox"/>	<input type="checkbox"/>
0.000000	0.000000	Product8	<input type="checkbox"/>	<input type="checkbox"/>
0.000000	0.000000	Product 9	<input type="checkbox"/>	<input type="checkbox"/>

Save Cancel Exit

- Select and change the gasoline prepaid sales tax rate from .185 to .055. Click on Save. Verify this rate on the fuel invoice for the first delivery after June 30.

Fuel Taxes

Select a Fuel Tax: Ca Gas Ppd Sls Tax Tax Name: CA GAS PPD SLS TAX Tax Rate: 0.055000

Tax Total Invoice	Tax Total Unit Cost		Include In Invoice	Unit Cost
0.653190	0.538190	Super	<input checked="" type="checkbox"/>	<input type="checkbox"/>
0.653190	0.538190	Regular	<input checked="" type="checkbox"/>	<input type="checkbox"/>
0.530190	0.425190	Diesel	<input type="checkbox"/>	<input type="checkbox"/>
0.653190	0.538190	Special	<input checked="" type="checkbox"/>	<input type="checkbox"/>
0.000000	0.000000	Product5	<input type="checkbox"/>	<input type="checkbox"/>
0.000000	0.000000	Product6	<input type="checkbox"/>	<input type="checkbox"/>
0.000000	0.000000	Product7	<input type="checkbox"/>	<input type="checkbox"/>
0.000000	0.000000	Product8	<input type="checkbox"/>	<input type="checkbox"/>
0.000000	0.000000	Product 9	<input type="checkbox"/>	<input type="checkbox"/>

Save Cancel Exit

- On the Preferences – Fuel Options tab change the state sales tax rate applicable to your tax jurisdiction. The rate is going from 8.25% plus applicable district taxes to 2.25% plus applicable district taxes. Click on X. Exit. Clicking on the upper right red x may not save your change.

DailyBook
File Help

Preferences

0. Fuel Options | 1. Fuel Recon. | 2. Other Options | 3. Competition | X. Exit

Cost Method:
Average Cost

Inventory Method:
Stick Forward

State Sales Tax Rate: 0.02750
Flat Sales Tax Rate: 0.00000

Send Purchases to Accts Payable

Primary Purchases Vendor: Chevron USA
2nd Purchases Vendor:
3rd Purchases Vendor:

For customers updating the CSS programs.

Whether selling gasoline only or both gasoline and diesel, the CSS programs now require a sales tax rate be entered for each fuel product. The following must be done to have all accounting records and fuel margins reported correctly:

If the CSS program updates are installed before July 1 only make the following changes:

1. At midnight June 30 (i.e. July 1 at 1201 AM), close the POS (Passport, Nucleus, G-Site, Ruby, Retailix) day. Or if closed at your usual time (e.g. 9 pm) close again and combine both reports into one CSS Dailybook.
2. At midnight June 30, print and save the tank monitor inventory report. This is the basis for paying the motor vehicle fuel storage tax to the BOE. This is also needed to do the Dailybook.
3. Process and close the CSS Dailybook to June 30 midnight **before** executing the next steps.
4. Install the new CSS programs if not already done.
5. On the Maintenance – Fuel tab select and add 17.3 cents to the cost of each gasoline fuel product for Last Cost W/tax and Avg Cost W/Tax. Click on Save after changing each gasoline product. If excise tax is included in the base cost of fuel (Chevron invoices usually do this) then also add 17.3 cents to the Base Cost.

The screenshot shows the 'DailyBook' software interface. The 'Maintain Daily Sheet' window is open, displaying various input fields and sections. The 'Fuel' tab is selected. The 'Last Cost W/Tax' and 'Avg. Cost W/Tax' fields are highlighted with a red box and contain the values 2.72149 and 2.72498 respectively. The 'Save' button is also highlighted with a red box. A red arrow points from the 'Save' button to the 'Fuel Taxes' button in the 'Other Fuel' section.

6. Click on Fuel Taxes.

7. Select and change the gasoline excise tax rate from .180 to .353. Click on Save. Verify this rate on the fuel invoice for the first delivery after June 30.

Fuel Taxes

Select a Fuel Tax: Tax Name: Tax Rate:

Tax Total Invoice	Tax Total Unit Cost		Include In Invoice	Unit Cost
0.653190	0.538190	Super	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
0.653190	0.538190	Regular	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
0.530190	0.425190	Diesel	<input type="checkbox"/>	<input type="checkbox"/>
0.653190	0.538190	Special	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
0.000000	0.000000	Product5	<input type="checkbox"/>	<input type="checkbox"/>
0.000000	0.000000	Product6	<input type="checkbox"/>	<input type="checkbox"/>
0.000000	0.000000	Product7	<input type="checkbox"/>	<input type="checkbox"/>
0.000000	0.000000	Product8	<input type="checkbox"/>	<input type="checkbox"/>
0.000000	0.000000	Product 9	<input type="checkbox"/>	<input type="checkbox"/>

Save Cancel Exit

8. Select and change the gasoline prepaid sales tax rate from .185 to .055. Click on Save. Verify this rate on the fuel invoice for the first delivery after June 30.

Fuel Taxes

Select a Fuel Tax: Tax Name: Tax Rate:

Tax Total Invoice	Tax Total Unit Cost		Include In Invoice	Unit Cost
0.653190	0.538190	Super	<input checked="" type="checkbox"/>	<input type="checkbox"/>
0.653190	0.538190	Regular	<input checked="" type="checkbox"/>	<input type="checkbox"/>
0.530190	0.425190	Diesel	<input type="checkbox"/>	<input type="checkbox"/>
0.653190	0.538190	Special	<input checked="" type="checkbox"/>	<input type="checkbox"/>
0.000000	0.000000	Product5	<input type="checkbox"/>	<input type="checkbox"/>
0.000000	0.000000	Product6	<input type="checkbox"/>	<input type="checkbox"/>
0.000000	0.000000	Product7	<input type="checkbox"/>	<input type="checkbox"/>
0.000000	0.000000	Product8	<input type="checkbox"/>	<input type="checkbox"/>
0.000000	0.000000	Product 9	<input type="checkbox"/>	<input type="checkbox"/>

Save Cancel Exit

9. Change the gasoline sales tax rates.

The screenshot shows the 'DailyBook' software interface with the 'Preferences' window open to the 'Fuel Options' tab. The 'Assign Sales Tax Rate by Fuel Grade' table is highlighted with a red box. The table lists fuel grades and their corresponding tax rates: Unleaded (0.037500), Premium (0.037500), Midgrade (0.037500), and Diesel (0.097500). The 'Flat Sales Tax Rate' is set to 0.00000.

Fuel Grade	Tax Rate
Unleaded	0.037500
Premium	0.037500
Midgrade	0.037500
Diesel	0.097500

On the Preferences – Fuel Options tab change the sales tax rate for each fuel product. The rate is going from 8.25% plus applicable district taxes to 2.25% plus applicable district taxes. Click on X. Exit. Clicking on the upper right red x may not save your change.

Motor Vehicle Fuel Storage Tax Payment.

Unless advised differently by your accountant or you are using the accounting interfaces in a non-standard method:

If using an accounting interface (QuickBooks, Peachtree, MAS 90) and if fuel invoices are being debited to fuel COGS then debit the motor vehicle fuel storage tax to fuel COGS.

If using an accounting interface (QuickBooks, Peachtree, MAS 90) and if fuel invoices are being debited to fuel inventory COGS then debit the motor vehicle fuel storage tax to fuel inventory.

