

Covered Battery-Embedded Products (CBEP)

The California Department of Tax and Fee administration (CDTFA) has confirmed with CNCDA that dealers selling “covered battery-embedded products” (CBEP) retail over the parts counter must register with the CDTFA and remit the fee for qualifying products. CBEPs are essentially products that contain batteries that are not easily removed with common household tools.

The new requirement only applies to dealerships via their parts counter operations as dealership vehicle sales and service operations are exempt. For example, a TPMS sensor installed by a dealer technician during a tire service falls within the vehicle exemption, but the same TPMS sensor sold as a boxed part to a retail customer over the parts counter is subject to the fee. Non-taxable wholesale transactions are also exempt from this requirement, such as sales to other stores or auto shops.

Dealers currently selling qualifying products retail over the parts counter were required to register and begin remitting the fee by no later than April 30, 2026. Dealers can register for a CBEP Waste Recycling Fee account at the CDTFA Online Services [page](#).

It is generally the manufacturer’s responsibility to identify whether a product is CBEP. CalRecycle maintains a [list](#) of potentially qualifying products on its website here and some examples are listed at the end of this article.

While no franchised manufacturer appears on CalRecycle’s current list, dealers should not interpret this absence as an exemption. CalRecycle has made clear that absence from the list does not relieve a retailer’s obligation to collect the CBEP fee. Dealers selling OEM parts/accessories containing hard-to-replace batteries should confirm fee applicability with their manufacturer representative.

Even though manufacturers bear the responsibility to notify dealers of CBEP products, dealers should still audit their parts inventory and be prepared to implement fee collection promptly upon manufacturer notification.

Background on the law and CNCDA advocacy

SB 1215 (2022) created a new category of electronic waste called the “covered battery-embedded product” (CBEP), defined as a product containing a battery that is not designed to be easily removed with common household tools. Due to CNCDA advocacy, vehicles and vehicle component parts, including replacement parts, have an exemption elsewhere in the amended law, and stakeholders (including OEMs) believed the automotive parts exemption generally applied to CBEPs. This was not entirely correct — parts sold retail over the counter were not exempt from the scope of the bill.

The CBEP fee became effective on January 1, 2026, and several independent parts manufacturers have reported that automotive parts contain CBEPs. Over the last few weeks, CNCDA has been receiving reports from dealers about CDTFA officials specifically asking about TPMS sensors sold over the parts counter. This prompted CNCDA to seek clarification from the CDTFA on the topic.*

CNCDA worked to obtain written guidance from CDTFA indicating that under 14 CCR § 18660.5, vehicles are exempt from the definition of CBEPs. Further, CDTFA interprets this exemption to apply to any replacement vehicle part or component installed onto the vehicle by the dealer (i.e., parts installed in the service drive). However, qualifying CBEP products sold retail over the parts counter trigger obligations under the law.

Products currently listed as potential CBEP

CalRecycle maintains a [list](#) of registered parts on its website. As of the date of this article, that list was most recently updated on April 6, 2026. Some examples of CBEPs are listed below:

- Portable jump starters and battery boosters
- Portable power banks
- TPMS sensors
- Aftermarket automotive GPS/navigation units
- OBD-II connected-car devices with cellular/Wi-Fi
- Aftermarket dash cameras
- Automotive diagnostic tools – digital multimeters, electronic torque wrenches, dial indicators
- Track-day/performance driving devices
- Wireless towing and trailer light kits
- Body shop inventory management hardware

Again, this list is not exhaustive and CalRecycle continues to update its registry of CBEP products.

If you have any questions, please do not hesitate to reach out to the CNCDA Legal Team at 916-441-2599 or legalhotline@cncda.org.

*CNCDA released a [Dealer Alert](#) on April 17, 2026, to inform dealers of their obligations under the law.