

How to complete a Retail & Service Invoice in California

Calculating invoice with quantity × rate line items, tax, total, and bank-ready PDF.

What this form is for

This invoice is used by California retail shops and service providers to bill customers for goods sold or services rendered, showing detailed line items, applicable sales tax, and the total amount due. It serves as both a customer billing document and official revenue record for your books and any lender reviewing your cash flow.

Before you start

- Your business legal name, DBA if applicable, address, phone, email, and business license number
- Customer or client full name, company name if B2B, billing address, and contact information
- Detailed description of each product sold or service performed, including dates of service
- Quantity, unit price or hourly rate, and any applicable discounts for each line item
- Your California Seller's Permit number and current sales tax rate for the jurisdiction where the sale occurred
- Payment terms, due date, accepted payment methods, and your bank deposit account details

Step-by-step

1. Fill in your business information at the top, including legal name, address, and contact details. Add your invoice number using a consistent numbering system and the invoice date.
2. Enter customer information completely: full name or company name, billing address, and contact person if invoicing a business.
3. List each product or service as a separate line item with a clear description. For products, include SKU or item number if you track inventory.
4. Enter the quantity sold and the unit rate or hourly price for each line item. The form should auto-calculate the line total by multiplying quantity times rate.
5. After all line items, the form calculates your subtotal. Apply any discounts if offered, showing the discount amount or percentage clearly.
6. Add California sales tax to taxable items. Enter your district tax rate, which varies by location. Some services are exempt, so apply tax only where required under California law.
7. Review the final total, which should auto-calculate as subtotal minus discounts plus tax. Verify all math before saving.

8. Specify payment terms such as "Net 30" or "Due upon receipt" and the due date. Include late fees if your terms allow them, ensuring they comply with California limits.
9. Add your accepted payment methods and where to remit payment. If offering early-payment discounts, note them here.
10. Save the completed invoice as a PDF, then send it to your customer and file a copy in your accounting records by month and customer.

What lenders look for

- Banks verify that invoice totals match your deposit records and revenue on profit-and-loss statements, so ensure every invoice is recorded and corresponds to actual bank deposits.
- Underwriters flag missing invoice numbers, irregular sequences, or invoices without proper California sales tax calculations as signs of poor bookkeeping or unreported income.
- Avoid handwritten corrections or inconsistent formatting across invoices; lenders view professional, uniform invoicing as evidence of reliable financial controls and accurate reporting.