

AMENDED IN ASSEMBLY APRIL 25, 2001
AMENDED IN ASSEMBLY MARCH 19, 2001

CALIFORNIA LEGISLATURE—2001-02 REGULAR SESSION

ASSEMBLY BILL

No. 243

Introduced by Assembly Member Runner
(Coauthor: Senator Knight)

February 14, 2001

An act to add Section 6389 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 243, as amended, Runner. Sales and use taxes: exemption: jet fuel.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property.

This bill would exempt from that tax any aircraft jet fuel sold to an aircraft jet fuel user, *including air common carriers*, at any airport located within an enterprise zone.

~~Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemptions from state sales and use taxes enacted by the Legislature are incorporated into the local taxes.~~

~~Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.~~

~~This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.~~

This bill would provide that the exemption would not apply to specified taxes, including local sales or transactions and use taxes.

This bill would take effect immediately as a tax levy, but would become operative as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: ~~yes~~ *no*.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6389 is added to the Revenue and
2 Taxation Code, to read:

3 6389. (a) There are exempted from the taxes imposed by this
4 part, the gross receipts from the sale in this state of, and the storage,
5 use, or other consumption in this state of, aircraft jet fuel, as
6 defined by Section 7387, sold to an aircraft jet fuel user, as defined
7 by Section 7389, *including any person using an aircraft as a*
8 *common carrier of property or persons*, at any airport that is
9 located within an enterprise zone designated pursuant to Section
10 7073 of the Government Code.

11 ~~SEC. 2. Notwithstanding Section 2230 of the Revenue and~~
12 ~~Taxation Code, no appropriation is made by this act and the state~~
13 ~~shall not reimburse any local agency for any sales and use tax~~
14 ~~revenues lost by it under this act.~~

15 ~~SEC. 3.—~~

16 (b) *Notwithstanding any provision of the Bradley-Burns*
17 *Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with*
18 *Section 7200)) or the Transactions and Use Tax Law (Part 1.6*
19 *(commencing with Section 7251)), the exemption established by*
20 *this section does not apply with respect to any tax levied by a*
21 *county, city, or district pursuant to, or in accordance with, either*
22 *of those laws.*

23 (c) *Notwithstanding subdivision (a), the exemption established*
24 *by this section does not apply with respect to any tax levied*
25 *pursuant to Sections 6051.2 and 6201.2, or pursuant to Section 35*
26 *of Article XIII of the California Constitution.*



1 *SEC. 2.* This act provides for a tax levy within the meaning
2 of Article IV of the Constitution and shall go into immediate
3 effect. However, the provisions of this act shall become operative
4 on the first day of the first calendar quarter commencing more than
5 90 days after the effective date of this act.

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