

AMENDED IN ASSEMBLY APRIL 18, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 390

Introduced by Assembly Member Maddox
(Coauthor: Assembly Member Runner)

February 20, 2001

An act to repeal Sections 6051.3, 6051.4, 6201.3, and 6201.4 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 390, as amended, Maddox. Sales and use tax: rate reduction.

The Sales and Use Tax Law provides for the levy of a state sales and use tax at a basic rate of 6% upon the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. That law imposes, as a component of that basic rate, a state sales and use tax at a rate of $\frac{1}{4}\%$, but suspends the imposition of that $\frac{1}{4}\%$ rate for any single calendar year for which the amount in the Special Fund for Economic Uncertainties exceeds a specified amount in both the prior and current fiscal year, as determined and certified by the Director of Finance.

This bill would delete those provisions providing for the imposition and suspension of that state sales and use tax rate of $\frac{1}{4}\%$.

This bill would take effect immediately as a tax levy.

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

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

- 1 SECTION 1. Section 6051.3 of the Revenue and Taxation
- 2 Code is repealed.
- 3 SEC. 2. Section 6051.4 of the Revenue and Taxation Code is
- 4 repealed.
- 5 SEC. 3. Section 6201.3 of the Revenue and Taxation Code is
- 6 repealed.
- 7 SEC. 4. Section 6201.4 of the Revenue and Taxation Code is
- 8 repealed.
- 9 SEC. 5. This act provides for a tax levy within the meaning of
- 10 Article IV of the *California* Constitution and shall go into
- 11 immediate effect.

