

ASSEMBLY BILL

No. 1185

Introduced by Assembly Member Mountjoy

February 23, 2001

An act to add Section 6397 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1185, as introduced, Mountjoy. Sales and use taxes: exemptions: clothing and footwear.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale of, or the storage, use, or other consumption in this state of, tangible personal property, and provides various exemptions from that tax. Existing law authorizes cities, counties, and cities and counties to impose local sales and use taxes or transactions and use taxes, and provides that exemptions from state sales and use tax are incorporated into those local taxes.

This bill would provide an exemption from that tax for the gross receipts from the sale of any article of clothing or footwear purchased for less than \$200 during an annual specified period.

This bill would specify that this exemption does not apply to local sales and use taxes or transactions and use taxes.

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 6397 is added to the Revenue and
2 Taxation Code, to read:

3 6397. (a) There are exempted from the computation of the
4 amount of the sales tax the gross receipts from the sale of tangible
5 personal property for any article of clothing or footwear designed
6 to be worn on or about the human body if both of the following
7 occur:

8 (1) The article is purchased for two hundred dollars (\$200) or
9 less.

10 (2) The sale takes place during a seven-day period beginning
11 at 12:01 a.m. on the last Friday in August, that is followed by the
12 last Thursday in August, and ending at 12:00 midnight on that
13 following Thursday.

14 (b) This section does not apply to any of the following:

15 (1) Any special clothing or footwear that is primarily designed
16 for athletic activity or protective use and that is not normally worn
17 except when in use for the athletic activity or protective use for
18 which it is designed.

19 (2) Accessories, including jewelry, handbags, luggage,
20 umbrellas, wallets, watches, and similar items carried on or about
21 the human body, without regard to whether worn on the body in
22 a manner characteristic of clothing.

23 (3) The rental of footwear or clothing.

24 (c) Notwithstanding any provision of the Bradley-Burns
25 Uniform Local Sales and Use Tax Law (Part 1.5 (commencing
26 with Section 7200)) or the Transactions and Use Tax Law (Part 1.6
27 (commencing with Section 7251)), the exemption established
28 herein does not apply with respect to any tax levied by a county,
29 city, or district pursuant to, or in accordance with, either of these
30 laws.

31 SEC. 2. This act provides for a tax levy within the meaning of
32 Article IV of the Constitution and shall go into immediate effect.

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