

AMENDED IN ASSEMBLY APRIL 30, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1246**

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**Introduced by Assembly Member Leonard**

*(Coauthors: Assembly Members Ashburn, Bogh, Briggs, Cox, Leach, Liu, Maddox, Robert Pacheco, Pescetti, Runner, Strickland, Wyman, and Zettel)*

*(Coauthors: Senators Haynes and Knight)*

February 23, 2001

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An act to add Section 6361.7 to the Revenue and Taxation Code, relating to taxation, *and making an appropriation therefor*, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1246, as amended, Leonard. Sales and use taxes: exemption: college textbooks.

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. That law provides various exemptions from that tax. Existing law authorizes cities, counties, and cities and counties to impose local sales or transactions and use taxes, and provides that exemptions from state sales and use tax are incorporated into those local taxes.

This bill would establish an additional exemption from sales and use taxes with respect to the sale in this state of, or the storage, use, or other consumption in this state of, college textbooks, as defined.

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

~~provide that this exemption does not apply to specified additions to the state sales and use tax for public safety and local revenue purposes.~~

*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 make an appropriation from the General Fund, without regard to fiscal years, to reimburse local governments for sales and transactions and use tax revenue losses incurred as a result of the exemption created by the bill.*

This bill would take effect immediately as a tax levy, but its operative date would depend on its effective date.

Vote: ~~majority~~ <sup>2/3</sup>. Appropriation: ~~no~~ yes. Fiscal committee: yes. State-mandated local program: ~~no~~ yes.

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

- 1 SECTION 1. Section 6361.7 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 6361.7. (a) There are exempted from the taxes imposed by
- 4 this part, the gross receipts from the sale in this state of, and the
- 5 storage, use, or other consumption in this state of, any textbook
- 6 that is purchased by a student at an institution of higher education
- 7 or from an entity whose primary purpose is to provide textbooks
- 8 to students attending institutions of higher education, for use as a
- 9 learning resource in any course of study at that institution.
- 10 (b) (1) For purposes of this section, “textbook” means any
- 11 published material that is principally designed for use by a student
- 12 at an institution of higher education as a source of instructional
- 13 material and includes, but is not limited to, any book or edition of
- 14 a book, as so described, that is directed or recommended by an
- 15 instructor at an institution of higher education to a student to
- 16 purchase for use as a basis for a course of study at that institution.
- 17 (2) For purposes of this section, an “institution of higher
- 18 education” means any public or private college or university that
- 19 is nationally or regionally accredited.



1 (c) Students shall present a valid student identification card,  
2 issued by an institution of higher education, in order to receive the  
3 benefit of the textbook sales tax exemption.

4 ~~(d) (1) Notwithstanding any provision of the Bradley Burns~~  
5 ~~Uniform Local Sales and Use Tax Law (Part 1.5 (commencing~~  
6 ~~with Section 7200)) or the Transactions and Use Tax Law (Part 1.6~~  
7 ~~(commencing with Section 7251)), the exemption established by~~  
8 ~~this section does not apply with respect to any tax levied by a~~  
9 ~~county, city, or district pursuant to, or in accordance with, either~~  
10 ~~of these laws.~~

11 ~~(2) The exemption established by this section does not apply~~  
12 ~~with respect to any tax levied pursuant to Sections 6051.2 and~~  
13 ~~6201.2, or pursuant to Section 35 of Article XIII of the California~~  
14 ~~Constitution.~~

15 *SEC. 2. Notwithstanding Section 13340 of the Government*  
16 *Code, there is hereby appropriated from the General Fund to the*  
17 *Controller, without regard to fiscal years, those amounts that shall*  
18 *be allocated by the Controller to fully reimburse local*  
19 *governments for sales and transactions and use tax revenue losses*  
20 *incurred as a result of Section 6361.7 of the Revenue and Taxation*  
21 *Code, or any successor to that provision.*

22 *SEC. 3. This act provides for a tax levy within the meaning*  
23 *of Article IV of the Constitution and shall go into immediate*  
24 *effect. However, the provisions of this act shall become operative*  
25 *on the first day of the first calendar quarter commencing more than*  
26 *90 days after the effective date of this act.*

