

AMENDED IN ASSEMBLY MAY 24, 2001

AMENDED IN ASSEMBLY MAY 8, 2001

AMENDED IN ASSEMBLY APRIL 17, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1291**

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**Introduced by Assembly Member Hollingsworth**

February 23, 2001

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An act to add Section 6364.1 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1291, as amended, Hollingsworth. Sales and use taxes: exemptions: diapers.

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 diapers ~~for infants and toddlers~~ from this tax.

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

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

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

1 SECTION 1. Section 6364.1 is added to the Revenue and  
2 Taxation Code, to read:

3 6364.1. 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, diapers ~~designed,~~  
6 ~~manufactured, processed, fabricated, or packaged for use by~~  
7 ~~infants and toddlers.~~

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

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

