
Introduced by Senator McClintock

December 4, 2000

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

SB 13, as introduced, McClintock. 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- 2 Code is repealed.

1 ~~6051.3.—In addition to the taxes imposed by Sections 6051,~~
2 ~~6051.2, 6051.5, and any other provision of this part, for the~~
3 ~~privilege of selling tangible personal property at retail, a tax is~~
4 ~~hereby imposed upon all retailers at the rate of 1/4 percent of the~~
5 ~~gross receipts of any retailer from the sale of all tangible personal~~
6 ~~property sold at retail in this state on and after July 15, 1991, and~~
7 ~~during any period in which this section is operative pursuant to~~
8 ~~Section 6051.4.~~

9 SEC. 2. Section 6051.4 of the Revenue and Taxation Code is
10 repealed.

11 ~~6051.4.—(a) Section 6051.3 shall be operative with respect to~~
12 ~~the sale of all tangible personal property sold at retail in this state~~
13 ~~on or after July 15, 1991, but shall cease to be operative during any~~
14 ~~period described in subdivision (c) or (d).~~

15 ~~(b) On or before November 1, 1993, and on or before every~~
16 ~~November 1 thereafter, the Director of Finance shall determine~~
17 ~~and certify to the Governor, the Legislature, and the board both of~~
18 ~~the following:~~

19 ~~(1) Whether the amount in the Special Fund for Economic~~
20 ~~Uncertainties, as established pursuant to Section 16418 of the~~
21 ~~Government Code, as of June 30 of the prior fiscal year exceeded~~
22 ~~4 percent of General Fund revenues for that prior fiscal year.~~

23 ~~(2) Whether the estimated amount in the Special Fund for~~
24 ~~Economic Uncertainties as of June 30 of the current fiscal year~~
25 ~~(without inclusion of any revenue derived pursuant to Section~~
26 ~~6051.3 on and after January 1 of the current fiscal year) exceeds~~
27 ~~4 percent of General Fund revenues for the current fiscal year.~~

28 ~~(c) Section 6051.3 shall cease to be operative on and after~~
29 ~~January 1, 1994, if on or before November 1, 1993, the Director~~
30 ~~of Finance certifies pursuant to subdivision (b) that both amounts~~
31 ~~certified pursuant to paragraphs (1) and (2) of that subdivision~~
32 ~~exceed 4 percent of General Fund revenues for the respective fiscal~~
33 ~~year for which each amount is determined and certified.~~

34 ~~(d) Section 6051.3 shall cease to be operative on and after~~
35 ~~January 1 following any November 1 in which Section 6051.3 is~~
36 ~~operative and the Director of Finance certifies pursuant to~~
37 ~~subdivision (b) that both amounts certified pursuant to paragraphs~~
38 ~~(1) and (2) of that subdivision exceed 4 percent of General Fund~~
39 ~~revenues for the respective fiscal year for which each amount is~~
40 ~~determined and certified.~~



1 ~~(c) Section 6051.3 shall become operative on and after January~~
2 ~~1 following any November 1 in which Section 6051.3 is~~
3 ~~inoperative and the Director of Finance certifies pursuant to~~
4 ~~paragraph (2) of subdivision (b) that the estimated amount does not~~
5 ~~exceed 4 percent of the General Fund revenues as of June 30 of the~~
6 ~~current fiscal year.~~

7 SEC. 3. Section 6201.3 of the Revenue and Taxation Code is
8 repealed.

9 ~~6201.3.—In addition to the taxes imposed by Sections 6201,~~
10 ~~6201.2, 6201.5, and any other provision of this part, an excise tax~~
11 ~~is hereby imposed on the storage, use, or other consumption in this~~
12 ~~state of tangible personal property purchased from any retailer on~~
13 ~~and after July 15, 1991, and purchased during any period in which~~
14 ~~this section is operative pursuant to Section 6201.4 at the rate of~~
15 ~~$\frac{1}{4}$ percent of the sales price of the property.~~

16 SEC. 4. Section 6201.4 of the Revenue and Taxation Code is
17 repealed.

18 ~~6201.4.—(a) Section 6201.3 shall be operative with respect to~~
19 ~~the storage, use, or other consumption in this state of tangible~~
20 ~~personal property purchased from any retailer on and after July 15,~~
21 ~~1991, but shall cease to be operative during any period described~~
22 ~~in subdivision (c) or (d).~~

23 ~~(b) On or before November 1, 1993, and on or before every~~
24 ~~November 1 thereafter, the Director of Finance shall determine~~
25 ~~and certify to the Governor, the Legislature, and the board both of~~
26 ~~the following:~~

27 ~~(1) Whether the amount in the Special Fund for Economic~~
28 ~~Uncertainties, as established pursuant to Section 16418 of the~~
29 ~~Government Code, as of June 30 of the prior fiscal year exceeded~~
30 ~~4 percent of General Fund revenues for that prior fiscal year.~~

31 ~~(2) Whether the estimated amount in the Special Fund for~~
32 ~~Economic Uncertainties as of June 30 of the current fiscal year~~
33 ~~(without inclusion of any revenue derived pursuant to Section~~
34 ~~6201.3 on and after January 1 of the current fiscal year) exceeds~~
35 ~~4 percent of General Fund revenues for the current fiscal year.~~

36 ~~(c) Section 6201.3 shall cease to be operative on and after~~
37 ~~January 1, 1994, if on or before November 1, 1993, the Director~~
38 ~~of Finance certifies pursuant to subdivision (b) that both amounts~~
39 ~~certified pursuant to paragraphs (1) and (2) of that subdivision~~



1 ~~exceed 4 percent of General Fund revenues for the respective fiscal~~
2 ~~year for which each amount is determined and certified.~~

3 ~~(d) Section 6201.3 shall cease to be operative on and after~~
4 ~~January 1 following any November 1 in which Section 6201.3 is~~
5 ~~operative and the Director of Finance certifies pursuant to~~
6 ~~subdivision (b) that both amounts certified pursuant to paragraphs~~
7 ~~(1) and (2) of that subdivision exceed 4 percent of General Fund~~
8 ~~revenues for the respective fiscal year for which each amount is~~
9 ~~determined and certified.~~

10 ~~(e) Section 6201.3 shall become operative on and after January~~
11 ~~1 following any November 1 in which Section 6201.3 is~~
12 ~~inoperative and the Director of Finance certifies pursuant to~~
13 ~~paragraph (2) of subdivision (b) that the estimated amount does not~~
14 ~~exceed 4 percent of the General Fund revenues as of June 30 of the~~
15 ~~current fiscal year.~~

16 SEC. 5. This act provides for a tax levy within the meaning of
17 Article IV of the Constitution and shall go into immediate effect.

