

**Introduced by Senator McClintock**

February 22, 2001

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An act to add Section 6361.3 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 546, as introduced, McClintock. Sales and use taxes: exemptions: 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, and provides various exemptions from that tax.

This bill would exempt from that tax the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, any textbook, as defined, purchased by a K-12 public school or school district, or an accredited private school, or sold to a student of an accredited private school or institution of higher education.

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 local agencies shall be reimbursed in the annual Budget Act for any sales and use tax revenues lost by them under this act.

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 6361.3 is added to the Revenue and  
2 Taxation Code, to read:  
3 6361.3. (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 of the  
6 following:  
7 (1) Any textbook purchased by a K-12 public school or school  
8 district.  
9 (2) Any textbook purchased by an accredited private school.  
10 (3) Any textbook sold by an accredited private school to a  
11 student of the accredited private school.  
12 (4) Any textbook purchased by a student at an institution of  
13 higher education or from an entity whose primary purpose is to  
14 provide textbooks to students attending institutions of higher  
15 education, for use as a learning resource in any course of study at  
16 that institution.  
17 (b) For purposes of this section, “textbook” means:  
18 (1) Any published material that is principally designed for use  
19 by a student at a K-12 public school or an accredited private school  
20 as a source of instructional material and includes, but is not limited  
21 to, any book or edition of a book, as so described, that is part of the  
22 teaching curriculum as determined by a K-12 public school  
23 teacher, public school district, accredited private school teacher, or  
24 accredited private school, and is used by a student or a teacher at  
25 a K-12 public school or accredited private school.  
26 (2) Any published material that is principally designed for use  
27 by a student at any institution of higher education as a source of  
28 instructional material, and includes, but is not limited to, any book  
29 or edition of a book, as so described, that is directed or  
30 recommended by an instructor at an institution of higher education  
31 to a student to purchase for use as a basis for a course of study at  
32 that institution.  
33 (3) The term “textbook” does not include books on audio tape,  
34 computer disc, cd-rom, or similar storage media, other than  
35 traditional printed textbooks.



1 (c) For purposes of this section, an “institution of higher  
2 education” means any public or private college or university that  
3 is nationally or regionally accredited or a postsecondary  
4 educational institution as defined in Section 66261.5 of the  
5 Education Code.

6 SEC. 2. Local agencies shall be reimbursed in the annual  
7 Budget Act for any sales and use tax revenues lost by them under  
8 this act.

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

