

Introduced by Senator Knight

February 23, 2001

An act to amend Section 6366.4 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1004, as introduced, Knight. Sales and use tax: exemptions: air force flight test center museum.

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, including an exemption for property purchased by specified nonprofit museums, provided the property is used exclusively for display within the museum.

This bill would include the Air Force Flight Test Center Museum as one of the nonprofit museums eligible for this exemption.

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 6366.4 of the Revenue and Taxation
2 Code is amended to read:
3 6366.4. (a) There are exempted from the taxes imposed by
4 this part the gross receipts from the sale of and the storage, use or
5 other consumption in this state of tangible personal property
6 purchased by a nonprofit museum regularly open to the public that
7 is operated by or for a local or state government entity, or operated
8 by a nonprofit organization which has qualified for exemption
9 pursuant to Section 23701d, provided the property is purchased
10 and used exclusively for display purposes within the museum.
11 (b) The exemption provided by this section extends only to
12 items that have value as museum pieces and does not extend to
13 display cases, shelving, lamps, lighting fixtures, or other items of
14 tangible personal property utilized in the operation of a museum.
15 However, the exemption does include sprung instant structures
16 used as temporary exhibit housing.
17 (c) For purposes of this section, a “museum” includes only any
18 of the following:
19 (1) A museum that has a significant portion of its space open
20 to the public without charge.
21 (2) A museum open to the public without charge for not less
22 than six hours during any month the museum is open to the public.
23 (3) A museum that is open to a segment of the student or adult
24 population without charge.
25 (d) This section applies only to the San Diego Aero-Space
26 Museum, ~~and~~ the California Science Center, *and the Air Force*
27 *Flight Test Center Museum.*
28 SEC. 2. Notwithstanding Section 2230 of the Revenue and
29 Taxation Code, no appropriation is made by this act and the state
30 shall not reimburse any local agency for any sales and use tax
31 revenues lost by it under this act.
32 SEC. 3. This act provides for a tax levy within the meaning of
33 Article IV of the Constitution and shall go into immediate effect.
34 However, the provisions of this act shall become operative on the



- 1 first day of the first calendar quarter commencing more than 90
- 2 days after the effective date of this act.

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