

ASSEMBLY BILL

No. 1890

Introduced by Assembly Member Berg

February 7, 2008

An act to add Section 6362 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1890, as introduced, Berg. Sales and use taxes: exemptions: volunteer fire departments.

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.

This bill would exempt from sales and use tax, the gross receipts from sales or purchases of specified fire equipment by a volunteer fire department, as defined.

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 6362 is added to the Revenue and
2 Taxation Code, to read:

3 6362. (a) 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, fire equipment purchased
6 by a volunteer fire department.

7 (b) For purposes of this section:

8 (1) "Volunteer fire department" means a fire department as
9 described in subdivision (b) of Section 213.7.

10 (2) "Fire equipment" includes, but is not limited to:

11 (A) Authorized emergency vehicles as defined in Section 165
12 of the Vehicle Code.

13 (B) Equipment and supplies purchased by a local fire department
14 and used in connection with official duties in response to
15 emergency conditions and for the protection of the public's health,
16 safety, and welfare.

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

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