

Introduced by Senator HollingsworthJanuary 29, 2007

An act to add Section 6399 to the Revenue and Taxation Code, relating to freeze relief, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 149, as introduced, Hollingsworth. Sales and use tax: exemptions: freeze relief.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale of, or the storage, use, or other consumption in this state of, tangible personal property, and provides various exemptions from that tax. Existing law authorizes cities, counties, and cities and counties to impose local sales and use taxes or transactions and use taxes, and provides that exemptions from state sales and use tax are incorporated into those local taxes.

This bill would exempt from the sales and use tax qualified freeze relief products, as defined, sold to a qualified person, as defined, for agricultural use. This bill makes findings with regard to the state of emergency declared by the Governor due to the extreme low temperatures and freezing conditions that commenced on January 11, 2007.

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.

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. The Legislature finds and declares all of the
2 following:

3 (a) Conditions of extreme peril to the safety of persons and
4 property exist throughout the state as a result of extreme low
5 temperatures and freezing conditions.

6 (b) Beginning on January 11, 2007, the Governor declared a
7 state of emergency due to those weather conditions, which are
8 ongoing.

9 (c) The National Weather Service is projecting extremely cold
10 weather for an extended period of time throughout California.

11 (d) Severe cold weather conditions have historically caused
12 substantial financial damage to the agricultural crops and to the
13 industry that supports agriculture and negatively impacted the
14 people who work in the agricultural industry both economically
15 and physically.

16 (e) Attempts to protect the agricultural harvest throughout the
17 state from harm because of the freezing conditions continue.

18 SEC. 2. Section 6399 is added to the Revenue and Taxation
19 Code, to read:

20 6399. (a) There are exempted from the taxes imposed by this
21 part, the gross receipts from the sale in this state of, and the storage,
22 use, or other consumption in this state of, qualified freeze relief
23 products sold to a qualified person.

24 (b) For purposes of this section:

25 (1) "Qualified freeze relief product" means natural gas and
26 gasoline.

27 (2) "Qualified person" means a person using qualified freeze
28 relief products for agricultural purposes.

29 SEC. 3. Notwithstanding Section 2230 of the Revenue and
30 Taxation Code, no appropriation is made by this act and the state

- 1 shall not reimburse any local agency for any sales and use tax
- 2 revenues lost by it under this act.
- 3 SEC. 4. This act provides for a tax levy within the meaning of
- 4 Article IV of the Constitution and shall go into immediate effect.

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