

**Introduced by Senator Dutton
(Principal coauthor: Senator Kehoe)**

February 21, 2008

An act to add Section 6363.4 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1450, as introduced, Dutton. Sales and use taxes: exemptions: thrift stores operated by nonprofit organizations on military installations.

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 sale of tangible personal property by a nonprofit organization that operates a thrift store on a military installation, whose purpose is to assist members of the Naval Services of the United States, and eligible family members and survivors.

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. Section 6363.4 is added to the Revenue and
2 Taxation Code, to read:

3 6363.4. (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, tangible personal
6 property sold by a thrift store located on a military installation and
7 operated by a nonprofit organization.(b) For purposes of this
8 section, “nonprofit organization” means an organization, exempt
9 from taxation under Section 23701d, that, in partnership with the
10 Navy and Marine Corps, provides financial, educational, and other
11 assistance to members of the Naval Services of the United States,
12 eligible family members, and survivors that are in need.

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

17 SEC. 3. This act provides for a tax levy within the meaning of
18 Article IV of the Constitution and shall go into immediate effect.