

**ASSEMBLY BILL**

**No. 1028**

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**Introduced by Assembly Member Blumenfield**

February 27, 2009

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An act to add and repeal Section 6398 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1028, as introduced, Blumenfield. Sales and use taxes: exemption: energy efficient products.

The Sales and Use Tax Law imposes a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property from a retailer for storage, use, or other consumption in this state.

Those laws provides various exemptions from those taxes.

This bill would also exempt from those taxes from January 1, 2010, to January 1, 2011, the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, qualified renewable energy systems, as defined.

The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes counties and cities to impose local sales and use taxes in conformity with the Sales and Use Tax Law, and the Transactions and Use Tax Law authorizes districts, as specified, to impose transactions and use taxes in conformity with the Sales and Use Tax Law.

Exemptions from state sales and use taxes enacted by the Legislature are incorporated into the those 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 6398 is added to the Revenue and  
2 Taxation Code, to read:

3 6398. (a) On and after January 1, 2010, there are exempted  
4 from the taxes imposed by this part, the gross receipts from the  
5 sale in this state of, and the storage, use, or other consumption in  
6 this state of, qualified renewable energy systems.

7 (b) For purposes of this section, “qualified renewable energy  
8 systems” means those systems deemed by the California Public  
9 Utilities Commission to be eligible solar electric equipment under  
10 the California Solar Initiative.

11 (c) This section shall remain in effect only until January 1, 2011,  
12 and as of that date is repealed, unless a later enacted statute, that  
13 is enacted before January 1, 2011, deletes or extends that date.

14 SEC. 2. It is the intent of the Legislature that, to the extent  
15 permissible under the law, the sum of ten million dollars  
16 (\$10,000,000) shall be provided for purposes of this act from the  
17 proceeds from the Attorney General’s settlement agreement with  
18 the Williams Energy Corporation entered into as of November 11,  
19 2002, received for energy efficient retrofitting projects.

20 SEC. 3. Notwithstanding Section 2230 of the Revenue and  
21 Taxation Code, no appropriation is made by this act and the state  
22 shall not reimburse any local agency for any sales and use tax  
23 revenues lost by it under this act.

24 SEC. 4. This act provides for a tax levy within the meaning of  
25 Article IV of the Constitution and shall go into immediate effect.

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