

Introduced by Committee on Veterans Affairs (Senators Denham (Chair), Cedillo, Correa, Maldonado, Negrete McLeod, Wiggins, and Wyland)

February 27, 2009

An act to add Section 6363.9 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 809, as introduced, Committee on Veterans Affairs. Sales and use taxes: exemption: veterans: itinerant vendors.

Existing law provides various benefits for a veteran, especially a disabled veteran, who has received an honorable discharge from service, including reduced fees for hunting and sport fishing licenses, passes to state park system facilities, and exemptions from city and county license fees and license taxes.

Existing law, 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 additionally exempt from that tax the sale of, or the storage, use, or other consumption of, any goods, wares, or merchandise, other than spirituous, malt, vinous or other intoxicating liquor, owned by a disabled, honorably discharged veteran who qualifies as a qualified itinerant vendor, as specified.

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 6363.9 is added to the Revenue and
2 Taxation Code, to read:

3 6363.9. (a) There are exempted from the taxes imposed by
4 this part the gross receipts from the sales of, and the storage, use
5 or other consumption in this state of, any goods, wares or
6 merchandise owned by a qualified itinerant vendor, except
7 spirituous, malt, vinous or other intoxicating liquor.

8 (b) For the purposes of this section, a person is a “qualified
9 itinerant vendor” when all of the following apply:

10 (1) The person was a member of the United States Armed
11 Forces, who has received an honorable discharge or a release from
12 active duty under honorable conditions.

13 (2) The person is unable to obtain a livelihood by manual labor
14 due to a service-connected disability.

15 (3) The person has no fixed place of business.

16 (4) The person is a sole proprietor.

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

- 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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