

Assembly Bill No. 686

CHAPTER 176

An act to amend Sections 7285, 7285.5, 7285.9, and 7285.91 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor August 4, 2011. Filed with
Secretary of State August 4, 2011.]

LEGISLATIVE COUNSEL'S DIGEST

AB 686, Huffman. Local sales and use taxes: transaction and use taxes.

Existing law authorizes the board of supervisors of a county and the governing body of a city to levy, increase, or extend a transactions and use tax at a rate of 0.25%, or a multiple thereof, if approved by the required vote of the board or governing body and the required vote of qualified voters.

This bill would instead authorize the levy, increase, or extension of a transactions and use tax at a rate of 0.125% or a multiple thereof.

The people of the State of California do enact as follows:

SECTION 1. Section 7285 of the Revenue and Taxation Code is amended to read:

7285. The board of supervisors of any county may levy, increase, or extend a transactions and use tax for general purposes at a rate of 0.125 percent or a multiple thereof, if the ordinance proposing that tax is approved by a two-thirds vote of all members of the board of supervisors and the tax is approved by a majority vote of the qualified voters of the county voting in an election on the issue. The board of supervisors may levy, increase, or extend more than one transaction and use tax under this section, if the adoption of each tax is in the manner prescribed in this section. The transactions and use tax shall conform to Part 1.6 (commencing with Section 7251).

SEC. 2. Section 7285.5 of the Revenue and Taxation Code is amended to read:

7285.5. (a) As an alternative to the procedure set forth in Section 7285, the board of supervisors of any county may levy, increase, or extend a transactions and use tax for specific purposes. The tax may be levied, increased, or extended at a rate of 0.125 percent, or a multiple thereof, for the purpose for which it is established, if all of the following requirements are met:

(1) The ordinance proposing that tax is approved by a two-thirds vote of all members of the board of supervisors and is subsequently approved by a

two-thirds vote of the qualified voters of the county voting in an election on the issue.

(2) The transactions and use tax conforms to the Transactions and Use Tax Law Part 1.6 (commencing with Section 7251).

(3) The ordinance includes an expenditure plan describing the specific projects for which the revenues from the tax may be expended.

(b) A county shall be deemed to be an authority for purposes of Chapter 1 (commencing with Section 55800) of Part 3 of Division 2 of Title 5 of the Government Code.

SEC. 3. Section 7285.9 of the Revenue and Taxation Code is amended to read:

7285.9. The governing body of any city may levy, increase, or extend a transactions and use tax for general purposes at a rate of 0.125 percent or a multiple thereof, if the ordinance proposing that tax is approved by a two-thirds vote of all members of that governing body and the tax is approved by a majority vote of the qualified voters of the city voting in an election on the issue. The governing body may levy, increase, or extend more than one transaction and use tax under this section, if the adoption of each tax is in the manner prescribed in this section. The transactions and use tax shall conform to Part 1.6 (commencing with Section 7251).

SEC. 4. Section 7285.91 of the Revenue and Taxation Code is amended to read:

7285.91. As an alternative to the procedure set forth in Section 7285.9, the governing body of any city may levy, increase, or extend a transactions and use tax for specific purposes. The tax may be levied, increased, or extended at a rate of 0.125 percent, or a multiple thereof, for the purpose for which it is established, if all of the following requirements are met:

(a) The ordinance proposing that tax is approved by a two-thirds vote of all members of the governing body and is subsequently approved by a two-thirds vote of the qualified voters of the city voting in an election on the issue.

(b) The transactions and use tax conforms to the Transactions and Use Tax Law Part 1.6 (commencing with Section 7251).

(c) The ordinance includes an expenditure plan describing the specific projects for which the revenues from the tax may be expended.