

AMENDED IN ASSEMBLY JANUARY 4, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 843

Introduced by Assembly Member Charles Calderon

February 17, 2011

An act to amend Section ~~23002~~ 6355 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 843, as amended, Charles Calderon. ~~Corporation taxes. State Board of Equalization: nonmonetized bullion and numismatic coins: adjustment date.~~

The Sales and Use Tax Law exempts from the sales and use taxes the gross receipts from the sales in bulk of monetized bullion, nonmonetized gold and silver bullion, and numismatic coins, and the storage, use, or other consumption of those bullion and coins, as provided, and requires the State Board of Equalization to adjust the initial bulk threshold amount on or before September 1.

This bill would change the adjustment date to October 1.

~~The Corporation Tax Law specifies that its provisions are applicable to specified taxes.~~

~~This bill would make technical, nonsubstantive changes to those specification provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

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

1 SECTION 1. Section 6355 of the Revenue and Taxation Code
2 is amended to read:

3 6355. (a) There are exempted from the taxes imposed by this
4 part the gross receipts from the sale in bulk of monetized bullion,
5 nonmonetized gold or silver bullion, and numismatic coins that
6 are substantially equivalent to transactions in securities or
7 commodities through a national securities or commodities exchange
8 and the storage, use, or other consumption in this state of monetized
9 bullion, nonmonetized gold or silver bullion, and numismatic coins
10 so sold.

11 (b) (1) A sale in bulk, for purposes of this section, shall be
12 deemed to have occurred if the amount of monetized bullion,
13 nonmonetized gold or silver bullion, and numismatic coins sold
14 in the transaction totals, in market value, the sum of one thousand
15 dollars (\$1,000) or more, or its equivalent.

16 (2) The board shall adjust the one thousand dollar (\$1,000)
17 amount specified in paragraph (1) as follows:

18 (A) On or before September 1, 1994, and on or before each
19 ~~September~~ *October* 1 of each year thereafter, the board shall
20 multiply the amount applicable for the current calendar year by
21 the inflation factor adjustment determined by the Franchise Tax
22 Board pursuant to subdivision (h) of Section 17041, the resulting
23 amount to be the applicable amount for the succeeding calendar
24 year. The applicable amount shall be operative as an adjustment
25 of the amount specified in paragraph (1) only when the applicable
26 amount computed is equal to or exceeds a new operative threshold,
27 as defined in subparagraph (C).

28 (B) When the applicable amount equals or exceeds an operative
29 threshold specified in subparagraph (C), the resulting applicable
30 amount, rounded to the nearest multiple of five hundred dollars
31 (\$500), shall be operative for purposes of paragraph (1) beginning
32 January 1 of the succeeding calendar year.

33 (C) For purposes of this paragraph, “operative threshold” means
34 an amount that exceeds by at least five hundred dollars (\$500), the
35 greater of either the amount specified in paragraph (1) or the
36 amount computed pursuant to subparagraphs (A) and (B) as the
37 operative adjustment to the amount specified in paragraph (1).

1 (c) “Monetized bullion,” for purposes of this section, means
2 coins or other forms of money manufactured of gold, silver, or
3 other metal and heretofore, now, or hereafter used as a medium of
4 exchange under the laws of this state, the United States, or any
5 foreign nation. “Monetized bullion,” for purposes of this section,
6 also means gold medallions struck under authority of the American
7 Arts Gold Medallion Act (Title IV of Public Law 95-630).

8 (d) A sale of monetized bullion, nonmonetized gold or silver
9 bullion, or numismatic coins, for purposes of this section, shall be
10 deemed to be substantially equivalent to a transaction in securities
11 or commodities through a national securities or commodities
12 exchange, if the sale is by or through a person registered pursuant
13 to the Commodity Exchange Act (7 U.S.C. Sec. 1 et seq.) or not
14 required to be registered under the Commodity Exchange Act.

15 ~~SECTION 1. Section 23002 of the Revenue and Taxation Code~~
16 ~~is amended to read:~~

17 ~~23002. Except where otherwise expressly provided, all~~
18 ~~provisions of this part are applicable to the taxes imposed~~
19 ~~respectively under Chapter 2 (commencing with Section 23101),~~
20 ~~Chapter 2.5 (commencing with Section 23400), or Chapter 3~~
21 ~~(commencing with Section 23501), or to the predecessor acts of~~
22 ~~this part, the Bank and Corporation Franchise Tax Act, or the~~
23 ~~Corporation Income Tax Act, respectively.~~