

ASSEMBLY BILL

No. 1595

Introduced by Assembly Member Cook

February 6, 2012

An act to amend Sections 6051 and 6201 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1595, as introduced, Cook. Sales and use taxes: rate reduction: unemployment rate.

Existing law imposes a state sales and use tax on retailers and on the storage, use, or other consumption of tangible personal property in this state at the rate of 6¼% of the gross receipts from the retail sale of tangible personal property in this state and of the sales price of tangible personal property purchased from any retailer for storage, use, or other consumption in this state.

This bill would, commencing on July 1, 2013, decrease the state sales and use tax rate by ½ of 1%. This bill would require the rate reduction to take effect only if the California unemployment rate average for the last 2 quarters of 2012 is 8% or higher, and would require the rate reduction to remain in effect only until the California unemployment rate is less than 8% for 3 consecutive quarters, as provided.

This bill would take effect immediately as a tax levy.

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

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

1 SECTION 1. Section 6051 of the Revenue and Taxation Code
2 is amended to read:

3 6051. (a) For the privilege of selling tangible personal property
4 at retail a tax is hereby imposed upon all retailers at the rate of $2\frac{1}{2}$
5 percent of the gross receipts of any retailer from the sale of all
6 tangible personal property sold at retail in this state on or after
7 August 1, 1933, and to and including June 30, 1935, and at the
8 rate of 3 percent thereafter, and at the rate of $2\frac{1}{2}$ percent on and
9 after July 1, 1943, and to and including June 30, 1949, and at the
10 rate of 3 percent on and after July 1, 1949, and to and including
11 July 31, 1967, and at the rate of 4 percent on and after August 1,
12 1967, and to and including June 30, 1972, and at the rate of $3\frac{3}{4}$
13 percent on and after July 1, 1972, and to and including June 30,
14 1973, and at the rate of $4\frac{3}{4}$ percent on and after July 1, 1973, and
15 to and including September 30, 1973, and at the rate of $3\frac{3}{4}$ percent
16 on and after October 1, 1973, and to and including March 31, 1974,
17 and at the rate of $4\frac{3}{4}$ percent thereafter.

18 (b) (1) *Notwithstanding subdivision (a), on and after July 1,*
19 *2013, the rate shall be $3\frac{1}{4}$ percent.*

20 (2) *The rate reduction required pursuant to paragraph (1) shall*
21 *only take effect if the California unemployment rate average for*
22 *the last two calendar quarters of 2012 is 8 percent or higher, and*
23 *shall remain in effect only until the end of the calendar quarter in*
24 *which the California unemployment rate is less than 8 percent for*
25 *three consecutive calendar quarters.*

26 SEC. 2. Section 6201 of the Revenue and Taxation Code is
27 amended to read:

28 6201. (a) An excise tax is hereby imposed on the storage, use,
29 or other consumption in this state of tangible personal property
30 purchased from any retailer on or after July 1, 1935, for storage,
31 use, or other consumption in this state at the rate of 3 percent of
32 the sales price of the property, and at the rate of $2\frac{1}{2}$ percent on
33 and after July 1, 1943, and to and including June 30, 1949, and at
34 the rate of 3 percent on and after July 1, 1949, and to and including
35 July 31, 1967, and at the rate of 4 percent on and after August 1,
36 1967, and to and including June 30, 1972, and at the rate of $3\frac{3}{4}$
37 percent on and after July 1, 1972, and to and including June 30,
38 1973, and at the rate of $4\frac{3}{4}$ percent on and after July 1, 1973, and

1 to and including September 30, 1973, and at the rate of $3\frac{3}{4}$ percent
2 on and after October 1, 1973, and to and including March 31, 1974,
3 and at the rate of $4\frac{3}{4}$ percent thereafter.

4 *(b) (1) Notwithstanding subdivision (a), on and after July 1,*
5 *2013, the rate shall be $3\frac{3}{4}$ percent.*

6 *(2) The rate reduction required pursuant to paragraph (1) shall*
7 *only take effect if the California unemployment rate average for*
8 *the last two calendar quarters of 2012 is 10 percent or higher,*
9 *and shall remain in effect only until the end of the calendar quarter*
10 *in which the California unemployment rate is less than 10 percent*
11 *for three consecutive calendar quarters.*

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

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