

ASSEMBLY BILL

No. 143

Introduced by Assembly Member Holden

January 17, 2013

An act to add Section 6412 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 143, as introduced, Holden. Use taxes: exemption: member of the Armed Forces: transfer orders.

The Sales and Use Tax Law imposes use taxes on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state, presumes tangible personal property purchased outside the state that is stored, used, or consumed in this state is purchased for use in this state and excludes from use taxes, tangible personal property purchased and used outside this state for specified periods of time. Existing law excludes from use taxes the storage, use, or other consumption of a vehicle purchased by a service member prior to receipt of official orders transferring him or her to this state, as provided.

This bill would exempt from use taxes the storage, use, or other consumption in this state of tangible personal property, other than a vehicle, vessel, or aircraft, purchased by a member of the Armed Forces of the United States on active duty who had received official orders transferring him or her to this state, or his or her spouse, as provided.

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

and Use Tax Law which conforms to the Sales and Use Tax Law. Exemptions from state sales and use taxes are incorporated into these laws. 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 6412 is added to the Revenue and
2 Taxation Code, to read:

3 6412. (a) The storage, use, or other consumption in this state
4 of qualified tangible personal property purchased by a member of
5 the Armed Forces of the United States on active duty who had
6 received official orders transferring him or her to this state, or his
7 or her spouse, is exempt from use tax if the qualified tangible
8 personal property is purchased prior to the report date on the
9 official orders and while the purchaser is outside this state.

10 (b) For purposes of this section, “tangible personal property”
11 means tangible personal property that is not a vehicle, vessel, or
12 aircraft.

13 SEC. 2. Notwithstanding Section 2230 of the Revenue and
14 Taxation Code, no appropriation is made by this act and the state
15 shall not reimburse any local agency for any sales and use tax
16 revenues lost by it under this act.

17 SEC. 3. This act provides for a tax levy within the meaning of
18 Article IV of the Constitution and shall go into immediate effect.
19 However, the provisions of this act shall become operative on the
20 first day of the first calendar quarter commencing more than 90
21 days after the effective date of this act.

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