

## Assembly Bill No. 143

### CHAPTER 687

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

[Approved by Governor October 10, 2013. Filed with  
Secretary of State October 10, 2013.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 143, Holden. Use taxes: exemption: Armed Forces: National Guard: 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, until January 1, 2019, 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 while outside this state by a qualified service member, as defined, or a qualified service member's spouse or registered domestic partner, prior to the report date on official orders transferring the qualified service member to this state.

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.

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

SECTION 1. Section 6412 is added to the Revenue and Taxation Code, to read:

6412. (a) The storage, use, or other consumption in this state of qualified tangible personal property purchased by a qualified service member or a qualified service member's spouse or registered domestic partner while outside the state and prior to the report date on official orders transferring the qualified service member to this state is exempt from use tax.

(b) For purposes of this section, all of the following shall apply:

(1) "Qualified service member" means a member of the Armed Forces of the United States on active duty, a member of reserve components of the Armed Forces of the United States on active duty, or a member of the National Guard on active duty.

(2) "Qualified tangible personal property" means tangible personal property other than a vehicle, vessel, or aircraft.

(3) "Registered domestic partner" means a person that meets the requirements of Section 297 of the Family Code, and includes a person in a union recognized as a valid domestic partnership as provided in Section 299.2 of the Family Code.

(c) This section shall remain in effect only until January 1, 2019, and as of that date is repealed.

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

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