

Introduced by Senator Hernandez

February 11, 2014

An act to amend Section 7205 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 983, as introduced, Hernandez. Local sales taxes: card lock fuel: place of sale.

The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes counties and cities to impose local sales and use taxes in conformity with the Sales and Use Tax Law. That law provides that for the purpose of a local sales tax adopted pursuant to that law, all retail sales are consummated at the place of business of the retailer unless otherwise specified.

This bill would instead provide that, in the case of a sale of fuel for card lock systems, the place at which the retail sale of card lock fuel is consummated is the point of delivery of fuel to the vehicle.

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 7205 of the Revenue and Taxation Code
- 2 is amended to read:
- 3 7205. (a) For the purpose of a sales tax imposed by an
- 4 ordinance adopted pursuant to this part, all retail sales are
- 5 consummated at the place of business of the retailer unless the
- 6 tangible personal property sold is delivered by the retailer or his
- 7 or her agent to an out-of-state destination or to a common carrier

1 for delivery to an out-of-state destination. The gross receipts from
2 those sales shall include delivery charges, when those charges are
3 subject to the state sales and use tax, regardless of the place to
4 which delivery is made.

5 (b) (1) In the event a retailer has no permanent place of business
6 in the state or has more than one place of business, the place or
7 places at which the retail sales are consummated for the purpose
8 of a sales tax imposed by an ordinance adopted pursuant to this
9 part shall, subject to paragraph (2), be determined under rules and
10 regulations to be prescribed and adopted by the board.

11 (2) In the case of a sale of jet fuel, the place at which the retail
12 sale of that jet fuel is consummated for the purpose of a sales tax
13 imposed by an ordinance adopted pursuant to this part is the point
14 of the delivery of that jet fuel to the aircraft.

15 (3) (A) *In the case of a sale of fuel for card lock systems, the*
16 *place at which the retail sale of card lock fuel is consummated for*
17 *the purpose of a sales tax imposed by an ordinance adopted*
18 *pursuant to this part is the point of delivery of fuel to the vehicle.*

19 (B) *“Card lock system” means a system where owners of*
20 *unattended card lock fueling stations form a network whereby*
21 *customers may purchase fuel at any of the network’s participating*
22 *fueling stations by use of a card issued to the customer, and where*
23 *prices are not posted at the pump and no receipt is given at the*
24 *time of delivery.*