

ASSEMBLY BILL

No. 8

Introduced by Assembly Members Chiu and Bloom

July 16, 2015

An act to amend, repeal, and add Sections 6051.8 and 6201.8 of the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 8, as introduced, Chiu. Diesel sales and use tax.

Existing law, beyond the sales and use tax rate generally applicable, imposes an additional sales and use tax on diesel fuel at the rate of 1.75%, subject to certain exemptions, and provides for the net revenues collected from the additional tax to be transferred to the Public Transportation Account. Existing law continuously appropriates these revenues to the Controller, for allocation by formula to transportation agencies for public transit purposes.

This bill, effective July 1, 2016, would increase the additional sales and use tax rate on diesel fuel to 5.25%. By increasing the revenues deposited in a continuously appropriated fund, the bill would thereby make an appropriation.

This bill would include a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of $\frac{2}{3}$ of the membership of each house of the Legislature.

This bill would take effect immediately as a tax levy.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Section 6051.8 of the Revenue and Taxation
 2 Code is amended to read:
 3 6051.8. (a) Except as provided by Section 6357.3, in addition
 4 to the taxes imposed by this part, for the privilege of selling
 5 tangible personal property at retail a tax is hereby imposed upon
 6 all retailers at the rate of 1.75 percent of the gross receipts of any
 7 retailer from the sale of all diesel fuel, as defined in Section 60022,
 8 sold at retail in this state on and after the operative date of this
 9 subdivision.
 10 (b) Notwithstanding subdivision (a), for the 2011–12 fiscal year
 11 only, the rate referenced in subdivision (a) shall be 1.87 percent.
 12 (c) Notwithstanding subdivision (a), for the 2012–13 fiscal year
 13 only, the rate referenced in subdivision (a) shall be 2.17 percent.
 14 (d) Notwithstanding subdivision (a), for the 2013–14 fiscal year
 15 only, the rate referenced in subdivision (a) shall be 1.94 percent.
 16 (e) Notwithstanding subdivision (b) of Section 7102, all of the
 17 revenues, less refunds, collected pursuant to this section shall be
 18 estimated by the State Board of Equalization, with the concurrence
 19 of the Department of Finance, and transferred quarterly to the
 20 Public Transportation Account in the State Transportation Fund
 21 for allocation pursuant to Section 99312.1 of the Public Utilities
 22 Code.
 23 ~~(f) Subdivisions (a) to (e), inclusive, shall become operative on~~
 24 ~~July 1, 2011.~~
 25 *(f) This section shall become inoperative on July 1, 2016, and,*
 26 *as of January 1, 2017, is repealed, unless a later enacted statute,*
 27 *that becomes operative on or before January 1, 2017, deletes or*
 28 *extends the dates on which it becomes inoperative and is repealed.*
 29 SEC. 2. Section 6051.8 is added to the Revenue and Taxation
 30 Code, to read:
 31 6051.8. (a) Except as provided by Section 6357.3, in addition
 32 to the taxes imposed by this part, for the privilege of selling
 33 tangible personal property at retail a tax is hereby imposed upon
 34 all retailers at the rate of 5.25 percent of the gross receipts of any
 35 retailer from the sale of all diesel fuel, as defined in Section 60022,
 36 sold at retail in this state.
 37 (b) Notwithstanding subdivision (b) of Section 7102, all of the
 38 revenues, less refunds, collected pursuant to this section shall be

1 estimated by the State Board of Equalization, with the concurrence
2 of the Department of Finance, and transferred quarterly to the
3 Public Transportation Account in the State Transportation Fund
4 for allocation pursuant to Section 99312.1 of the Public Utilities
5 Code.

6 (c) This section shall become operative on July 1, 2016.

7 SEC. 3. Section 6201.8 of the Revenue and Taxation Code is
8 amended to read:

9 6201.8. (a) Except as provided by Section 6357.3, in addition
10 to the taxes imposed by this part, an excise tax is hereby imposed
11 on the storage, use, or other consumption in this state of diesel
12 fuel, as defined in Section 60022, at the rate of 1.75 percent of the
13 sales price of the diesel fuel on and after the operative date of this
14 subdivision.

15 (b) Notwithstanding subdivision (a), for the 2011–12 fiscal year
16 only, the rate referenced in subdivision (a) shall be 1.87 percent.

17 (c) Notwithstanding subdivision (a), for the 2012–13 fiscal year
18 only, the rate referenced in subdivision (a) shall be 2.17 percent.

19 (d) Notwithstanding subdivision (a), for the 2013–14 fiscal year
20 only, the rate referenced in subdivision (a) shall be 1.94 percent.

21 (e) Notwithstanding subdivision (b) of Section 7102, all of the
22 revenues, less refunds, collected pursuant to this section shall be
23 estimated by the State Board of Equalization, with the concurrence
24 of the Department of Finance, and transferred quarterly to the
25 Public Transportation Account in the State Transportation Fund
26 for allocation pursuant to Section 99312.1 of the Public Utilities
27 Code.

28 ~~(f) Subdivisions (a) to (e), inclusive, shall become operative on~~
29 ~~July 1, 2011.~~

30 *(f) This section shall become inoperative on July 1, 2016, and,*
31 *as of January 1, 2017, is repealed, unless a later enacted statute,*
32 *that becomes operative on or before January 1, 2017, deletes or*
33 *extends the dates on which it becomes inoperative and is repealed.*

34 SEC. 4. Section 6201.8 is added to the Revenue and Taxation
35 Code, to read:

36 6201.8. (a) Except as provided by Section 6357.3, in addition
37 to the taxes imposed by this part, an excise tax is hereby imposed
38 on the storage, use, or other consumption in this state of diesel
39 fuel, as defined in Section 60022, at the rate of 5.25 percent of the
40 sales price of the diesel fuel.

1 (b) Notwithstanding subdivision (b) of Section 7102, all of the
2 revenues, less refunds, collected pursuant to this section shall be
3 estimated by the State Board of Equalization, with the concurrence
4 of the Department of Finance, and transferred quarterly to the
5 Public Transportation Account in the State Transportation Fund
6 for allocation pursuant to Section 99312.1 of the Public Utilities
7 Code.
8 (c) This section shall become operative on July 1, 2016.
9 SEC. 5. This act provides for a tax levy within the meaning of
10 Article IV of the Constitution and shall go into immediate effect.

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