

ASSEMBLY BILL

No. 88

Introduced by Assembly Member Gomez
(Coauthor: Senator Hall)

January 7, 2015

An act to add Section 6371.5 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 88, as introduced, Gomez. Sales and use taxes: exemption: energy or water efficient home appliances.

(1) Existing sales and use tax laws impose a tax on retailers measured by the gross receipts from their sales of tangible personal property sold at retail in this state, or on the storage, use, or other consumption of tangible personal property purchased from a retailer for storage, use, or other consumption in this state, and specify certain exemptions from the amount of tax imposed.

This bill would exempt from these taxes the gross receipts from the sale of, and the storage, use, or other consumption in this state of, an energy or water efficient home appliance purchased by a public utility that is provided at no cost to a low-income participant in a federal, state, or ratepayer-funded energy efficiency program for use by that low-income participant in the energy efficiency program.

(2) 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, and existing law authorizes districts, as specified, to impose transactions and use taxes in accordance with the Transactions and Use Tax Law, which conforms to the Sales

and Use Tax Law. Amendments to 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 any local agencies for sales and use tax revenues lost by them pursuant to this bill.

(3) 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 6371.5 is added to the Revenue and
2 Taxation Code, to read:

3 6371.5. (a) There are exempted from the taxes imposed by
4 this part the gross receipts from the sale of, and the storage and
5 use of, or other consumption in this state of an energy or water
6 efficient home appliance purchased by a public utility that is
7 provided at no cost to a low-income participant in a federal, state,
8 or ratepayer-funded energy efficiency program for use by that
9 low-income participant in the energy efficiency program.

10 (b) For purposes of this section:

11 (1) “Energy or water efficient home appliance” means an
12 appliance that meets performance requirements under the ENERGY
13 STAR program, established pursuant to Section 6294a of Title 42
14 of the United States Code, or a similarly labeled refrigerator,
15 dishwasher, washer, dryer, or other appliance with a Tier I
16 equivalent or better energy efficiency rating.

17 (2) “Low-income participant” means any person who is, or who
18 is residing in a home with a person who is, a recipient of Medi-Cal,
19 CalFresh, CalWORKs, Supplemental Security Income, Women,
20 Infant, and Children Nutrition Supplement, Low-Income Home
21 Energy Assistance Program, State Utility Assistance Supplement,
22 or some other state or federal means tested program or is able to
23 certify that their gross income, not including any amount of food
24 assistance, is less than 200 percent of the federal poverty
25 guidelines.

1 (3) “Public utility” means an entity defined in Section 216 or
2 224.3 of the Public Utilities Code.

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

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

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