

Assembly Bill No. 88

Passed the Assembly September 2, 2015

Chief Clerk of the Assembly

Passed the Senate September 1, 2015

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2015, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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

LEGISLATIVE COUNSEL’S DIGEST

AB 88, 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, until January 1, 2021, 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 or water efficiency program for use by that low-income participant in the energy efficiency program. The bill would define terms for its purposes.

(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 generally in accordance with the Transactions and Use Tax Law, which generally 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, but its operative date would depend on its effective date.

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

SECTION 1. Section 6371.5 is added to the Revenue and Taxation Code, to read:

6371.5. (a) (1) There are exempted from the taxes imposed by this part the gross receipts from the sale of, and the storage and use of, 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 or water efficiency program for use by that low-income participant in the energy or water efficiency program.

(2) Any amounts that would have been paid as sales tax reimbursement or use tax by the public utility but for the exemption provided by paragraph (1) shall be used by the public utility to purchase additional energy or water efficient home appliances to be provided at no cost to low-income participants in the energy or water efficiency program.

(b) For purposes of this section:

(1) “Energy or water efficient home appliance” means a refrigerator or clothes washer that meets performance requirements under the ENERGY STAR program, established pursuant to Section 6294a of Title 42 of the United States Code.

(2) “Low-income participant” means a person who is a participant in the California Public Utilities Commission’s Energy Savings Assistance Program (ESAP), or a similar energy or water efficiency program, provided by a public utility with income guidelines that do not exceed the income guidelines for ESAP participants.

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

(c) It is the intent of the Legislature that no inference be drawn in connection with the addition of the sales and use tax exemption made by this act to events occurring before the passage of this act.

(d) This section shall remain in effect only until January 1, 2021, 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.

Approved _____, 2015

Governor