

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 737

Introduced by Assembly Member Roger Hernández

February 25, 2015

An act to amend Section ~~202~~ 6066.3 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 737, as amended, Roger Hernández. ~~Property taxation: exempt property. Sales and use taxes: seller's permit: determinations.~~

Existing law requires every person who seeks to conduct business as a seller of tangible personal property within the state to file an application for a permit with the State Board of Equalization for each place of business, as provided. Existing law authorizes a city, county, or city and county to collect information from persons seeking to engage in the business of selling tangible personal property in that jurisdiction and requires that collected information to be transmitted to the board, as provided, to be used as the preliminary application for a seller's permit. Existing law requires the board to issue a determination regarding the issuance of a seller's permit, if a determination can be made based on the information submitted, within 30 days of receipt of the information.

This bill would increase the amount of time the board has to make that determination from 30 days to 35 days within receipt of the information.

~~Existing property tax law exempts from property taxation, property used for free public libraries and free museums.~~

~~This bill would make nonsubstantive changes to that provision.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

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

1 SECTION 1. Section 6066.3 of the Revenue and Taxation Code
2 is amended to read:

3 6066.3. (a) A city, county, or city and county may collect
4 information from persons desiring to engage in business in that
5 jurisdiction for the purposes of selling tangible personal property
6 under this part and shall transmit that information to the board.
7 The information shall be provided to the board in a format to be
8 determined by the board after consulting with the League of
9 California Cities and the California State Association of Counties.

10 (b) The information submitted to the board under subdivision
11 (a) shall serve as all of the following:

- 12 (1) The preliminary application for a seller’s permit.
- 13 (2) Notification to the board by the city, county, or city and
14 county of a person desiring to engage in the business of selling of
15 tangible personal property in that jurisdiction.
- 16 (3) Notice to the board for purposes of redistribution under
17 Section 7209.

18 (c) The board shall issue a determination regarding issuance of
19 a seller’s permit and receipt of notification for purposes of
20 paragraphs (2) and (3) of subdivision (b). The board shall provide
21 a copy of that determination and receipt of notification to the city,
22 county, or city and county from which the board has received
23 information under subdivision (a). The board shall make its
24 determination as follows:

- 25 (1) For persons for whom a determination can be made based
26 on the information submitted, the determination shall be issued
27 within ~~30~~ 35 days of receipt of the information.
- 28 (2) For persons for whom additional information is required
29 before a determination can be made, the determination shall be
30 issued within 120 days of receipt of the information.

31 (d) The board shall, after consulting with the League of
32 California Cities and the California State Association of Counties,
33 adopt standardized data addressing and naming conventions that
34 are compatible with local jurisdiction conventions for new
35 registrants and, to the extent possible, for current accounts.

1 (e) A city, county, or city and county may not charge applicants
2 a fee for collecting and transmitting information pursuant to this
3 section.

4 SECTION 1. ~~Section 202 of the Revenue and Taxation Code~~
5 ~~is amended to read:~~

6 202. ~~(a) The exemption of the following property is as~~
7 ~~specified in subdivisions (a), (b), (d), and (h) of Section 3 of Article~~
8 ~~XIII of the Constitution, except as otherwise provided in~~
9 ~~subdivision (a) of Section 11 thereof:~~

- 10 (1) ~~Growing crops.~~
- 11 (2) ~~Property used for public libraries and museums that are free.~~
- 12 (3) ~~Property used exclusively for public schools, community~~
13 ~~colleges, state colleges, and state universities, including the~~
14 ~~University of California.~~
- 15 (4) ~~Property belonging to this state, a county, or a city. Property~~
16 ~~belonging to the State Compensation Insurance Fund is not~~
17 ~~property belonging to this state.~~

18 (b) ~~The exemption described in paragraph (3) of subdivision~~
19 ~~(a) shall apply to off-campus facilities owned or leased by an~~
20 ~~apprenticeship program sponsor, if such facilities are used~~
21 ~~exclusively by the public schools for classes of related and~~
22 ~~supplemental instruction for apprentices or trainees which are~~
23 ~~conducted by the public schools under Chapter 4 (commencing~~
24 ~~with Section 3070) of Division 3 of the Labor Code.~~

25 (e) ~~Without prejudice to the right to assert an exemption~~
26 ~~otherwise available under subdivision (a), (d), or (e) of Section 3~~
27 ~~of Article XIII of the Constitution, a property tax under this~~
28 ~~division shall be imposed upon that portion of the bookstore~~
29 ~~property determined to be generating the unrelated business taxable~~
30 ~~income, as defined in Section 512 of the Internal Revenue Code,~~
31 ~~to the extent property is:~~

- 32 (1) ~~Owned by an educational institution of collegiate grade or~~
33 ~~used by a nonprofit corporation operating a student bookstore~~
34 ~~affiliated with such an educational institution, and~~
- 35 (2) ~~Is primarily devoted to bookstore use that produces income~~
36 ~~that is taxable as unrelated business taxable income.~~

37 ~~This tax shall be determined by establishing a ratio of the~~
38 ~~unrelated business taxable income to the bookstore's gross income~~
39 ~~as defined by the Internal Revenue Code. That percent shall be the~~

1 ~~maximum percentage of such bookstore property on which a~~
2 ~~property tax can be levied.~~
3 ~~At the end of a fiscal year when unrelated business income has~~
4 ~~been generated, the nonprofit organization shall file with the~~
5 ~~assessor copies of the organization's most recent tax return filed~~
6 ~~with the Internal Revenue Service.~~

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