

ASSEMBLY BILL

No. 945

Introduced by Assembly Member Ting

February 26, 2015

An act to add and repeal Section 6377 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 945, as introduced, Ting. Sales and use taxes: exemption: low-emission vehicles.

Existing sales and use tax laws impose a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for the storage, use, or other consumption in this state, and provides various exemptions from those taxes.

The bill would, until January 1, 2020, provide either a partial exemption or a partial exclusion from those taxes with respect to the sale of specified low-emission vehicles, as provided.

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.

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 6377 is added to the Revenue and
2 Taxation Code, to read:

3 6377. (a) There are exempted from the taxes imposed by this
4 part the greater of either of the following:

5 (1) The gross receipts from the sale of, and the storage and use
6 of, or other consumption in this state of, any vehicle, as specified
7 in paragraphs (1) or (3) of subdivision (a) of Section 5205.5 of the
8 Vehicle Code, or any successor to those provisions, or advanced
9 technology medium and heavy duty vehicles that are eligible for
10 the California Hybrid and Zero-Emission Truck and Bus Voucher
11 Incentive Project funded under the Air Quality Improvement
12 Program at the State Air Resources Board or the Natural Gas and
13 Propane Vehicle Buydown program funded by the Alternative and
14 Renewable Fuel and Vehicle Technology Program at the California
15 Energy Commission, which exemption shall not include any tax
16 levied by a county, city, or district pursuant to, or in accordance
17 with, either the Bradley-Burns Uniform Local Sales and Use Tax
18 Law (Part 1.5 (commencing with Section 7200)) or the
19 Transactions and Use Tax Law (Part 1.6 (commencing with Section
20 7251)) of those laws.

21 (2) The gross receipts measured by the value of a motor vehicle
22 traded in for a vehicle described in paragraph (1) or (3) of
23 subdivision (a) of Section 5205.5 of the Vehicle Code, or any
24 successor to those provisions, or advanced technology medium
25 and heavy duty vehicles that are eligible for the California Hybrid
26 and Zero-Emission Truck and Bus Voucher Incentive Project
27 funded under the Air Quality Improvement Program at the State
28 Air Resources Board or the Natural Gas and Propane Vehicle
29 Buydown program funded by the Alternative and Renewable Fuel
30 and Vehicle Technology Program at the California Energy

1 Commission, if the value of the trade-in motor vehicle is separately
2 stated on the new motor vehicle invoice or bill of sale or similar
3 document provided to the purchaser.

4 (b) Notwithstanding subdivision (a), the exemption established
5 by this section shall not apply with respect to any tax levied
6 pursuant to Section 6051.2 or 6201.2, pursuant to Section 35 of
7 Article XIII of the California Constitution, or any tax levied
8 pursuant to Section 6051 or 6201 that is deposited in the State
9 Treasury to the credit of the Local Revenue Fund 2011 pursuant
10 to Section 6051.15 or 6201.15.

11 (c) This section shall remain in effect only until January 1,
12 2020, and as of that date is repealed, unless a later enacted statute,
13 that is enacted before January 1, 2020, deletes or extends that date.

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

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