

ASSEMBLY BILL

No. 1895

Introduced by Assembly Member Brough

February 11, 2016

An act to amend Section 7261 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1895, as introduced, Brough. Transactions and use taxes.

Under existing law, cities and counties, upon compliance with applicable voting requirements, may levy, increase, or extend a transactions (sales) and use tax that conforms to the procedures and requirements of the Transactions and Use Tax Law. A district, if authorized by law, similarly may impose that tax.

This bill would make a nonsubstantive change to a provision of the Transactions and Use Tax law.

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

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

- 1 SECTION 1. Section 7261 of the Revenue and Taxation Code
- 2 is amended to read:
- 3 7261. The transactions tax portion of any transactions and use
- 4 taxes ordinance adopted under this part shall be imposed for the
- 5 privilege of selling tangible personal property at retail, and shall
- 6 include provisions in substance as follows:
- 7 (a) A provision imposing a tax for the privilege of selling
- 8 tangible personal property at retail upon every retailer in the district

1 at a rate of one-eighth of 1 percent, or a multiple thereof, of the
2 gross receipts of the retailer from the sale of all tangible personal
3 property sold by that person at retail in the district.

4 (b) Provisions identical to those contained in Part 1
5 (commencing with Section 6001), insofar as they relate to sales
6 taxes and are not inconsistent with this part, except that the name
7 of the district as the taxing agency shall be substituted for that of
8 the state and that an additional transactor's permit shall not be
9 required if a seller's permit has been or is issued to the transactor
10 under Section 6067.

11 (c) A provision that all amendments ~~subsequent to~~ *after* the
12 effective date of this part to Part 1 (commencing with Section
13 6001) relating to sales tax and not inconsistent with this part shall
14 automatically become a part of the transactions and use taxes
15 ordinance. However, no amendment shall operate so as to affect
16 the rate of tax imposed by the district's board.

17 (d) A provision that the amount subject to tax shall not include
18 the amount of sales tax or use tax imposed by the State of
19 California or by any city, city and county, or county pursuant to
20 the Bradley-Burns Uniform Local Sales and Use Tax Law, or the
21 amount of any state-administered transactions or use tax.

22 (e) A provision that there are exempted from the tax the gross
23 receipts from the sale of tangible personal property, other than fuel
24 or petroleum products, to operators of aircraft to be used or
25 consumed principally outside the county in which the sale is made
26 and directly and exclusively in the use of the aircraft as common
27 carriers of persons or property under the authority of the laws of
28 this state, the United States, or any foreign government.

29 (f) A provision that sales of property to be used outside the
30 district which are shipped to a point outside the district, pursuant
31 to the contract of sale, by delivery to that point by the retailer or
32 his or her agent, or by delivery by the retailer to a carrier for
33 shipment to a consignee at such point, are exempt from the tax.

34 For purposes of this section, "delivery" of vehicles subject to
35 registration pursuant to Chapter 1 (commencing with Section 4000)
36 of Division 3 of the Vehicle Code, aircraft licensed in compliance
37 with Section 21411 of the Public Utilities Code, and undocumented
38 vessels registered under Division 3.5 (commencing with Section
39 9840) of the Vehicle Code shall be satisfied by registration to an
40 out-of-district address and by a declaration under penalty of

1 perjury, signed by the buyer, stating that the address is, in fact, his
2 or her principal place of residence.

3 “Delivery” of commercial vehicles shall be satisfied by
4 registration to a place of business out of district and a declaration
5 under penalty of perjury, signed by the buyer, that the vehicle will
6 be operated from that address.

7 (g) A provision that the sale of tangible personal property is
8 exempt from tax if the seller is obligated to furnish the property
9 for a fixed price pursuant to a contract entered into prior to the
10 operative date of the ordinance. A lease of tangible personal
11 property which is a continuing sale of that property is exempt from
12 tax for any period of time for which the lessor is obligated to lease
13 the property for an amount fixed by the lease prior to the operative
14 date of the ordinance. For the purposes of this subdivision, the sale
15 or lease of tangible personal property shall be deemed not to be
16 obligated pursuant to a contract or lease for any period of time for
17 which any party to the contract or lease has the unconditional right
18 to terminate the contract or lease upon notice, whether or not that
19 right is exercised.