california legislature—2015–16 regular session

ASSEMBLY BILL No. 2675

Introduced by Assembly Member Chiu

February 19, 2016

An act to add Section 6012.10 to, and to add and repeal Sections 17053.61 and 23661 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

legislative counsel's digest

AB 2675, as introduced, Chiu. Sales and use tax exclusion: income taxes credits: electric vehicle infrastructure.

(1) Existing sales and use tax laws impose taxes 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 storage, use, or other consumption in this state, measured by sales price. The Sales and Use Tax Law defines the terms "gross receipts" and "sales price."

This bill, on and after January 1, 2017, and before January 1, 2020, would exclude from the terms "gross receipts" and "sales price" 10 percent of the gross receipts or sales price of electric vehicle infrastructure, as defined, that is sold, stored, used, or consumed in this state prior to January 1, 2020. The bill would limit this exclusion to that amount of gross receipts or sales price that does not exceed $400,000.

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. Exemptions from state sales and use taxes are incorporated into these laws.

This bill would specify that this exclusion does not apply to local sales and use taxes or transactions and use taxes.

(2) The Personal Income Tax Law and the Corporation Tax Law allow various credits against the taxes imposed by those laws.

This bill would allow a credit against those taxes for each taxable year beginning on or after January 1, 2017, and before January 1, 2020, in an amount equal to 10% of the costs paid or incurred by the taxpayer for the purchase of electric vehicle infrastructure, as defined, during the taxable year, not to exceed $2,500, as specified.

(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:

SECTION 1. Section 6012.10 is added to the Revenue and Taxation Code, to read:

6012.10. (a) On and after January 1, 2017, and before January 1, 2020, and except as provided in paragraph (3) of subdivision (b), for the purposes of this part, “gross receipts” and “sales price” shall not include 10 percent of the qualified gross receipts or qualified sales price of electric vehicle infrastructure sold, stored, used, or consumed in this state.

(b) As used in this section, the following definitions shall apply:

(1) “Electric vehicle infrastructure” means structures, machinery, and equipment necessary and integral to support an electric vehicle, including battery charging stations, battery exchange stations, and rapid charging stations.

(2) “Rapid charging station” means an industrial grade electrical outlet that allows for faster charging of electric vehicle batteries through higher power levels, which meets or exceeds any existing standards, codes, or regulations in effect at the time of purchase.

(3) “Qualified gross receipts” and “qualified sales price” mean that amount of gross receipts or sales price that does not exceed four hundred thousand dollars ($400,000).

(c) Notwithstanding any provision of the Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with Section

7200)) or the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)), the exclusion established by this section shall not apply with respect to any tax levied by a county, city, or district pursuant to, or in accordance with, either of those laws.

SEC. 2. Section 17053.61 is added to the Revenue and Taxation Code, to read:

17053.61. (a) For each taxable year beginning on or after January 1, 2017, and before January 1, 2020, there shall be allowed a credit against the “net tax,” as defined in Section 17039, for the taxable year in an amount equal to 10 percent of the amount paid or incurred by the taxpayer for the acquisition of electric vehicle infrastructure during the taxable year, not to exceed two thousand five hundred dollars ($2,500).

(b) For the purposes of this section, the term “electric vehicle infrastructure” has the same meaning as specified in Section 6012.10.

(c) In the case where the credit allowed by this section exceeds the “net tax,” the excess may be carried over to reduce the “net tax” in the following year, and the succeeding three years, if necessary, until the credit is exhausted.

(d) The Franchise Tax Board may prescribe rules, guidelines, or procedures necessary or appropriate to carry out the purposes of this section. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any rule, guideline, or procedure prescribed by the Franchise Tax Board pursuant to this section.

(e) Section 41 does not apply to the credit allowed by this section.

(f) This section shall remain in effect only until December 1, 2020, and as of that date is repealed.

SEC. 3. Section 23661 is added to the Revenue and Taxation Code, to read:

23661. (a) For each taxable year beginning on or after January 1, 2017, and before January 1, 2020, there shall be allowed a credit against the “tax,” as defined in Section 23036, for the taxable year in an amount equal to 10 percent of the amount paid or incurred by the taxpayer for the acquisition of electric vehicle infrastructure during the taxable year, not to exceed two thousand five hundred dollars ($2,500).

(b) For the purposes of this section, the term "electric vehicle infrastructure" has the same meaning as specified in Section 6012.10.

(c) In the case where the credit allowed by this section exceeds the "tax," the excess may be carried over to reduce the "tax" in the following year, and the succeeding three years, if necessary, until the credit is exhausted.

(d) The Franchise Tax Board may prescribe rules, guidelines, or procedures necessary or appropriate to carry out the purposes of this section. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any rule, guideline, or procedure prescribed by the Franchise Tax Board pursuant to this section.

(e) Section 41 does not apply to the credit allowed by this section.

(f) This section shall remain in effect only until December 1, 2020, and as of that date is repealed.

SEC. 4. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

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