

AMENDED IN SENATE APRIL 15, 2015

**SENATE BILL**

**No. 598**

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**Introduced by Senator Hill**

February 27, 2015

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An act to add *and repeal* Section 6018.10 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 598, as amended, Hill. Sales and use taxes: consumer designation: all volunteer fire department.

The Sales and Use Tax Law, among other things, imposes a tax on retailers measured by the gross receipts from their sales of tangible personal property sold at retail in this state, and specifies that certain sellers of tangible personal property are consumers, and not retailers, of the tangible personal property they sell.

This bill would provide, *until January 1, 2026*, that an all volunteer fire department, as defined, is a consumer, and not a retailer, of all tangible personal property sold by it, if the profits are used solely and exclusively in furtherance of the purposes of the all volunteer fire department, *subject to specified limitations*, so that the retail sale subject to tax is the sale of tangible personal property to the all volunteer fire department.

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 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 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, but its operative date would depend on its effective date.

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 6018.10 is added to the Revenue and  
2 Taxation Code, to read:

3 6018.10. (a) An all volunteer fire department is a consumer  
4 of, and shall not be considered a retailer within the provisions of  
5 this part of all tangible personal property sold by it, including, but  
6 not limited to, hot prepared food products and clothing, if the  
7 profits are used solely and exclusively in furtherance of the  
8 purposes of the all volunteer fire department.

9 (b) For purposes of this section, an “all volunteer fire  
10 department” means an organization that meets all of the following  
11 requirements:

12 (1) All members shall not be paid a regular salary, but may be  
13 compensated on an hourly or per incident basis.

14 (2) The purpose of the organization is to protect the lives,  
15 property, and environment within a designated geographical area  
16 from fires, disasters, and emergency incidents through education,  
17 prevention, training, and emergency response.

18 (3) Is regularly organized for volunteer fire department purposes  
19 that qualifies as an exempt organization, either under Section  
20 23701d or 23701f of this code or under Section 501(c)(3) or  
21 501(c)(4) of the Internal Revenue Code, having official recognition  
22 and full or partial support of the government of the county, city,  
23 or district in which the volunteer fire department is located, and  
24 that has functions having an exclusive connection with the  
25 prevention and extinguishing of fires within the area of the county,  
26 city, or district extending official recognition for the benefit of the

1 public generally and to lessen the burdens of the entity of  
2 government which would otherwise be obligated to furnish that  
3 fire protection.

4 *(c) This section shall not apply if an all volunteer fire*  
5 *department, in each of the two preceding calendar years, has*  
6 *receipts from the sale of tangible personal property of one hundred*  
7 *thousand dollars (\$100,000) or more.*

8 *(d) This section shall remain in effect only until January, 1,*  
9 *2026, and as of that date is repealed.*

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

14 SEC. 3. This act provides for a tax levy within the meaning of  
15 Article IV of the Constitution and shall go into immediate effect.  
16 However, the provisions of this act shall become operative on the  
17 first day of the first calendar quarter commencing more than 90  
18 days after the effective date of this act.