

**Introduced by Senator Wieckowski
(Coauthor: Senator Hill)**

February 27, 2015

An act to add Section 6388.6 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 680, as introduced, Wieckowski. Sales taxes: exemption: motor 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.

This bill would provide an exemption from the sales tax for qualified new motor vehicles, as defined, and qualified accessories, as defined, that are purchased in California for permanent use outside this state, 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 6388.6 is added to the Revenue and
2 Taxation Code, to read:

3 6388.6. (a) There are exempted from the computation of the
4 amount of sales tax the gross receipts from the sale of any qualified
5 new motor vehicle and qualified accessories sold to a person for
6 permanent use outside this state, provided all of the following
7 conditions are met:

8 (1) The qualified new motor vehicle is moved to a point outside
9 of this state within 30 days from the date of purchase.

10 (2) A one-trip permit for driving or moving the qualified new
11 motor vehicle to a point outside of this state pursuant to Section
12 4003 of the Vehicle Code is obtained.

13 (3) The purchaser provides the retailer at time of purchase with
14 an exemption certificate as provided in Section 6421.

15 (b) The exemption certificate shall identify the vehicle, seller,
16 and purchaser, state that the vehicle will be removed from this
17 state within 30 days of the date of purchase, and state that the
18 vehicle will be licensed and registered outside this state for
19 permanent use outside this state.

20 (c) For purposes of this section:

21 (1) "Permanent use outside this state" means that the qualified
22 new motor vehicle is licensed, registered, and used outside this
23 state and the qualified new motor vehicle and qualified accessories
24 do not return to this state within 12 months from the date of
25 purchase.

26 (2) "Qualified accessories" means tangible personal property
27 that is affixed or attached to, or sold with, the qualified new motor
28 vehicle, a power source for the qualified new vehicle, or other
29 accessories commonly sold with a new motor vehicle that are sold
30 together with the qualified new motor vehicle.

1 (3) “Qualified new motor vehicle” means a motor vehicle as
2 described in subdivision (a) of Section 415 of the Vehicle Code
3 that has not previously been sold.

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

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

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