

AMENDED IN SENATE MAY 4, 2016

**SENATE BILL**

**No. 1210**

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**Introduced by Senator Gaines**

February 18, 2016

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An act to add Section 6370.1 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1210, as amended, Gaines. Sales and use taxes: exemption: school supplies.

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 storage, use, or other consumption in this state. Existing law provides various exemptions from the taxes imposed by those laws.

This bill would provide an exemption from those taxes for the gross receipts from the sale of, and the storage, use, or other consumption of, clothing, footwear, school supplies, books, computers, and ~~education~~ *educational* computer software, *subject to specified limits*, during a specified 2-day period in August of each year, commencing in 2017.

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 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 exemption does not apply to local sales and use taxes, transactions and use taxes, and specified state taxes from which revenues are deposited into the Local Public Safety Fund, the Local Revenue Fund, the Local Revenue Fund 2011, the ~~State's~~ *state's* Education Protection Account, or the Fiscal Recovery Fund.

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 6370.1 is added to the Revenue and  
 2 Taxation Code, to read:  
 3 6370.1. (a) In 2017 and each calendar year thereafter, for the  
 4 two-day period beginning at 12:01 a.m. on the second Saturday  
 5 of August and ending at 11:59 p.m. on the following day, there  
 6 are exempted from the taxes imposed by this part the gross receipts  
 7 from the sale of, and the storage, use, or other consumption in this  
 8 state of, ~~clothing, footwear, school supplies, books, computers,~~  
 9 ~~and educational computer software~~ *qualified tangible personal*  
 10 *property* if that sale is transacted at the retailer's physical place of  
 11 business.  
 12 (b) *For purposes of this section, the following terms have the*  
 13 *following meanings:*  
 14 (1) *"Qualified tangible personal property" means all of the*  
 15 *following:*  
 16 (A) *Clothing, if the gross receipts or sales price from the sale*  
 17 *or purchase of the clothing is one hundred dollars (\$100) or less.*  
 18 (B) *Footwear, if the gross receipts or sales price from the sale*  
 19 *or purchase of the footwear is one hundred dollars (\$100) or less.*  
 20 (C) *School supplies, if the gross receipts or sales price from the*  
 21 *sale or purchase of the school supply is sixty dollars (\$60) or less.*  
 22 (D) *Books, if the gross receipts or sales price from the sale or*  
 23 *purchase of the book is one hundred dollars (\$100) or less.*  
 24 (E) *Computers, for the portion of the gross receipts or sales*  
 25 *price from the sale or purchase of the computer that does not*  
 26 *exceed one thousand dollars (\$1,000).*  
 27 (F) *Educational computer software, for the portion of the gross*  
 28 *receipts or sales price from the sale or purchase of the educational*

- 1 *computer software that does not exceed three hundred dollars*  
2 *(\$300).*
- 3 (2) *“School supplies” means all of the following:*
- 4 (A) *Binders.*
  - 5 (B) *Book bags and backpacks.*
  - 6 (C) *Calculators.*
  - 7 (D) *Cellophane tape.*
  - 8 (E) *Blackboard chalk.*
  - 9 (F) *Compasses.*
  - 10 (G) *Composition books.*
  - 11 (H) *Crayons.*
  - 12 (I) *Erasers.*
  - 13 (J) *Facial tissue.*
  - 14 (K) *Expandable folders, pocket folders, plastic folders, and*  
15 *manila folders.*
  - 16 (L) *Glue, paste, and paste sticks.*
  - 17 (M) *Highlighters.*
  - 18 (N) *Index cards.*
  - 19 (O) *Index card boxes.*
  - 20 (P) *Legal pads.*
  - 21 (Q) *Lunch boxes.*
  - 22 (R) *Markers.*
  - 23 (S) *Notebooks.*
  - 24 (T) *Paper of all of the following types:*
    - 25 (i) *Loose leaf ruled notebook paper.*
    - 26 (ii) *Copy paper.*
    - 27 (iii) *Graph paper.*
    - 28 (iv) *Tracing paper.*
    - 29 (v) *Manila paper.*
    - 30 (vi) *Colored paper.*
    - 31 (vii) *Poster board.*
    - 32 (viii) *Construction paper.*
  - 33 (U) *Pencil boxes and other school supply boxes.*
  - 34 (V) *Pencil sharpeners.*
  - 35 (W) *Pencils.*
  - 36 (X) *Pens.*
  - 37 (Y) *Protractors.*
  - 38 (Z) *Rulers.*
  - 39 (AA) *Scissors.*
  - 40 (AB) *Writing tablets.*

1     ~~(b)~~

2     (c) (1) Notwithstanding any provision of the Bradley-Burns  
3 Uniform Local Sales and Use Tax Law (Part 1.5 (commencing  
4 with Section 7200)) or the Transactions and Use Tax Law (Part  
5 1.6 (commencing with Section 7251)), the exemption established  
6 by this section shall not apply with respect to any tax levied by a  
7 county, city, or district pursuant to, or in accordance with, either  
8 of those laws.

9     (2) Notwithstanding subdivision (a), the exemption provided  
10 by this section shall not apply with respect to any tax levied  
11 pursuant to Section 6051.2, 6051.15, 6201.2, or 6201.15, or  
12 pursuant to Section 35 or 36 of Article XIII of the California  
13 Constitution.

14     SEC. 2. This act provides for a tax levy within the meaning of  
15 Article IV of the Constitution and shall go into immediate effect.

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