

ASSEMBLY BILL

No. 3435

Introduced by Assembly Member Bowen

February 23, 1996

An act to add Chapter 3.2 (commencing with Section 7287.15) to Part 1.7 of Division 2 of the Revenue and Taxation Code, relating to local taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 3435, as introduced, Bowen. Local munitions tax.

The Bradley-Burns Uniform Local Sales and Use Tax Law and the Transactions and Use Tax Law provide, as specified, for the imposition of sales, transactions, and use taxes by cities, counties, and local districts, which are administered by the State Board of Equalization.

This bill would authorize a city, county, or city and county to levy a tax by ordinance, approved by a $\frac{2}{3}$ vote of the electors, at specified rates on the sale at retail within its jurisdiction of munitions, as defined. It would require that any ordinance levying a tax pursuant to this bill provide that the local entity imposing the tax shall contract with the State Board of Equalization to administer and enforce the tax. It would require the tax to be collected by every retailer of a taxed item and would require the retailer to remit the tax to the board. It would require the board to allocate the tax revenues, in part, to the board for its administrative costs, with the balance to the levying local entities, and would require each local entity to expend those revenues for purposes of trauma care, hospital care, juvenile delinquency prevention

programs, gang intervention programs, or gun safety programs, as specified. It would also provide that certain existing provisions with respect to local taxes shall, to the extent feasible and subject to specified exceptions, govern the administration of any tax so imposed.

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. This act shall be known and may be cited
2 as the “Local Hospital Emergency Room Financing Act
3 of 1996.”

4 SEC. 2. Chapter 3.2. (commencing with Section
5 7287.15) is added to Part 1.7 of Division 2 of the Revenue
6 and Taxation Code, to read:

7

8 CHAPTER 3.2 LOCAL MUNITIONS TAX

9

10 7287.15. (a) In addition to any other tax authorized
11 by this division, the legislative body of any city, county, or
12 city and county, may levy a tax by an ordinance approved
13 by two-thirds of the electors voting on the measure on the
14 privilege of selling at retail within its jurisdiction all
15 munitions, at a rate of one cent (\$0.01), or a multiple
16 thereof, per munition, but not to exceed a rate of ten
17 cents (\$0.10) per munition, or at a proportionate rate for
18 any other quantity or fraction thereof.

19 (b) For purposes of this chapter:

20 (1) “Munitions” means projectiles with their fuses,
21 propelling charges, or primers fired from weapons, and
22 any of the individual components thereof.

23 (2) “Trauma center” means a trauma facility, as
24 defined in Article 2.5 (commencing with Section
25 1798.160) of Chapter 6 of Division 2 of the Health and
26 Safety Code, and rules or regulations promulgated
27 thereunder.

28 (3) “Trauma treatment” means treatment of one or
29 more types of potentially seriously injured persons that is
30 provided by a trauma center.



1 7287.16. Any ordinance levying a tax pursuant to this
2 chapter shall provide that the city, county, or city and
3 county, shall contract prior to the effective date of the
4 ordinance with the State Board of Equalization to
5 perform all functions incident to the administration or
6 operation of the ordinance for as long as the city, county,
7 or city and county, has an operative ordinance enacted
8 pursuant to this chapter.

9 7287.17. Every retailer engaged in business in a city,
10 county, or city and county that has an operative
11 ordinance enacted pursuant to this chapter shall, at the
12 time of making the sales of munitions, collect the tax from
13 the consumer and give to the consumer a receipt therefor
14 in the manner and form prescribed by the State Board of
15 Equalization.

16 7287.18. All revenues collected pursuant to a tax
17 authorized by this chapter shall be remitted to the State
18 Board of Equalization and allocated by the board as
19 follows:

20 (a) First, for reimbursement to the board, pursuant to
21 the contract between the board and the city, county, or
22 city and county, of the reasonable costs of administering
23 and enforcing the ordinance on behalf of the local entity.

24 (b) Second, for transmission not later than March 15 of
25 each calendar year to each city, county, or city and county
26 that has an operative ordinance enacted pursuant to this
27 chapter, in an amount corresponding to the amount of
28 revenues derived within that jurisdiction from a tax
29 levied by that ordinance.

30 Moneys transmitted to a city, county, or city and county
31 pursuant to this section shall only be expended by that
32 local entity for purposes of trauma care, hospital care,
33 juvenile delinquency prevention programs, gang
34 intervention programs, or gun safety programs. These
35 moneys shall be used to supplement, not supplant,
36 existing funding levels for the programs.

37 7287.19. The State Board of Equalization shall
38 administer and enforce this chapter, and may prescribe,
39 adopt, and enforce rules and regulations for those
40 purposes pursuant to Chapter 3.5 (commencing with

1 Section 11340) of Part 1 of Division 3 of Title 2 of the
2 Government Code. The board may prescribe the extent
3 to which any rule or regulation shall be applied without
4 retroactive effect.

5 7287.20. Except as provided in Section 7287.21, to the
6 extent feasible or practicable, Chapter 5 (commencing
7 with Section 6451), Chapter 6 (commencing with Section
8 6701), Chapter 7 (commencing with Section 6901), and
9 Chapter 8 (commencing with Section 7051) of Part 1,
10 shall govern determinations, collection of tax,
11 overpayments and refunds, and administration under this
12 chapter.

13 7287.21. (a) The return and payment of the tax
14 imposed by this chapter is due and payable to the board
15 annually on or before February 15 following the end of
16 the calendar year during which the tax was collected.

17 (b) For purposes of computing interest due on any
18 amount of tax not paid when due, interest shall be
19 computed to the 15th day of each succeeding month.

20 (c) Except in the case of fraud, intent to evade this
21 chapter or accompanying rules and regulations, or failure
22 to make a return, every notice of a deficiency
23 determination shall be mailed within three years after the
24 15th day of the second month following the one-year
25 period for which the amount is proposed to be
26 determined or within three years after the return is filed,
27 whichever period expires later. In the case of a failure to
28 make a return, every notice of determination shall be
29 mailed within eight years after the 15th day of the second
30 month following the one-year period for which the
31 amount is proposed to be determined.

32 (d) (1) Except as provided in paragraph (2), no
33 refund shall be approved by the board after three years
34 from the 15th day of the second month following the
35 one-year period for which the overpayment was made, or
36 with respect to determinations made under Article 2
37 (commencing with Section 6481), Article 3
38 (commencing with Section 6511), and Article 4
39 (commencing with Section 6536) of Chapter 5 of Part 1,
40 after six months from the date the determinations

1 become final, or after six months from the date of
2 overpayment, whichever period expires later, unless a
3 claim therefor is filed with the board within that period.
4 No credit shall be approved by the board after the
5 expiration of that period unless a claim for credit is filed
6 with the board within that period, or unless the credit
7 relates to a period for which a waiver has been granted
8 pursuant to Section 6488.

9 (2) A refund may be approved by the board for any
10 period for which a waiver has been granted under Section
11 6488 if a claim for refund is filed with the board before the
12 expiration of the waiver period.

13 (e) In all other instances where the due date specified
14 in subdivision (a) conflicts with a due date specified in
15 Chapter 5 (commencing with Section 6451), Chapter 6
16 (commencing with Section 6701), Chapter 7
17 (commencing with Section 6901), and Chapter 8
18 (commencing with Section 7051) of Part 1, the due date
19 specified in subdivision (a) shall be substituted for any
20 due date specified in those chapters, and periods running
21 from or to, or otherwise based on, the otherwise
22 applicable due date shall be adjusted accordingly.

