

AMENDED IN SENATE AUGUST 12, 1998
AMENDED IN SENATE JULY 23, 1998
AMENDED IN SENATE JUNE 4, 1998
AMENDED IN SENATE MARCH 26, 1998
AMENDED IN SENATE FEBRUARY 12, 1998
AMENDED IN ASSEMBLY JANUARY 22, 1998
AMENDED IN ASSEMBLY JANUARY 15, 1998
AMENDED IN ASSEMBLY AUGUST 29, 1997
AMENDED IN ASSEMBLY AUGUST 11, 1997
AMENDED IN ASSEMBLY JULY 16, 1997
AMENDED IN ASSEMBLY MAY 15, 1997
AMENDED IN ASSEMBLY MAY 5, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 66

Introduced by Assembly Members Baca and Aguiar
(Coauthors: Assembly Members Alby, Alquist, Campbell,
Cardoza, Cunneen, Granlund, Honda, Kaloogian,
Napolitano, Strom-Martin, Wayne, and Wildman)
(Coauthors: Senators Karnette, McPherson, Schiff, and
Watson)

December 9, 1996



An act to amend Section 7205 of, and to add Section 7204.03 to, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 66, as amended, Baca. Local sales and use tax: jet fuel: place of sale and revenues.

The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes counties and cities to impose sales and use taxes pursuant to the adoption of local ordinances including specified provisions. That law requires, in the case in which a retailer has more than one place of business in the state, that the places at which the sales of that retailer are consummated for purposes of a local sales tax be determined in accordance with rules and regulations prescribed and adopted by the State Board of Equalization. That law further requires that any local sales tax imposed pursuant to its provisions be administered by the State Board of Equalization, and that revenues collected by the board with respect to any such local tax be allocated by the board to the taxing local agency at least twice in every calendar quarter.

This bill would specify, for purposes of applying a local sales tax imposed under the Bradley-Burns Uniform Local Sales and Use Tax Law to any sale of jet fuel, that the point of sale of that fuel is the point of delivery of that fuel to the aircraft, if the principal negotiations for that sale are conducted in this state and the retailer of that fuel has more than one place of business in the state. This bill would also require, in the cases in which the point of sale of jet fuel is a multijurisdictional airport, as defined, that the tax revenue derived from those sales, except for those sales consummated at San Francisco International Airport or Ontario International Airport, be transmitted by the State Board of Equalization in specified shares to the city, county, or city and county in which the multijurisdictional airport is located, and to the city, county, or city and county that owns or operates the multijurisdictional airport or the county in which the owning or operating city is located. This bill would require that all the local sales tax revenues derived from sales of jet fuel that are



consummated at the point of delivery to the aircraft at San Francisco International Airport be transmitted by the board one-half to the City and County of San Francisco and one-half to the County of San Mateo, and that the local sales tax revenues derived from sales of jet fuel that are consummated at the point of delivery to the aircraft at Ontario International Airport be transmitted by the board to the City of Ontario or the County of San Bernardino, in accordance with the taxing jurisdiction on behalf of which those revenues were collected. This bill would also make technical, nonsubstantive changes.

This bill would make legislative findings and declarations as to the necessity for a special statute, and would declare that this bill's provisions are severable.

This bill would take effect immediately as a tax levy, but its provisions would become operative on ~~September 1, 1998~~ *January 1, 1999*.

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 7204.03 is added to the Revenue
2 and Taxation Code, to read:
3 7204.03. (a) Notwithstanding any other provision of
4 this part, in the case of retail sales of jet fuel that are, in
5 accordance with paragraph (2) of subdivision (b) of
6 Section 7205, consummated at the point of delivery of that
7 jet fuel to an aircraft at a multijurisdictional airport, the
8 sales tax revenues collected by the board pursuant to this
9 part with respect to those sales shall be transmitted by the
10 board in accordance with subdivision (b). For purposes
11 of this section, a "multijurisdictional airport" is an airport
12 that is owned or operated by a city, county, or city and
13 county that meets both of the following conditions:
14 (1) The owning or operating city, county, or city and
15 county imposes a local sales tax pursuant to an ordinance
16 adopted pursuant to this part.
17 (2) The owning or operating city, county, or city or
18 county is different from the city, county, or city and
19 county in which the airport is located.



1 (b) (1) Except as provided in paragraph (2), the sales
2 taxes collected by the board pursuant to this part with
3 respect to retail sales of jet fuel described in subdivision
4 (a) shall be transmitted by the board in accordance with
5 the following:

6 (A) One-half to the county or city and county in which
7 the point of delivery to the aircraft is located, less the
8 amount transmitted to a city pursuant to subparagraph
9 (B), if any; and one-half to the county or city and county
10 that owns or operates the airport or to the county in which
11 the city that owns or operates the airport is located, less
12 the amount transmitted to a city pursuant to
13 subparagraph (C), if any.

14 (B) If the multijurisdictional airport is located in a city
15 imposing a local sales tax pursuant to an ordinance
16 adopted pursuant to this part, the board shall transmit to
17 that city that amount of sales taxes collected by the board
18 with respect to retail sales of fuel described in subdivision
19 (a) that is based on 50 percent of the rate set by that city's
20 ordinance.

21 (C) If the multijurisdictional airport is owned or
22 operated by a city imposing a local sales tax pursuant to
23 an ordinance adopted pursuant to this part, the board
24 shall transmit to that city that amount of sales taxes
25 collected by the board with respect to retail sales of fuel
26 described in subdivision (a) that is based on 50 percent
27 of the rate set by that city's ordinance.

28 (2) Notwithstanding paragraph (1), both of the
29 following shall apply:

30 (A) In the case of retail sales of jet fuel as described in
31 subdivision (a) that are consummated at San Francisco
32 International Airport, one-half of the sales taxes collected
33 by the board pursuant to this part with respect to those
34 sales shall be transmitted by the board to the City and
35 County of San Francisco, and one-half of the sales taxes
36 collected by the board pursuant to this part with respect
37 to those sales shall be transmitted by the board to the
38 County of San Mateo.

39 (B) In the case of retail sales of jet fuel as described in
40 subdivision (a) that are consummated at Ontario



1 International Airport, the board shall transmit sales taxes
2 collected by the board pursuant to this part with respect
3 to those sales in accordance with both of the following:

4 (i) All of the sales taxes that are derived from a local
5 sales tax rate imposed by the City of Ontario shall be
6 transmitted to that city.

7 (ii) All of the sales taxes that are derived from a local
8 sales tax rate imposed by the County of San Bernardino
9 shall be allocated to that county.

10 SEC. 2. Section 7205 of the Revenue and Taxation
11 Code is amended to read:

12 7205. (a) For the purpose of a sales tax imposed by an
13 ordinance adopted pursuant to this part, all retail sales are
14 consummated at the place of business of the retailer
15 unless the tangible personal property sold is delivered by
16 the retailer or his or her agent to an out-of-state
17 destination or to a common carrier for delivery to an
18 out-of-state destination. The gross receipts from those
19 sales shall include delivery charges, when those charges
20 are subject to the state sales and use tax, regardless of the
21 place to which delivery is made.

22 (b) (1) In the event a retailer has no permanent place
23 of business in the state or has more than one place of
24 business, the place or places at which the retail sales are
25 consummated for the purpose of a sales tax imposed by an
26 ordinance adopted pursuant to this part shall, subject to
27 paragraph (2), be determined under rules and
28 regulations to be prescribed and adopted by the board.

29 (2) In the case of a sale of jet fuel, the place at which
30 the retail sale of that jet fuel is consummated for the
31 purpose of a sales tax imposed by an ordinance adopted
32 pursuant to this part is the point of the delivery of that jet
33 fuel to the aircraft, if both of the following conditions are
34 met:

35 (A) The principal negotiations for the sale are
36 conducted in this state.

37 (B) The retailer has more than one place of business
38 in the state.

39 SEC. 3. The Legislature finds and declares that a
40 special law is necessary and that a general law cannot be



1 made applicable within the meaning of Section 16 of
2 Article IV of the California Constitution to local sales
3 taxes imposed with respect to sales of jet fuel that are
4 consummated at San Francisco International Airport or
5 Ontario International Airport because of the unique
6 jurisdictional and fiscal concerns raised by the location,
7 ownership, and operation of those airports.

8 SEC. 4. The provisions of this act are severable. If any
9 provision of this act or its application is held to be invalid,
10 that invalidity shall not affect any other provision or
11 application of this act that can be given effect without the
12 invalid provision or application.

13 SEC. 5. This act provides for a tax levy within the
14 meaning of Article IV of the Constitution and shall go into
15 immediate effect. However, the provisions of this act shall
16 become operative on ~~September 1, 1998~~ *January 1, 1999*.

