

ASSEMBLY BILL

No. 1043

**Introduced by Committee on Revenue and Taxation (Caldera
(Chair), Alquist, Aroner, Knox, Machado, and Papan)**

February 27, 1997

An act to amend Section 7102 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1043, as introduced, Committee on Revenue and Taxation. Sales tax.

The Sales and Use Tax Law provides that money in the Retail Sales Tax Fund shall be transferred, as specified.

This bill would make a technical, nonsubstantive change to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7102 of the Revenue and
2 Taxation Code is amended to read:

3 7102. The money in the fund shall, upon order of the
4 Controller, be drawn therefrom for refunds under this
5 part, and pursuant to Section 1793.25 of the Civil Code, or
6 be transferred in the following manner:

7 (a) (1) All revenues, less refunds, derived under this
8 part at the 4³/₄-percent rate, including the imposition of
9 sales and use taxes with respect to the sale, storage, use,

1 or other consumption of motor vehicle fuel which would
2 not have been received if the sales and use tax rate had
3 been 5 percent and if motor vehicle fuel, as defined for
4 purposes of the Motor Vehicle Fuel License Tax Law
5 (Part 2 (commencing with Section 7301)), had been
6 exempt from sales and use taxes, shall be estimated by the
7 State Board of Equalization, with the concurrence of the
8 Department of Finance, and shall be transferred
9 quarterly to the Transportation Planning and
10 Development Account, a trust fund in the State
11 Transportation Fund.

12 (2) All revenues, less refunds, derived under this part
13 at the $4\frac{3}{4}$ -percent rate, resulting from increasing after
14 December 31, 1989, the rate of tax imposed pursuant to
15 the Motor Vehicle Fuel License Tax Law on motor
16 vehicle fuel, as defined for purposes of that law, shall be
17 transferred quarterly to the Transportation Planning and
18 Development Account, a trust fund in the State
19 Transportation Fund.

20 (3) All revenues, less refunds, derived under this part
21 at the $4\frac{3}{4}$ -percent rate from the imposition of sales and
22 use taxes on fuel, as defined for purposes of the Use Fuel
23 Tax Law (Part 3 (commencing with Section 8601)) and
24 *the Diesel Fuel Tax Law (Part 31 (commencing with*
25 *Section 60001))*, shall be estimated by the State Board of
26 Equalization, with the concurrence of the Department of
27 Finance, and shall be transferred quarterly to the
28 Transportation Planning and Development Account, a
29 trust fund in the State Transportation Fund.

30 (4) All revenues, less refunds, derived under this part
31 from a rate of more than $4\frac{3}{4}$ percent pursuant to Sections
32 6051.1 and 6201.1 for the period December 1, 1989, to June
33 5, 1990, inclusive, shall be transferred to the Disaster
34 Relief Fund created by Section 16419 of the Government
35 Code.

36 (5) All revenues, less refunds, derived under this part
37 from a rate of more than $4\frac{3}{4}$ percent pursuant to Sections
38 6051.1 and 6201.1 for the period June 6, 1990, to December
39 31, 1990, inclusive, which is attributable to the imposition
40 of sales and use taxes with respect to the sale, storage, use,



1 or other consumption of tangible personal property other
2 than fuel, as defined for purposes of the Use Fuel Tax Law
3 (Part 3 (commencing with Section 8601)), shall be
4 transferred to the Disaster Relief Fund created by
5 Section 16419 of the Government Code.

6 (6) All revenues, less refunds, derived under this part
7 from a rate of more than $4\frac{3}{4}$ percent pursuant to Sections
8 6051.1 and 6201.1 for the period June 6, 1990, to December
9 31, 1990, inclusive, which is attributable to the imposition
10 of sales and use taxes with respect to the sale, storage, use,
11 or other consumption of fuel, as defined for purposes of
12 the Use Fuel Tax Law (Part 3 (commencing with Section
13 8601)), shall be transferred to the Disaster Relief Fund
14 created by Section 16419 of the Government Code.

15 (7) All revenues, less refunds, derived under this part
16 from the taxes imposed pursuant to Sections 6051.2 and
17 6201.2 shall be transferred to the Sales Tax Account of the
18 Local Revenue Fund for allocation to cities and counties
19 as prescribed by statute.

20 (8) All revenues, less refunds, derived under this part
21 from the taxes imposed pursuant to Sections 6051.6 and
22 6201.6 shall be transferred to the Interim Public Safety
23 Account in the Local Public Safety Fund created in
24 Section 30051 of the Government Code for allocation to
25 counties as prescribed by statute.

26 (9) All revenues, less refunds, derived from the taxes
27 imposed pursuant to Section 35 of Article XIII of the
28 California Constitution shall be transferred to the Public
29 Safety Account in the Local Public Safety Fund created
30 in Section 30051 of the Government Code for allocation
31 to counties as prescribed by statute.

32 (10) An amount equal to all revenues, less refunds,
33 derived under this part at a $4\frac{3}{4}$ -percent rate for the
34 period between January 1, 1994, and July 1, 1994, from the
35 increase in sales and use tax revenue attributable to the
36 increase in the rate of the federal motor vehicle fuel tax
37 between January 1, 1993, and the rate in effect on January
38 1, 1994, shall be estimated by the State Board of
39 Equalization, with the concurrence of the Department of
40 Finance, and an amount equal to that amount, but not



1 exceeding seven million five hundred thousand dollars
2 (\$7,500,000) shall be transferred from the Retail Sales Tax
3 Fund to the Small Business Expansion Fund created by
4 Article 5 (commencing with Section 14030) of Chapter 1
5 of Part 5 of Division 3 of Title 1 of the Corporations Code.

6 (b) The balance shall be transferred to the General
7 Fund.

8 (c) The estimates required by subdivision (a) shall be
9 based on taxable transactions occurring during a calendar
10 year, and the transfers required by subdivision (a) shall
11 be made during the fiscal year that commences during
12 that same calendar year. Transfers required by
13 paragraphs (1), (2), and (3) of subdivision (a) shall be
14 made quarterly.

15 (d) Notwithstanding the designation of the
16 Transportation Planning and Development Account as a
17 trust fund pursuant to subdivision (a), the Controller may
18 use the Transportation Planning and Development
19 Account for loans to the General Fund as provided in
20 Sections 16310 and 16381 of the Government Code. The
21 loans shall be repaid with interest from the General Fund
22 at the Pooled Money Investment Account rate.

23 (e) The Legislature may amend this section, by statute
24 passed in each house of the Legislature by rollcall vote
25 entered in the journal, two-thirds of the membership
26 concurring, if the statute is consistent with, and furthers
27 the purposes of this section.

