

ASSEMBLY BILL

No. 2602

Introduced by Assembly Member Battin

February 25, 2000

An act to add Section 6361.9 to the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2602, as introduced, Battin. Sales and use taxes: exemptions: schools or community college districts.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property, and establishes various exemptions from that tax.

This bill would exempt from that tax any purchase of tangible personal property by a public or private school or community college district, in the case in which the gross receipts from the sale of that tangible personal property, or the sales price of that tangible personal property, equals or exceeds \$1,000, as specified.

Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemptions from state sales and use taxes enacted by the Legislature are incorporated into the local taxes.

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 reimburse local governments from the General Fund for any loss of money by local governments from the exemption created by this bill, thereby making an appropriation.

This bill would make a specified statement of legislative intent with respect to the minimum funding requirement for schools established by the California Constitution.

This bill would take effect immediately as a tax levy, but its operative date would depend on its effective date.

Vote: ²/₃. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

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

1 SECTION 1. Section 6361.9 is added to the Revenue
2 and Taxation Code, to read:

3 6361.9. There are exempted from the taxes imposed
4 by this part, the gross receipts from the sale in this state
5 of, and the storage, use, or other consumption in this state
6 of, any tangible personal property purchased by a public
7 or private school or community college district if, in the
8 aggregate, the gross receipts from the sale of that tangible
9 personal property or the sales price of that tangible
10 personal property equals one thousand dollars (\$1,000) or
11 more, and the purchase is made with a purchase order.

12 SEC. 2. There is hereby appropriated from the
13 General Fund in the State Treasury a sum annually for
14 the purposes of assistance to local governments to
15 reimburse them for any revenues lost by them pursuant
16 to this act.

17 SEC. 3. Notwithstanding any other provision of law,
18 when making the calculation as required by subdivision
19 (b) of Section 8 of Article XVI of the California
20 Constitution, General Fund revenues that may be
21 appropriated pursuant to Article XIII B, as used in
22 paragraphs (1) and (3) of subdivision (b) of Section 8 of
23 Article XVI of the California Constitution, shall include
24 the amounts of the exemption allowed under Section
25 6361.9 of the Revenue and Taxation Code. In the fiscal
26 year following the enactment of Section 6361.9 of the



1 Revenue and Taxation Code and for each fiscal year
2 thereafter, the Director of Finance shall adjust the
3 amount required to be allocated to school districts and
4 community college districts to ensure that Section 6361.9
5 of the Revenue and Taxation Code does not diminish the
6 funding level for school districts and community college
7 districts to a funding level below that required absent the
8 exemption authorized by that section.

9 SEC. 4. This act provides for a tax levy within the
10 meaning of Article IV of the Constitution and shall go into
11 immediate effect. However, the provisions of this act shall
12 become operative on the first day of the first calendar
13 quarter commencing more than 90 days after the
14 effective date of this act.

