

AMENDED IN SENATE MAY 6, 1999

**SENATE BILL**

**No. 61**

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**Introduced by Senator Perata**

December 7, 1998

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An act relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 61, as amended, Perata. Sales and use taxes: blood collection and blood pack units.

The Sales and Use Tax Law imposes a sales and use tax on the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, tangible personal property. The Sales and Use Tax Law contains various exemptions from taxes imposed by that law, including an exemption that took effect on April 1, 1998, for any container used to collect or store human whole blood, plasma, blood products, or blood derivatives.

This bill would cancel liability for any outstanding and unpaid deficiency determination attributable to unreported or underreported sales and use tax imposed with respect to any blood collection unit or blood pack unit, as provided.

*This bill would make certain legislative findings and declarations that cancellation of this liability serves a statewide public purpose, as provided.*

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 provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy.

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

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

1 SECTION 1. The Legislature finds and declares ~~that~~  
2 ~~uncertainty~~ *all of the following:*

3 (a) *Uncertainty* in the application of the sales and use  
4 tax to the sale and use of blood collection units or blood  
5 pack units prior to the April 1, 1998, operative date of  
6 Section 6364.5 of the Revenue and Taxation Code  
7 resulted in the inconsistent reporting of sales and use tax  
8 by some taxpayers.

9 (b) Therefore, any outstanding and unpaid deficiency  
10 determination attributable to unreported or  
11 underreported sales and use tax imposed upon the gross  
12 receipts from the sale in this state of, and the storage, use,  
13 or other consumption in this state of, any blood collection  
14 unit or blood pack unit is hereby canceled.

15 (c) *There is a statewide public purpose served in*  
16 *forgiving sellers or users of blood collection units or blood*  
17 *pack units who had relied on prior opinions of the State*  
18 *Board of Equalization stating that these products were*  
19 *not subject to sales and use tax, because the population of*  
20 *the state as a whole benefits from the availability of*  
21 *donated blood.*

22 SEC. 2. Notwithstanding Section 2230 of the Revenue  
23 and Taxation Code, no appropriation is made by this act  
24 and the state shall not reimburse any local agency for any  
25 sales and use tax revenues lost by it under this act.



1 SEC. 3. This act provides for a tax levy within the  
2 meaning of Article IV of the Constitution and shall go into  
3 immediate effect.  
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