

**Introduced by Senator McPherson**

January 27, 1999

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An act to add Section 6366.6 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 245, as introduced, McPherson. Sales and use taxes: exemptions: qualified fire 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 qualified fire district, as defined, 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 \$25,000.

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 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, but its operative date would depend on its effective date.

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. Section 6366.6 is added to the Revenue  
2 and Taxation Code, to read:

3 6366.6. (a) There are exempted from the taxes  
4 imposed by this part, the gross receipts from the sale in  
5 this state of, and the storage, use, or other consumption  
6 in this state of, any tangible personal property purchased  
7 by a qualified fire district if, in the aggregate, the gross  
8 receipts from the sale of that tangible personal property  
9 or the sales price of that tangible personal property,  
10 equals twenty-five thousand dollars (\$25,000) or more.

11 (b) (1) For purposes of this section, “qualified fire  
12 district” means, except as provided in paragraph (2), a  
13 fire protection district created or reorganized pursuant to  
14 Part 2.7 (commencing with Section 13800) of Division 12  
15 of the Health and Safety Code or a fire company  
16 organized pursuant to Chapter 1 (commencing with  
17 Section 14825) of Part 4 of Division 12 of the Health and  
18 Safety Code.

19 (2) “Qualified fire district” does not include a fire  
20 protection district or fire company as described in  
21 paragraph (1) that had annual tax and assessment  
22 revenues of seven hundred fifty thousand dollars  
23 (\$750,000) or more in the fiscal year immediately  
24 preceding the fiscal year in which the purchase is made.

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

29 SEC. 3. This act provides for a tax levy within the  
30 meaning of Article IV of the Constitution and shall go into  
31 immediate effect. However, the provisions of this act shall  
32 become operative on the first day of the first calendar



1 quarter commencing more than 90 days after the  
2 effective date of this act.

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