

## Senate Bill No. 607

### CHAPTER 609

An act to add Section 32177.5 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 23, 2000. Filed  
with Secretary of State September 24, 2000.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 607, Chesbro. Alcoholic Beverage Tax Law: military exemption.

Under existing law, an excise tax is imposed on all beer, wine, and distilled spirits sold in this state and on beer, wine, and distilled spirits sold by manufacturers, rectifiers, or wholesalers, or sellers of those alcoholic beverages with respect to which no tax has been paid within areas over which the federal government exercises jurisdictions at rates based upon various formulas calculated according to volume and weight.

This bill would exempt distilled spirits sold by brandy manufacturers, distilled spirits manufacturers, rectifiers, importers, and distilled spirits wholesalers from the excise tax where the alcoholic beverages are sold to specified instrumentalities of the armed forces of the United States located within the geographical boundaries of the state.

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

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

SECTION 1. Section 32177.5 is added to the Revenue and Taxation Code, to read:

32177.5. No tax shall be imposed upon the sale of distilled spirits by brandy manufacturers, distilled spirits manufacturers, rectifiers, importers, and distilled spirits wholesalers to the following listed instrumentalities of the armed forces of the United States organized under Army, Air Force, Navy, Marine Corps, or Coast Guard regulations and located upon territory within the geographical boundaries of the state:

(a) Army, Air Force, Navy, Marine Corps, and Coast Guard exchanges.

(b) Officers', noncommissioned officers', and enlisted men's clubs or messes.

If any manufacturer, rectifier, importer or wholesaler has paid the tax on alcoholic beverages, except beer and wine, thereafter sold to



an instrumentality of the Armed Forces so located, the taxpayer may claim and shall be allowed credit with respect to the tax so paid in any report filed or assessment paid under this part.

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect. However, the provisions of this act shall become operative on the first day of the first month commencing more than 90 days after the effective date of this act.

