

AMENDED IN SENATE JULY 15, 2010

AMENDED IN SENATE JUNE 16, 2010

AMENDED IN ASSEMBLY MAY 13, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2788

Introduced by Assembly Member Portantino

March 9, 2010

An act to amend Sections 6388.3 and 6388.5 of, and to repeal Section 6388 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2788, as amended, Portantino. Sales and use taxes: exemptions: vehicles and ~~trailer~~: *trailers*: use ~~without~~ *outside* this state.

Existing law exempts from the sales and use tax, the sale of, or the storage, use, or other consumption of, new or remanufactured trucks, truck tractors, semitrailers, or trailers, as specified, or new or remanufactured trailer coaches or auxiliary dollies, that are purchased from a dealer located outside this state for use without this state and are delivered to the purchaser within this state, and the purchaser drives or moves the vehicle to any point outside this state within 30 days from and after the date of delivery, if the purchaser furnishes certain documents to the manufacturer, remanufacturer, or dealer, as ~~specified~~.

~~This bill would repeal this exemption. This bill would also make conforming changes to a related provision.~~

~~Existing specified.~~ Existing law *also* exempts from the sales and use tax, the sale of, or the storage, use, or other consumption of, new or remanufactured trailers or semitrailers, as specified, that are

manufactured or remanufactured outside this state and are purchased for use without this state and are delivered to the purchaser within this state, and the purchaser drives or moves the vehicle to any point outside this state within 30 days from and after the date of delivery, and new or remanufactured trailers or semitrailers, as specified, that are manufactured or remanufactured in this state and are purchased for use without this state and are delivered to the purchaser within this state, and the purchaser drives or moves the vehicle to any point outside this state within 75 days from and after the date of delivery, if the purchaser or the purchaser's agent furnishes certain documents to the manufacturer, remanufacturer, or dealer, including, among others, written evidence of an out-of-state license and registration for the vehicle.

~~This bill would expand the exemption applicable to new or remanufactured trailers or semitrailers manufactured or remanufactured outside this state and consolidate these exemptions to include instead provide an exemption for new or remanufactured trucks or, truck tractors, or trailers, and semitrailers, as specified, and new or remanufactured trailer coaches or auxiliary dollies, and would extend the time the purchaser has to move these vehicles that are manufactured or remanufactured inside or outside this state and are purchased for use outside this state and are delivered to the purchaser within this state, and the purchaser drives or moves the vehicle to any point outside this state within 75 days from and after the date of delivery from 30 to 75 days. This bill would delete the exemption described above for new or remanufactured trailers or semitrailers manufactured or remanufactured in this state for use without this state make conforming changes.~~ This bill would require the purchaser or the purchaser's agent to furnish written evidence of an out-of-state license and registration for the vehicle only when required by another state or *furnish* an affidavit indicating that the registration is not required.

The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes counties and cities to impose local sales and use taxes in conformity with the Sales and Use Tax Law, and the Transactions and Use Tax Law authorizes districts, as specified, to impose transactions and use taxes in conformity with the Sales and Use Tax Law. Exemptions from state sales and use taxes are incorporated in these laws. 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. Section 6388 of the Revenue and Taxation Code
2 is repealed.

3 SEC. 2. Section 6388.3 of the Revenue and Taxation Code is
4 amended to read:

5 6388.3. The State Board of Equalization shall prepare and
6 distribute a standard form or forms for the purchaser affidavit
7 required by Section 6388.5.

8 SEC. 3. Section 6388.5 of the Revenue and Taxation Code is
9 amended to read:

10 6388.5. Whenever a new or remanufactured truck, truck tractor,
11 trailer, or semitrailer, with an unladen weight of 6,000 pounds or
12 more, or a new or remanufactured trailer coach or a new or
13 remanufactured auxiliary dolly, that has been manufactured or
14 remanufactured *inside or* outside this state is purchased for use
15 without this state and is delivered by the manufacturer,
16 remanufacturer, or dealer to the purchaser within this state, and
17 the purchaser drives or moves the vehicle to any point outside this
18 state within 75 days from and after the date of delivery, there are
19 exempted from the taxes imposed by Part 1 (commencing with
20 Section 6001), Part 1.5 (commencing with Section 7200), and Part
21 1.6 (commencing with Section 7251) the gross receipts from the
22 sale of and the storage, use, or other consumption of the vehicle
23 within the state, if the purchaser or the purchaser's agent furnishes
24 the following to the manufacturer, remanufacturer, or dealer:

25 (a) (1) Written evidence of an out-of-state license and
26 registration for the vehicle when required by another state or an
27 affidavit indicating that the registration is not required.

28 (2) In cases where the vehicle is subject to the permanent trailer
29 identification plate program under Section 5014.1 of the Vehicle
30 Code and is used exclusively in interstate or foreign commerce,

1 or both, written evidence of the purchaser's or lessee's United
2 States Department of Transportation number or Single State
3 Registration System filing may be substituted for the written
4 evidence described in paragraph (1).

5 (b) The purchaser's affidavit attesting that he or she purchased
6 the vehicle from a dealer at a specified location for use exclusively
7 outside this state, or exclusively in interstate or foreign commerce,
8 or both.

9 (c) The purchaser's affidavit that the vehicle has been moved
10 or driven to a point outside this state within the appropriate period
11 of either 30 days or 75 days of the date of the delivery of the
12 vehicle to him or her.

13 SEC. 4. Notwithstanding Section 2230 of the Revenue and
14 Taxation Code, no appropriation is made by this act and the state
15 shall not reimburse any local agency for any sales and use tax
16 revenues lost by it under this act.

17 SEC. 5. This act provides for a tax levy within the meaning of
18 Article IV of the Constitution and shall go into immediate effect.