

Introduced by Senator Dutton

February 27, 2009

An act to add Section 6363.4 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 765, as introduced, Dutton. Sales and use taxes: exemptions: thrift stores operated by nonprofit organizations on military installations.

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. That law provides various exemptions from that tax.

This bill would exempt from sales and use tax, the sale of tangible personal property by a nonprofit organization that operates a thrift store on a military installation, whose purpose is to assist members of the Naval Services of the United States, and eligible family members and survivors.

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

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 6363.4 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 6363.4. (a) There are exempted from the taxes imposed by
- 4 this part, the gross receipts from the sale in this state of, and the
- 5 storage, use, or other consumption in this state of, tangible personal
- 6 property sold by a thrift store located on a military installation and
- 7 operated by a nonprofit organization.
- 8 (b) For purposes of this section, “nonprofit organization” means
- 9 an organization, exempt from taxation under Section 23701d, that,
- 10 in partnership with the Navy and Marine Corps, provides financial,
- 11 educational, and other assistance to members of the Naval Services
- 12 of the United States, eligible family members, and survivors that
- 13 are in need.
- 14 SEC. 2. Notwithstanding Section 2230 of the Revenue and
- 15 Taxation Code, no appropriation is made by this act and the state
- 16 shall not reimburse any local agency for any sales and use tax
- 17 revenues lost by it under this act.
- 18 SEC. 3. This act provides for a tax levy within the meaning of
- 19 Article IV of the Constitution and shall go into immediate effect.