

AMENDED IN SENATE APRIL 23, 2009

SENATE BILL

No. 809

Introduced by Committee on Veterans Affairs (Senators Denham (Chair), Cedillo, Correa, Maldonado, Negrete McLeod, Wiggins, and Wyland)

February 27, 2009

An act to add Section ~~6363.9~~ *6018.3* to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 809, as amended, Committee on Veterans Affairs. Sales and use taxes: ~~exemption~~ *consumers*: veterans: itinerant vendors.

~~Existing law provides various benefits for a veteran, especially a disabled veteran, who has received an honorable discharge from service, including reduced fees for hunting and sport fishing licenses, passes to state park system facilities, and exemptions from city and county license fees and license taxes.~~

~~Existing law, 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 additionally exempt from that tax the sale of, or the storage, use, or other consumption of, any goods, wares, or merchandise, other than spirituous, malt, vinous or other intoxicating liquor, owned by a disabled, honorably discharged veteran who qualifies as a qualified itinerant vendor, as specified.~~

~~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:~~

The Sales and Use Tax Law imposes a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state, measured by sales price. That law, with certain exceptions, defines a retailer as a seller who makes any retail sale of tangible personal property and as a person who makes more than 2 retail sales of tangible personal property during any 12-month period, and defines a retail sale as a sale of tangible personal property for any purpose other than resale in the regular course of business.

This bill would specify that a qualified itinerant vendor, as defined, is a consumer, and not a retailer, of tangible personal property owned by a qualified itinerant vendor, except for alcoholic beverages, so that the retail sale subject to tax is the sale of tangible personal property to the qualified itinerant vendor.

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 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, 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 6018.3 is added to the Revenue and*
- 2 *Taxation Code, to read:*

1 6018.3. (a) A qualified itinerant vendor is a consumer of, and
2 shall not be considered a retailer of, tangible personal property
3 owned by a qualified itinerant vendor, except alcoholic beverages.

4 (b) For purposes of this section, a person is a “qualified
5 itinerant vendor” when all of the following apply:

6 (1) The person was a member of the United States Armed
7 Forces, who received an honorable discharge or a release from
8 active duty under honorable conditions.

9 (2) The person is unable to obtain a livelihood by manual labor
10 due to a service-connected disability.

11 (3) For the purposes of selling tangible personal property, the
12 person is a sole proprietor with no employees.

13 (4) The person has no permanent place of business in this state.

14 (c) For purposes of this section, “permanent place of business”
15 means any building or other permanently affixed structure,
16 including a residence, that is used in whole or in part for the
17 purpose of making sales of, or taking orders and arranging for
18 shipment of, tangible personal property. For purposes of this
19 section, “permanent place of business” does not include any
20 building or other permanently affixed structure, including a
21 residence, used for any of the following:

22 (1) The storage of tangible personal property.

23 (2) The cleaning or the storage of equipment or other property
24 used in connection with the manufacture or sale of tangible
25 personal property.

26 (d) This section shall not apply to either of the following:

27 (1) A person engaged in the business of serving meals, food, or
28 drinks to a customer at a location owned, rented, or otherwise
29 supplied by the customer.

30 (2) A person operating a vending machine.

31 ~~SECTION 1. Section 6363.9 is added to the Revenue and
32 Taxation Code, to read:~~

33 ~~6363.9. (a) There are exempted from the taxes imposed by
34 this part the gross receipts from the sales of, and the storage, use
35 or other consumption in this state of, any goods, wares or
36 merchandise owned by a qualified itinerant vendor, except
37 spirituous, malt, vinous or other intoxicating liquor.~~

38 ~~(b) For the purposes of this section, a person is a “qualified
39 itinerant vendor” when all of the following apply:~~

1 ~~(1) The person was a member of the United States Armed~~
2 ~~Forces, who has received an honorable discharge or a release from~~
3 ~~active duty under honorable conditions.~~

4 ~~(2) The person is unable to obtain a livelihood by manual labor~~
5 ~~due to a service-connected disability.~~

6 ~~(3) The person has no fixed place of business.~~

7 ~~(4) The person is a sole proprietor.~~

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

12 SEC. 3. This act provides for a tax levy within the meaning of
13 Article IV of the Constitution and shall go into immediate effect.
14 However, the provisions of this act shall become operative on the
15 first day of the first calendar quarter commencing more than 90
16 days after the effective date of this act.