ASSEMBLY BILL No. 1880

Introduced by Assembly Member Alejo

February 19, 2014

An act to amend Section 241 of the Revenue and Taxation Code, relating to taxation.

legislative counsel's digest

AB 1880, as introduced, Alejo. Property taxation: exempt property.

Existing law exempts from property taxation the first $50,000 worth of hand tools that are owned and supplied by an employee as a condition of employment.

This bill would make a technical, nonsubstantive change to this provision.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

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

SECTION 1. Section 241 of the Revenue and Taxation Code is amended to read:

241. (a) The first fifty thousand dollars ($50,000) of personal property that consists of hand tools owned and supplied by an employee that are required as a condition of that employee's employment are exempt from taxation.

(b) For purposes of this section:

(1) "Hand tools" means hand-held implements and equipment, including hand-held power tools, of which any one may be transported to and from the workplace and which are necessary

for the ordinary and regular performance of the employee's work, and also means the appropriate storage containers used to store those implements and that equipment.

(2) "Hand tools owned and supplied by an employee" means only those hand tools that are either owned by the employee prior to the employment or *are* acquired and paid for by the employee during the employment, that the employee will continue to own after termination of the employment.

(3) "Employee" means ~~any~~ *an* individual who is employed by an employer that directly or indirectly supervises that person and exercises control over the wages and working conditions of individual workers. "Employee" does not include a self-employed individual or an independent contractor.

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