

**ASSEMBLY BILL**

**No. 479**

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**Introduced by Assembly Member Donnelly  
(Coauthors: Assembly Members Dahle, Jones, and Olsen)**

February 19, 2013

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An act to add Section 6361.3 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 479, as introduced, Donnelly. Sales and use taxes: exemptions: textbooks.

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. That law provides various exemptions from those taxes.

This bill would exempt from those taxes the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, a textbook, as defined, purchased by a student at an institution of higher education or sold by an entity whose primary purpose is to provide textbooks to students attending institutions of higher education, for use as a learning resource in any course of study at that institution.

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 existing law authorizes districts to impose transactions and use taxes in accordance with the Transactions and Use Tax Law which conforms to the Sales and Use Tax Law. Exemptions from state sales and use taxes are incorporated into 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, 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 6361.3 is added to the Revenue and  
2 Taxation Code, to read:

3 6361.3. (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, a textbook  
6 purchased by a student at an institution of higher education or sold  
7 by an entity whose primary purpose is to provide textbooks to  
8 students attending institutions of higher education, for use as a  
9 learning resource in any course of study at that institution.

10 (b) For purposes of this section, both of the following apply:

11 (1) "Institution of higher education" means any public or private  
12 college or university that is nationally or regionally accredited or  
13 a postsecondary educational institution as defined in Section  
14 66261.5 of the Education Code as added by Chapter 914 of the  
15 Statutes of 1998.

16 (2) (A) "Textbook" means any published material that is  
17 principally designed for use by a student at any institution of higher  
18 education as a source of instructional material, and includes, but  
19 is not limited to, any book or edition of a book, as so described,  
20 that is directed or recommended by an instructor at an institution  
21 of higher education to a student to purchase for use as a basis for  
22 a course of study at that institution.

23 (B) "Textbook" does not include books on audio tape, computer  
24 disc, cd-rom, or similar storage media.

25 SEC. 2. Notwithstanding Section 2230 of the Revenue and  
26 Taxation Code, no appropriation is made by this act and the state

1 shall not reimburse any local agency for any sales and use tax  
2 revenues lost by it under this act.  
3 SEC. 3. This act provides for a tax levy within the meaning of  
4 Article IV of the Constitution and shall go into immediate effect.  
5 However, the provisions of this act shall become operative on the  
6 first day of the first calendar quarter commencing more than 90  
7 days after the effective date of this act.

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