

ASSEMBLY BILL

No. 1280

Introduced by Assembly Member Maienschein

February 27, 2015

An act to add Section 6372 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1280, as introduced, Maienschein. Sales and use taxes: exemption: tax holiday: small businesses.

Existing sales and use tax laws impose taxes 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, and provides various exemptions from the taxes imposed by those laws.

This bill would exempt from those taxes the gross receipts from the sale of, and the storage, use, or other consumption of, tangible personal property sold by, or purchased from, a retailer that is a small business, as defined, on the Saturday following Thanksgiving beginning in 2016.

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, as specified, 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.

This bill would specify that this exemption does not apply to local sales and use taxes and transactions and use taxes.

This bill would take effect immediately as a tax levy. However, the provisions of this act shall become operative on January 1, 2016.

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

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

1 SECTION 1. Section 6372 is added to the Revenue and
2 Taxation Code, to read:

3 6372. (a) There are exempted from the taxes imposed by this
4 part, the gross receipts from the sale of, and the storage, use, or
5 other consumption in this state of, tangible personal property sold
6 by, or purchased from, a retailer that is a small business, for the
7 one-day period beginning at 12:01 a.m. on the Saturday following
8 Thanksgiving and ending at midnight on that same day.

9 (b) For the purposes of this section, the following shall apply:

10 (1) "Small business" shall mean a retailer that remitted to the
11 board less than two hundred thousand dollars (\$200,000) in tax
12 for the previous four calendar quarters.

13 (2) "Small business" also means a retailer that has been in
14 operation for less than four calendar quarters and remitted less
15 than an average of fifty thousand dollars (\$50,000) in tax for each
16 calendar quarter of operation.

17 (c) Notwithstanding any provision of the Bradley-Burns Uniform
18 Local Sales and Use Tax Law (Part 1.5 (commencing with Section
19 7200)) or the Transactions and Use Tax Law (Part 1.6
20 (commencing with Section 7251)), the exemption established by
21 this section does not apply with respect to any tax levied by a
22 county, city, or district pursuant to, or in accordance with, either
23 of those laws.

24 SEC. 2. This act provides for a tax levy within the meaning of
25 Article IV of the Constitution and shall go into immediate effect.
26 However, the provisions of this act shall become operative on
27 January 1, 2016.

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