

ASSEMBLY BILL

No. 1896

Introduced by Assembly Member Brough

February 11, 2016

An act to amend Section 7202 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1896, as introduced, Brough. Uniform local sales and use taxes.

Existing law, the Bradley-Burns Uniform Local Sales and Use Tax Law, authorizes a city, county, or city and county to impose local sales and use taxes, as specified. That law requires the sales tax portion of any sales and use tax ordinance adopted under that law to be imposed for the privilege of selling tangible personal property at retail and to include specified provisions.

This bill would make nonsubstantive changes to those provisions.

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

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

- 1 SECTION 1. Section 7202 of the Revenue and Taxation Code
2 is amended to read:
3 7202. The sales tax portion of any sales and use tax ordinance
4 adopted under this part shall be imposed for the privilege of selling
5 tangible personal property at retail, and shall include *the following*
6 provisions, ~~in substance as follows:~~ *substance:*
7 (a) A provision imposing a tax for the privilege of selling
8 tangible personal property at retail upon every retailer in the county

1 at the rate of 1 ¼ percent of the gross receipts of the retailer from
2 the sale of all tangible personal property sold by that person at
3 retail in the county.

4 (b) Provisions identical to those contained in Part 1
5 (commencing with Section 6001), insofar as they relate to sales
6 taxes, except that the name of the county as the taxing agency shall
7 be substituted for that of the state and that an additional seller's
8 permit shall not be required if one has been or is issued to the seller
9 under Section 6067.

10 (c) A provision that all amendments ~~subsequent to~~ *after* the
11 effective date of the enactment of Part 1 (commencing with Section
12 6001) relating to sales tax and not inconsistent with this part, shall
13 automatically become a part of the sales tax ordinance of the
14 county.

15 (d) A provision that the county shall contract ~~prior to~~ *before* the
16 effective date of the county sales and use tax ordinances with the
17 State Board of Equalization to perform all functions incident to
18 the administration or operation of the sales and use tax ordinance
19 of the county. Any such contract shall contain a provision that the
20 county agrees to comply with the provisions of Article 11
21 (commencing with Section 29530) of Chapter 2 of Division 3 of
22 Title 3 of the Government Code.

23 (e) A provision that the ordinance may be made inoperative not
24 less than 60 days, but not earlier than the first day of the calendar
25 quarter, following the county's lack of compliance with Article
26 11 (commencing with Section 29530) of Chapter 2 of Division 3
27 of Title 3 of the Government Code or following an increase by
28 any city within the county of the rate of its sales or use tax above
29 the rate in effect at the time the county ordinance was enacted.

30 (f) A provision that the amount subject to tax shall not include
31 the amount of any sales tax or use tax imposed by the ~~State of~~
32 *California state* upon a retailer or consumer.

33 (g) A provision that there is exempted from the sales tax 80
34 percent, and on and after July 1, 2004, until the rate modifications
35 in subdivision (a) of Section 7203.1 cease to apply, 75 percent, of
36 the gross receipts from the sale of tangible personal property, other
37 than fuel or petroleum products, to operators of aircraft to be used
38 or consumed principally outside the county in which the sale is
39 made and directly and exclusively in the use of the aircraft as

1 common carriers of persons or property under the authority of the
2 laws of this state, the United States, or any foreign government.

3 (h) A provision that any person subject to a sales and use tax
4 under the county ordinance shall be entitled to credit against the
5 payment of taxes due under that ordinance the amount of sales and
6 use tax due to any city in the county; provided that the city sales
7 and use tax is levied under an ordinance including provisions in
8 substance as follows:

9 (1) A provision imposing a tax for the privilege of selling
10 tangible personal property at retail upon every retailer in the city
11 at the rate of 1 percent or less of the gross receipts of the retailer
12 from the sale of all tangible personal property sold by that person
13 at retail in the city and a use tax of 1 percent or less of purchase
14 price upon the storage, use or other consumption of tangible
15 personal property purchased from a retailer for storage, use or
16 consumption in the city.

17 (2) Provisions identical to those contained in Part 1
18 (commencing with Section 6001), insofar as they relate to sales
19 and use taxes, except that the name of the city as the taxing agency
20 shall be substituted for that of the state (but the name of the city
21 shall not be substituted for the word “state” in the phrase “retailer
22 engaged in business in this state” in Section 6203 nor in the
23 definition of that phrase in Section 6203) and that an additional
24 seller’s permit shall not be required if one has been or is issued to
25 the seller under Section 6067.

26 (3) A provision that all amendments ~~subsequent to~~ *after* the
27 effective date of the enactment of Part 1 (commencing with Section
28 6001) relating to sales and use tax and not inconsistent with this
29 part, shall automatically become a part of the sales and use tax
30 ordinance of the city.

31 (4) A provision that the city shall contract ~~prior to~~ *before* the
32 effective date of the city sales and use tax ordinance with the State
33 Board of Equalization to perform all functions incident to the
34 administration or operation of the sales and use tax ordinance of
35 the city which shall continue in effect so long as the county within
36 which the city is located has an operative sales and use tax
37 ordinance enacted pursuant to this part.

38 (5) A provision that the storage, use or other consumption of
39 tangible personal property, the gross receipts from the sale of which
40 has been subject to sales tax under a sales and use tax ordinance

1 enacted in accordance with this part by any city and county, county,
2 or city in this state, shall be exempt from the tax due under this
3 ordinance.

4 (6) A provision that the amount subject to tax shall not include
5 the amount of any sales tax or use tax imposed by the ~~State of~~
6 ~~California~~ *state* upon a retailer or consumer.

7 (7) A provision that there are exempted from the computation
8 of the amount of the sales tax the gross receipts from the sale of
9 tangible personal property to operators of aircraft to be used or
10 consumed principally outside the city in which the sale is made
11 and directly and exclusively in the use of the aircraft as common
12 carriers of persons or property under the authority of the laws of
13 this state, the United States, or any foreign government.

14 (8) A provision that, in addition to the exemptions provided in
15 Sections 6366 and 6366.1, the storage, use, or other consumption
16 of tangible personal property purchased by operators of aircraft
17 and used or consumed by the operators directly and exclusively
18 in the use of the aircraft as common carriers of persons or property
19 for hire or compensation under a certificate of public convenience
20 and necessity issued pursuant to the laws of this state, the United
21 States, or any foreign government is exempt from the use tax.