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AB-2938 Sales and use taxes: exemption: bicycles: City of Santa Monica. (2017-2018)

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Assembly Bill No. 2938

CHAPTER 397

An act to add and repeal Section 6368.8 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 14, 2018. Filed with Secretary of State September 14, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2938, Bloom. Sales and use taxes: exemption: bicycles: City of Santa Monica.

Existing sales and use tax laws impose 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. Those laws provide various exemptions from those taxes.

This bill, on or after the effective date and until January 1, 2025, 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, specified bicycles purchased by the City of Santa Monica.

This bill would make legislative findings and declarations as to the necessity of a special statute for the City of Santa Monica.

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 laws authorize districts, as specified, to impose transactions and use taxes in accordance with the Transactions and Use Tax Law, which generally conforms to the Sales and Use Tax Law. Amendments to the Sales and Use Tax Law are automatically incorporated into the local tax laws.

Existing law requires the state to 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 any local agencies for use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 6368.8 is added to the Revenue and Taxation Code, to read:

6368.8. (a) On or after the effective date of the act adding this section, there are exempted from the taxes imposed by this part the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, qualified tangible personal property purchased by the City of Santa Monica.

(b) For purposes of this section, "qualified tangible personal property" means the 500 bicycles purchased by the City of Santa Monica in calendar year 2015.

(c) This section shall remain in effect only until January 1, 2025, and as of that date is repealed.

SEC. 2. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique needs of the City of Santa Monica in order to adapt to the rapidly changing bike share landscape and to pursue system expansions, improvements, and integrations.

SEC. 3. Notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made by this act and the state shall not reimburse any local agency for any sales and use tax revenues lost by it under this act.

SEC. 4. This act provides for a tax levy within the meaning of Article IV of the California Constitution and shall go into immediate effect.