

AMENDED IN ASSEMBLY APRIL 24, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1065**

**Introduced by Assembly Member Longville**

February 20, 2003

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An act to amend ~~Section 1903 of the Streets and Highways Code, relating to transportation~~ Sections 7202 and 7203 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1065, as amended, Longville. ~~City streets: assessments~~ *Local sales and use taxes: county rate.*

*The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes a county to impose a local sales and use tax at a rate of 1.25%, and similarly authorizes a city, located within a county imposing such a tax rate, to impose a local sales and use tax rate of 1% that is credited against the county rate.*

*This bill would authorize a county to impose a sales and use tax under that law at a rate of at least 1.25%, but not to exceed 1.5%.*

~~Existing law authorizes the legislative body of a city by a 4/5 vote to determine that an improvement of a street is of more than local benefit, and upon making that determination, to reduce the assessments upon property owners by using any city funds that may be used for street improvement or repair.~~

~~This bill would make nonsubstantive changes to these 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 1903 of the Streets and Highways Code~~

2 SECTION 1. Section 7202 of the Revenue and Taxation Code  
3 is amended to read:

4 7202. The sales tax portion of any sales and use tax ordinance  
5 adopted under this part shall be imposed for the privilege of selling  
6 tangible personal property at retail, and shall include provisions in  
7 substance as follows:

8 (a) A provision imposing a tax for the privilege of selling  
9 tangible personal property at retail upon every retailer in the  
10 county ~~at the a rate of 1 1/4 percent~~ *at least 1.25 percent, but not to*  
11 *exceed 1.5 percent*, of the gross receipts of the retailer from the sale  
12 of all tangible personal property sold by that person at retail in the  
13 county.

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

20 (c) A provision that all amendments subsequent to the effective  
21 date of the enactment of Part 1 (commencing with Section 6001)  
22 relating to sales tax and not inconsistent with this part, shall  
23 automatically become a part of the sales tax ordinance of the  
24 county.

25 (d) A provision that the county shall contract prior to the  
26 effective date of the county sales and use tax ordinances with the  
27 State Board of Equalization to perform all functions incident to the  
28 administration or operation of the sales and use tax ordinance of  
29 the county. ~~Any such~~ *This* contract shall contain a provision that  
30 the county agrees to comply with the provisions of Article 11  
31 (commencing with Section 29530) of Chapter 2 of Division 3 of  
32 Title 3 of the Government Code.

33 (e) A provision that the ordinance may be made inoperative not  
34 less than 60 days, but not earlier than the first day of the calendar  
35 quarter, following the county's lack of compliance with Article 11  
36 (commencing with Section 29530) of Chapter 2 of Division 3 of  
37 Title 3 of the Government Code or following an increase by any



1 city within the county of the rate of its sales or use tax above the  
2 rate in effect at the time the county ordinance was enacted.

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

6 (g) A provision that there is exempted from the sales tax 80  
7 percent of the gross receipts from the sale of tangible personal  
8 property, other than fuel or petroleum products, to operators of  
9 aircraft to be used or consumed principally outside the county in  
10 which the sale is made and directly and exclusively in the use of  
11 the aircraft as common carriers of persons or property under the  
12 authority of the laws of this state, the United States, or any foreign  
13 government.

14 (h) A provision that any person subject to a sales and use tax  
15 under the county ordinance shall be entitled to credit against the  
16 payment of taxes due under that ordinance the amount of sales and  
17 use tax due to any city in the county; provided, that the city sales  
18 and use tax is levied under an ordinance including provisions in  
19 substance as follows:

20 (1) A provision imposing a tax for the privilege of selling  
21 tangible personal property at retail upon every retailer in the city  
22 at the rate of 1 percent or less of the gross receipts of the retailer  
23 from the sale of all tangible personal property sold by that person  
24 at retail in the city and a use tax of 1 percent or less of purchase  
25 price upon the storage, use or other consumption of tangible  
26 personal property purchased from a retailer for storage, use or  
27 consumption in the city.

28 (2) Provisions identical to those contained in Part 1  
29 (commencing with Section 6001), insofar as they relate to sales  
30 and use taxes, except that the name of the city as the taxing agency  
31 shall be substituted for that of the state (but the name of the city  
32 shall not be substituted for the word “state” in the phrase “retailer  
33 engaged in business in this state” in Section 6203 nor in the  
34 definition of that phrase in Section 6203) and that an additional  
35 seller’s permit shall not be required if one has been or is issued to  
36 the seller under Section 6067.

37 (3) A provision that all amendments subsequent to the effective  
38 date of the enactment of Part 1 (commencing with Section 6001)  
39 relating to sales and use tax and not inconsistent with this part, shall



1 automatically become a part of the sales and use tax ordinance of  
2 the city.

3 (4) A provision that the city shall contract prior to the effective  
4 date of the city sales and use tax ordinance with the State Board of  
5 Equalization to perform all functions incident to the  
6 administration or operation of the sales and use tax ordinance of  
7 the city which shall continue in effect so long as the county within  
8 which the city is located has an operative sales and use tax  
9 ordinance enacted pursuant to this part.

10 (5) A provision that the storage, use or other consumption of  
11 tangible personal property, the gross receipts from the sale of  
12 which has been subject to sales tax under a sales and use tax  
13 ordinance enacted in accordance with this part by any city and  
14 county, county, or city in this state, shall be exempt from the tax  
15 due under this ordinance.

16 (6) A provision that the amount subject to tax shall not include  
17 the amount of any sales tax or use tax imposed by the State of  
18 California upon a retailer or consumer.

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

26 (8) A provision that, in addition to the exemptions provided in  
27 Sections 6366 and 6366.1, the storage, use, or other consumption  
28 of tangible personal property purchased by operators of aircraft  
29 and used or consumed by the operators directly and exclusively in  
30 the use of the aircraft as common carriers of persons or property  
31 for hire or compensation under a certificate of public convenience  
32 and necessity issued pursuant to the laws of this state, the United  
33 States, or any foreign government is exempt from the use tax.

34 *SEC. 2. Section 7203 of the Revenue and Taxation Code is*  
35 *amended to read:*

36 7203. The use tax portion of any sales and use tax ordinance  
37 adopted under this part shall impose a complementary tax upon the  
38 storage, use or other consumption in the county of tangible  
39 personal property purchased from any retailer for storage, use or  
40 other consumption in the county. That tax shall be at ~~the~~ a rate of



1 ~~1 1/4 percent~~ *at least 1.25 percent, but not to exceed 1.5 percent*, of  
2 the sales price of the property whose storage, use or other  
3 consumption is subject to the tax and shall include:

4 (a) Provisions identical to the provisions contained in Part 1  
5 (commencing with Section 6001), other than Section 6201 insofar  
6 as those provisions relate to the use tax, except that the name of the  
7 county as the taxing agency enacting the ordinance shall be  
8 substituted for that of the state (but the name of the county shall  
9 not be substituted for the word “state” in the phrase “retailer  
10 engaged in business in this state” in Section 6203 nor in the  
11 definition of that phrase in Section 6203).

12 (b) A provision that all amendments subsequent to the date of  
13 such ordinance to the provisions of the Revenue and Taxation  
14 Code relating to the use tax and not inconsistent with this part shall  
15 automatically become a part of the ordinance.

16 (c) A provision that the storage, use or other consumption of  
17 tangible personal property, the gross receipts from the sale of  
18 which has been subject to sales tax under a sales and use tax  
19 ordinance enacted in accordance with this part by any city and  
20 county, county, or city in this state, shall be exempt from the tax  
21 due under this ordinance.

22 (d) A provision that the amount subject to tax shall not include  
23 the amount of any sales tax or use tax imposed by the State of  
24 California upon a retailer or consumer.

25 (e) A provision that, in addition to the exemptions provided in  
26 Sections 6366 and 6366.1, the storage, use, or other consumption  
27 of tangible personal property, other than fuel or petroleum  
28 products, purchased by operators of aircraft and used or consumed  
29 by the operators directly and exclusively in the use of the aircraft  
30 as common carriers of persons or property for hire or  
31 compensation under a certificate of public convenience and  
32 necessity issued pursuant to the laws of this state, the United States  
33 or any foreign government is exempt from 80 percent of the use  
34 tax.

35 ~~is amended to read:~~

36 ~~1903. An appropriation under this chapter may be made from~~  
37 ~~any fund of the city that may be used for the construction,~~  
38 ~~maintenance, improvement, or repair of streets, or for the~~



- 1 ~~acquisition of rights of way therefor, or from any other fund~~
- 2 ~~available for the purposes of this chapter.~~

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