

Senate Bill No. 898

Passed the Senate August 25, 2016

Secretary of the Senate

Passed the Assembly August 18, 2016

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2016, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add and repeal Section 6358.6 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 898, Nguyen. Sales and use taxes: exemption: animal blood.

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. Existing law provides for various exemptions from those taxes, including an exemption for certain sales of human blood and containers thereof.

This bill, until January 1, 2022, 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, animal whole blood, plasma, blood products, and blood derivatives, sold by a nonprofit animal blood banking business for use in the cure, mitigation, treatment, or prevention of injury or disease in animals pursuant to a specified state law. The bill would define “nonprofit” for its purposes.

The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes cities and counties 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 incorporated into the local tax laws.

Existing law requires the state to reimburse cities and counties for revenue losses caused by the enactment of sales and use tax exemptions.

This bill would provide that, notwithstanding these provisions, no appropriation is made and the state shall not reimburse cities

and counties for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy.

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

SECTION 1. Section 6358.6 is added to the Revenue and Taxation Code, to read:

6358.6. (a) 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, animal whole blood, plasma, blood products, and blood derivatives, sold by a nonprofit animal blood banking business for use in the cure, mitigation, treatment, or prevention of injury or disease in animals pursuant to Section 9241 of the Food and Agricultural Code.

(b) For purposes of this section, “nonprofit” means an organization exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code.

(c) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.

SEC. 2. Notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made by this act and the state shall not reimburse cities and counties for any sales and use tax revenues lost by them under this act.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

Approved _____, 2016

Governor