

AMENDED IN SENATE APRIL 25, 2016

AMENDED IN SENATE APRIL 4, 2016

SENATE BILL

No. 898

Introduced by Senator Nguyen

(Principal coauthors: Assembly Members Travis Allen and Mullin)

(Coauthors: Senators Allen, Berryhill, and Stone)

January 21, 2016

An act to add Section 6358.6 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 898, as amended, 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 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 for use in the cure, mitigation, treatment, or prevention of injury or disease in animals pursuant to a specified state law.

The bill also would require the State Board of Equalization to cancel any notice of determination and any related penalties and interest, and to not issue any notice of determination, with respect to 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 for use in the cure, mitigation, treatment, or prevention of injury or disease in animals pursuant to a specified state law. The bill would make findings regarding the public purpose of this provision.

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.

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 6358.6 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 6358.6. There are exempted from the taxes imposed by this
- 4 part the gross receipts from the sale in this state of, and the storage,
- 5 use, or other consumption in this state of, animal whole blood,
- 6 plasma, blood products, and blood derivatives, sold for use in the
- 7 cure, mitigation, treatment, or prevention of injury or disease in
- 8 animals pursuant to Section 9241 of the Food and Agricultural
- 9 Code.
- 10 SEC. 2. The Legislature finds and declares that animals have
- 11 emergencies and illnesses ~~presenting~~ *that present* a critical need
- 12 for blood products, and that in enacting this act it is in the public
- 13 interest to relieve from liability those persons that have not paid
- 14 sales tax or collected sales tax reimbursement on their sales of
- 15 animal blood products, thereby preventing undue hardship on those
- 16 persons that offer this vital life service.
- 17 SEC. 3. The State Board of Equalization shall cancel any notice
- 18 of determination and any related penalties and interest, and shall

1 not issue any notice of determination, with respect to the sale in
2 this state of, and the storage, use, or other consumption in this state
3 of, animal whole blood, plasma, blood products, and blood
4 derivatives, sold for use in the cure, mitigation, treatment, or
5 prevention of injury or disease in animals pursuant to Section 9241
6 of the Food and Agricultural Code.

7 SEC. 4. The Legislature finds and declares that the addition of
8 Section 3 of this act serves a public purpose as described in Section
9 2 of this act, and does not constitute a gift of public funds within
10 the meaning of Section 6 of Article XVI of the California
11 Constitution.

12 SEC. 5. Notwithstanding Section 2230 of the Revenue and
13 Taxation Code, no appropriation is made by this act and the state
14 shall not reimburse cities and counties for any sales and use tax
15 revenues lost by them under this act.