

Amend Section 6360.1 of the Sales and Use Tax Law, relative to the military lapel pin exemption, to incorporate correct, updated reference to the United States Code. (Technical)

Source: Sales and Use Tax Department

Current Law

Under existing law, Revenue and Taxation Code Section 6360.1 provides an exemption from the sales and use tax for the gross receipts from a sale of “a ‘Buddy Poppy’ or any other symbolic, impermanent lapel pin that memorializes United States military veterans killed in foreign wars of the United States.” Under the law, the exemption applies to sales made by “any corporation established by the Congress of the United States pursuant to Chapter 7A (commencing with Section 111) of Title 36 of the United States Code, or any of that corporation’s subordinate state or territorial subdivisions, local chapters, or auxiliaries.” Section 2 of the enabling legislation, Senate Bill 3 (Ch. 316, Stats. 1995), indicates Veterans of Foreign Wars (VFW) is the intended recipient of the exemption.

A review of the United States Code shows that the reference in Section 6360.1 is incorrect. Under legislation adopted in 1998, authorization for the establishment of the VFW was moved from United States Code Chapter 7A (commencing with Section 111) to Chapter 2301 (commencing with Section 230101).

This Proposal

This proposal would therefore substitute the correct reference to the United States Code in Section 6360.1.

Section 6360.1 of the Revenue and Taxation Code is amended to read:

6360.1. 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, a "Buddy Poppy" or any other symbolic, impermanent lapel pin that memorializes United States military veterans killed in foreign wars of the United States, by any corporation established by the Congress of the United States pursuant to Chapter ~~7A~~2301 (commencing with Section ~~44~~230101) of Title 36 of the United States Code, or any of that corporation's subordinate state or territorial subdivisions, local chapters, posts, or auxiliaries.