

Text of Proposed Changes to

Title 18. Public Revenue

Regulation 1597. Property Transferred or Sold by Certain Nonprofit Organizations.

(a) In General. . . . (unchanged).

(b) Flags Sold by Nonprofit Veterans' Organizations. . . . (unchanged).

(c) Prisoners of War Bracelets Transferred by Charitable Organizations. . . . (unchanged).

(d) Handcrafted or Artistic Tangible Personal Property Sold by Certain Qualified Organizations. . . . (unchanged):

(1) . . . (unchanged).

(2) . . . (unchanged).

(3) . . . (unchanged).

(4) . . . (unchanged).

(e) Food Products, Nonalcoholic Beverages and Other Tangible Personal Property Sold by Nonprofit Youth Organizations.

(1) . . . (unchanged)..

(A) "Qualified youth organization" means and includes:

1. . . . (unchanged), or

2. . . . (unchanged).

(B) "Qualified educational institution" means and includes:

1. . . . (unchanged), or

2. . . . (unchanged).

(C) . . . (unchanged).

(2) . . . (unchanged).

(f) Tangible Personal Property Sold by Certain Nonprofit Organizations. The following organizations are consumers and not retailers of any tangible personal property sold by them if the profits from such sales are used exclusively in the furtherance of the purposes of the organization:

(1) . . . (unchanged).

(2) . . . (unchanged).

(3) . . . (unchanged).

(4) From January 1, 2016, through December 31, 2020, an “all volunteer fire department” as defined in Revenue and Taxation Code section 6018.10. This subdivision does not apply if an all volunteer fire department, in each of the two preceding calendar years, has gross receipts from the sale of tangible personal property of \$100,000 or more.

(g) Resale Certificates: Obligations of Persons Who Sell to Consumers. . . . (unchanged).

(h) Taxable Sales of Tangible Personal Property by or Through Nonprofit Organizations. . . . (unchanged).

(i) Transfer of Tangible Personal Property to Members. . . . (unchanged):

(1) . . . (unchanged).

(2) . . . (unchanged).

(3) . . . (unchanged).

(4) . . . (unchanged).

Note: Authority cited: Section 7051, Revenue and Taxation Code. Reference: Sections 6018.9, 6018.10, 6359.3, 6360, 6361, 6361.1 and 6370, Revenue and Taxation Code; and *Scholastic Book Clubs, Inc. v. State Board of Equalization* (1989) 207 Cal. App. 3d 734.