

CALIFORNIA STATE LEGISLATURE

REVENUE AND TAXATION

REFERENCE BOOK

2003

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PREFACE

This Revenue and Taxation Reference Book is designed to answer some of the more commonly asked questions about California's tax structure. It is written with the general public in mind and gives a broad overview of most of California's major taxes, as well as summaries of some special features of the tax system. Many of the technical features and fine points of the law are excluded in an attempt to keep the material accessible to lay readers.

This Reference Book reflects California's tax law as of January, 2003. Generally, tax provisions that expired or were repealed prior to that date are not described.

Many features of the state tax system are described more than once in this Reference Book. For instance, certain income tax provisions affecting businesses are described both as a feature of the Personal Income Tax in Chapter 2B and in Chapter 2C, under the Corporation Tax. Readers should watch for cross-references within the text.

The Glossary in Chapter 8 provides short definitions of over 200 terms and abbreviations.

Thanks are due to the staff members of the Franchise Tax Board, the Board of Equalization, and other executive agencies who provided information, advice, and editorial comment during the preparation of this book. Legislative Counsel also provided assistance on various issues in this book. Their collective assistance ensures that the information included is both timely and accurate.

The Revenue and Taxation Reference Book has been prepared and maintained over the years by the staff of the Assembly Committee on Revenue and Taxation.

TABLE OF CONTENTS

	Page
PREFACE	i
TABLE OF CONTENTS	ii
TABLE OF TABLES	iv
CHAPTER 1. CALIFORNIA'S TAX SYSTEM	1
A. Overview of California's Tax Revenues	1
B. Basic Facts About Tax Legislation	2
C. Restrictions on the Taxing Power of the Legislature	8
D. Where to Get Information About State Taxes	14
CHAPTER 2. OVERVIEW OF MAJOR TAXES AND REVENUE SOURCES	16
A. Introduction	16
B. Personal Income Tax	17
C. Corporation Tax	44
D. Determining the Income of Multistate and Multinational Corporations	64
E. Sales and Use Tax	74
CHAPTER 3. OVERVIEW OF OTHER STATE TAXES AND REVENUE SOURCES	86
A. Alcoholic Beverage Tax and Liquor License Fees	86
B. Cigarette and Tobacco-Related Products Tax	90
C. Insurance Gross Premiums Tax	96
D. Estate Tax	99
E. Fuel Taxes	101
F. Motor Vehicle Fees	107
G. Timber Yield Tax	111
H. Private Railroad Car Tax	113
I. Emergency Telephone Users' Surcharge	115
J. Unemployment Insurance Tax	117
K. State Disability Insurance Tax	122
CHAPTER 4. THE LOCAL PROPERTY TAX	126
CHAPTER 5. GOVERNMENT APPROPRIATIONS LIMIT: ARTICLE XIII B OF THE CONSTITUTION	150

CHAPTER 6. SPECIAL FEATURES OF THE CALIFORNIA TAX SYSTEM	158
A. Overview of Special State Tax Provisions Affecting Senior Citizens	158
B. Senior Citizens and Disabled Property Tax Assistance Program	162
C. Senior Citizens and Disabled Property Tax Postponement Program	167
D. Overview of Special State Tax Provisions for Homeowners	171
E. Homeowners' Exemption	174
F. Renters' Credit	177
G. Open Space and Agricultural Land Contracts	179
H. Mobilehome Taxation	182
CHAPTER 7. OVERVIEW OF CALIFORNIA'S TAX ADMINISTRATION	187
CHAPTER 8. GLOSSARY OF TAX TERMINOLOGY	197

TABLE OF TABLES

Table 1	General Fund Revenues - Fiscal Year 2001-2002	1
Table 2	California Tax Rates for 2002	25
Table 3	Federal Tax Rates for 2002	26
Table 4	Changes made by EGTRRA	38
Table 5	Computation of Alternative Minimum Tax for a Hypothetical Corporation	61
Table 6	Use of Unitary Apportionment Formula for a Hypothetical Corporation	69
Table 7	Existing Transactions and Use Taxes (As of 1-1-02)	79
Table 8	Property Tax Relief Programs	143
Table 9	Calculation of Senior Citizens Property Tax Assistance for Taxpayer with Total Household Income of \$6,600	164
Table 10	Senior Citizens Property Tax Assistance	165
Table 11	Tax Administration Responsibilities	19

