



*California State Board of Equalization,  
Legislative Division*

# LEGISLATIVE BULLETIN

---



---

**SPECIAL TAXES LEGISLATION  
1997**

## TABLE OF CONTENTS

### CHAPTERED LEGISLATION ANALYSES

**Assembly Bill 475 (Pringle) Chapter 719** 2  
*Regulatory fee registry and inventory*

**Assembly Bill 595 (Brown) Chapter 878** 4  
*Metropolitan Transportation Commission gasoline tax authority*

**Assembly Bill 1269 (Granlund) Chapter 618** 6  
*Interstate truckers diesel fuel surcharge*

**Senate Bill 612 (Costa) Chapter 76** 9  
*Fuel tax law changes*

**Senate Bill 660 (Sher) Chapter 870** 13  
*Environmental Cleanup and Fee Reform Act of 1997*

**Senate Bill 1102 (Committee on Revenue and Taxation) Chapter 620**  
16  
*Board-sponsored housekeeping measure*

**TABLE OF SECTIONS AFFECTED** 17

**Assembly Bill 475 (Pringle) Chapter 719**  
*Regulatory fee registry and inventory*

*Effective January 1, 1998. Adds Sections 15338.5 and 15338.6 to, and repeals Sections 15399.57 and 15399.58 of, the Government Code.*

- **Requires the Board, Cal-EPA, and the Resources Agency, commencing with the calendar year 1999, to submit an annual report to the Trade and Commerce Agency (TCA) showing a separate listing of the amount of all fees or charges collected or assessed by the respective agency, as specified, and the number of permits or licenses issued, the number of fines assessed, and the rate basis on which fees or charges are assessed.**
- **Commencing in 2000, requires each state board, agency, or department to provide a similar report to TCA.**
- **Specifies that these reports would be required no later than the last day of the first quarter following each year.**
- **Requires that Cal-EPA, in consultation with the TCA, other state agencies, and the Joint Legislative Audit Committee, develop a form to be used for submitting the report no later than July 31, 1998.**

*Sponsor: California Chamber of Commerce*

***Law Prior to Amendment:***

Sections 15399.57 and 15399.58 of the Government Code require the Office of Permit Assistance (OPA) within the Trade and Commerce Agency to establish, compile, and maintain a list of all fees or charges assessed or collected by any state board, agency, or department, and make that list available to the public. Commencing with the first quarter of 1997, each state board, agency or department is required to submit to OPA quarterly reports of the total fees or charges it collected or assessed. The report is required to be submitted each quarter on or before the last day of the following quarter (i.e., the first quarter 1997 report would be due on June 30, 1997).

Under various provisions of law, the Board administers a variety of tax, fee and surcharge programs. The following "fee" programs are administered by the Board:

- **Integrated Waste Management Fee (imposed on solid waste landfill operators at \$1.34 per ton)**
- **Tire Recycling Fee (imposed on persons purchasing new tires and collected by tire retailers at 25 cents per tire)**

- Underground Storage Tank Maintenance Fee (imposed on owners of tanks at 1.2 cents per gallon)
- Childhood Lead Poisoning Prevention Fee (imposed on various industries and facilities reporting releases of lead into the air)
- Oil Spill Prevention and Administration Fee (imposed on owners of crude oil and petroleum products and marine pipeline operators)
- Oil Spill Response Fee (imposed on owners of petroleum products and pipelines, and operators of oil refineries)
- Environmental Fee (imposed on corporations using, generating, storing, or conducting activities relating to hazardous materials, which employ 50 or more employees)
- Activity Fee (imposed on hazardous waste activity applicants)
- Generator Fee and Generator Fee Surcharge (imposed on generators of hazardous waste who do not pay a facility fee)
- Disposal Fee (imposed on hazardous waste disposers)
- Facility Fee and Tiered Permit Fees (imposed on hazardous waste facility operators)
- Occupational Lead Poisoning Prevention Fee (imposed on employers with 10 or more employees in industries with evidence of potential occupational lead poisoning)
- International Fuel Tax Agreement annual fees (imposed on interstate truckers for licensing and decals)

***Background:***

Sections 15399.57 and 15399.58 of the Government Code were enacted in the 1996 Legislative Session (AB 1475, Pringle, Ch. 1127) in an effort to make progress toward creating better management of, and knowledge of, the various environmental fees. That measure was sponsored by the California Chamber of Commerce who believed that the expansion of various environmental fees and assessments is a result of the lack of visibility of the fee universe caused by the diverse array of transactions. Consequently, it was difficult to obtain an accurate accounting of what businesses are actually required to pay.

***Comments:***

1. **Purpose.** This measure is an effort to clarify various issues that surfaced subsequent to the enactment of AB 1475.
2. **It appears a variety of taxes and surcharges administered by the Board would not be includable in the required report.** In addition to the fees identified in this analysis, the Board administers additional taxes and surcharges, such as the

sales and use tax, the timber yield tax, the private railroad car tax, the energy resources surcharge, the tax on insurers, and more. However, it appears these would not be includable within the provisions of this measure.

**Assembly Bill 595 (Brown) Chapter 878**  
***Metropolitan Transportation Commission gasoline tax authority***

*Effective January 1, 1998. Adds Chapter 12 (commencing with Section 8500) to Part 2 of Division 2 of the Revenue and Taxation Code.*

**Allows the members of the nine county Metropolitan Transportation Commission to impose an additional excise tax on gasoline of up to 10 cents per gallon. The nine Bay Area members include the City and County of San Francisco, and the Counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma.**

**The funds raised would be earmarked for road maintenance, public transit systems, rail extensions, road safety improvements, and other transportation related projects.**

***Sponsor: Metropolitan Transportation Commission***

***Law Prior to Amendment:***

The Local Motor Vehicle License Tax Law, as contained in Part 4 (commencing with Section 9501) of Division 2 of the Revenue and Taxation Code, authorizes counties to impose countywide excise taxes on motor vehicle fuel at increments of one cent per gallon provided a majority of the voters approve the proposition. The funds collected must be used only for purposes authorized by Article XIX of the California Constitution, such as transportation planning and construction. To date, however, no county imposes a local fuel tax under this authority.

***Comments:***

1. **Purpose.** According to the author's office, the bill is intended to provide funding for transportation projects specific to the nine Bay Area counties which the local excise tax provisions under the Local Motor Vehicle License Tax Law may not authorize due to constitutional restrictions.
2. **The bill does not specify the level of imposition of the tax.** The language in the bill allows the possibility of imposing a per-gallon tax at any level at which gasoline is sold within the region, including distribution of gasoline from a refinery, wholesale distribution, or retail sales level. The language provides the commission greater flexibility in crafting the tax increase proposal which would require voter approval.

3. **This bill could set a precedent for establishing multiple excise tax rates on other commodities.** The Board currently administers excise taxes on a range of products including fuels, cigarettes and tobacco products, and the different alcoholic beverages. Additionally, the Board collects taxes on energy and telephone use, gross insurance premiums, and a variety of hazardous and solid wastes. By imposing a local excise tax on the sales of a specific commodity, as this bill would do, the administration of the tax would become complicated and place additional record keeping and reporting requirements on retailers. This could eventually set a precedent which could lead to a proliferation of different local excise tax rates for other commodities and services, which would further complicate the tax system.
4. **This bill presents a dramatic tax increase for those regions.** A potential 10 cents per gallon tax increase would give many customers incentive to purchase their fuel in neighboring counties, resulting in a potentially substantial economic hardship for businesses located on the perimeter of the higher tax rate counties.
5. **The tax increase could increase tax evasion.** Current law requires the prepayment of approximately 80% of the sales tax that would be collected on the retail sale of fuels. Retailers are thereby required to report their sales of gasoline and diesel in order to recoup those prepaid taxes. The prepayment statute was added in 1986 to curb the increasing incidences of sales tax evasion on gasoline sales.

Since the current excise tax on gasoline is collected at the refinery, built into the purchase price of the fuel by the retailer, there has not been rampant evasion of the gasoline tax at the retail sales level. It is important that the adopted method of imposing this proposed tax mitigates the opportunity for increased tax evasion within the region.

**Assembly Bill 1269 (Granlund) Chapter 618**  
*Interstate truckers diesel fuel surcharge*

*Tax levy; effective October 3, 1997; Operative January 1, 1998. Amends Section 7102, 60115, and 60202 of, and adds 60116 to, the Revenue and Taxation Code.*

**Imposes an additional excise tax on the use of diesel fuel in a qualified motor vehicle in this state. The tax will be in addition to the current \$0.18 per gallon tax stated under Section 60050 of the Revenue and Taxation Code and will be set annually by the Board at a cents-per-gallon rate equivalent to the 7.25% statewide sales tax imposed on the retail sale of diesel fuel in this state. The sales tax equivalency formula is set under Section 60116, which this bill adds. The surcharge will be deposited in the Motor Vehicle Fuel Account in the Transportation Tax Fund.**

**Additionally, this bill amends Section 60202 to provide a credit or refund in specified circumstances, claimable on an interstate trucker's International Fuel Tax Agreement (IFTA) or Diesel International (DI) return, in the amount of the excise tax and sales tax surcharge provided the excise tax and sales tax had been paid on the purchase of diesel fuel in this state.**

*Sponsor: California Truck Stop Operators*

***Comments:***

- 1. Purpose.** According to the author's office, this bill is intended to level the playing field between California truck stops and out-of-state truck stops. The sponsors contend that California's imposition of a sales tax on diesel fuel is an incentive for interstate truckers to "tank up" before entering California. While interstate truckers must still pay the excise tax, which is a per-gallon tax due on the use of diesel fuel on California highways, by purchasing their diesel fuel before entering California they can avoid the sales tax imposed on the retail purchase of diesel fuel in this state. This measure is intended to impose a per-gallon surcharge, equivalent to the sales tax, which interstate truckers would only have to pay on diesel fuel purchased outside California. This measure is intended to remove a disincentive to purchasing diesel fuel at a California truck stop.
- 2. The bill contains legislative intent language to avoid the impression that credits and refunds would only be allowed through an IFTA return.** For example, interstate users driving between Mexico and the United States do not report and pay their diesel tax liability through IFTA, but on the DI return



(because Mexico is not part of IFTA). The intent language was added at the request of certain taxpayers who would be affected by the new surcharge and were concerned that the language in the bill was not clear to the exact impact of this legislation.

- 3. Credits for sales tax paid would be netted against the new surcharge within the Motor Vehicle Fuel Account.** Under the provisions of this bill, the new credits and refunds for sales tax paid to California diesel fuel vendors would be charged against the Motor Vehicle Fuel Account up to the point at which the total credits and refunds for the fiscal year equal the new surcharge collected under this bill. The Board would track the new revenues derived from the sales tax equivalency surcharge and deposit the net tax (the amount of the new surcharge offset by the new credit for sales tax paid on out of state use of diesel fuel) in the Motor Vehicle Fuel Account.

In the event the total credits and refunds for the sales tax paid on diesel fuel used out of state exceed the amount collected under the new surtax in that fiscal year, those credits and refunds would come from the Retail Sales Tax Fund. This change would guarantee that the Motor Vehicle Fuel Account would not be reduced beyond its current funding level due to the credit for sales tax paid on diesel fuel established in this bill. The Retail Sales Tax Fund, however, could be reduced in the unlikely event interstate truckers begin to purchase more diesel fuel from California vendors than out of state vendors.

The number of gallons purchased out of state and consumed in California is currently four times as much as those gallons purchased in California and consumed out of state. While this measure may encourage some truckers to purchase their diesel fuel in California, it is not anticipated that their buying habits would change so dramatically as to reverse the current trend of imported diesel fuel gallons exceeding exported gallons. Other factors, such as California's diesel fuel formulation, also influence the diesel fuel purchasing decisions of interstate truckers.

- 4. The surcharge would be determined based on a specific formula.** The formula for determining the annual sales tax equivalency rate would include the federal tax rate but exclude the state excise tax, consistent with the current imposition of the sales tax on diesel fuel. The bill would define average retail price per gallon to be the price determined from the "Fuel Price and Supply Update" published by the State Energy Resources Conservation and Development Commission. Board staff requested that the bill contain a specific method and source of information in the statutes in order to avoid future disagreements concerning the method used by the Board to annually determine the tax rate.

5. **A conversion of the sales tax rate is necessary.** Under current IFTA procedures, interstate truckers report on one form their excise tax liability on fuel consumed in each state. The form consists of one line for each state or Canadian province in which an interstate trucker operates. Interstate truckers multiply the gallons used in each state by that state's tax rate or combined tax rate. The amounts reported on a return for each state can be either a liability or a credit depending upon whether the fuel used in each state was purchased tax paid or not.

In order to be able to use the IFTA return to impose this proposed tax, the equivalent sales tax rate on which it would be based would have to be converted to a per-gallon rate and combined with the current \$0.18 per gallon excise tax. The IFTA return does not allow for tax rates based on selling or purchase price.

6. **Prior legislation proposed a sales tax refund.** The April 11, 1996 version of Senate Bill 1919 (Johannessen) proposed a refund of the sales tax paid on diesel fuel purchased in California but consumed by interstate truckers outside the state. In addition to the Board staff concerns about setting a precedent for refunding sales tax directly to customers, the sales tax refund option was not possible to administer through the IFTA return. The April 11, 1996 version of SB 1919 was never heard in a policy committee and the refund provisions were later amended out of the bill.
7. **Imposition of the use tax has also been previously suggested.** The use tax is complimentary to the sales tax. Generally it is imposed on the purchaser of tangible personal property from an out of state seller who is not liable for collecting the tax.

During various discussions concerning last year's SB 1919, it was suggested that the problem of "tanking up" could be solved simply by the enforcement of the use tax provisions on those diesel fuel gallons brought into the state in the fuel tanks of qualified motor vehicles.

Current law defines "use" to include the exercise of any right or power over tangible personal property incidental to the ownership of that property. The definition has been further defined in case law (Western Pacific RR Co. v. State Board of Equalization, 213 Cal. App 2d 20) to mean that the first substantial use of the property provides the taxable moment which subjects the property to the use tax. Based upon that reasoning, the use tax does not currently apply to the fuel brought into the state in the tank of a motor vehicle because the first substantial use occurs when the fuel is placed in the vehicle's tank, and not when the fuel is actually burned to propel the vehicle. Therefore, in order for California to impose the use tax on the diesel fuel brought into the fuel tanks of interstate truckers, a statutory change would be necessary.

If a use tax law change was made, however, other states which do not currently impose a sales tax may adopt one in order to defeat the effect of a California use tax. Current law requires the Board to offset the use tax with a credit for sales tax paid to another state. If Arizona or Nevada imposed a sales tax, California would offset the amount of use tax due on out-of-state purchases of diesel fuel up to the amount of any sales tax paid to either one of those states. The end result could be a zero sum gain.

**Senate Bill 612 (Costa) Chapter 76**  
*Fuel tax law changes*

*Effective July 16, 1997. Amends Sections 8102, 8103, 8105, 60041, 60201.2, 60201.3, 60472, 60501, 60502, 60505, and 60511 of, adds Sections 8108 and 8109 to, and repeals Sections 7402, 7403, 7404, 7407, and 60510 of, the Revenue and Taxation Code.*

**Purpose.** According to the author's office, the various provisions of this bill are intended to enhance fuel tax refund processing and collection functions and re-enact two existing diesel tax provisions scheduled to sunset.

**Sponsor:** *California Independent Oil Marketers Association (CIOMA).*

**Motor Vehicle Fuel License Tax**

Eliminates the requirement to file gasoline export documentation since the filing of export certificates has become a paper processing function without a corresponding need. The Board no longer considers those documents necessary for administering the gasoline tax law.

The Board has no comments related to the refund processing provisions administered by the Controller.

**Diesel Fuel Tax Law**

**Section 60041 and 60501(a)(4)(I).** Changes the definition of a "train operator" to require licensing as a railroad by "a state or federal agency." This bill allows any person who sells tax paid diesel fuel to a train operator to be refunded directly from the Board.

***Comments:***

The Board discovered that not all railroads are licensed by the Interstate Commerce Commission, including many short line and other small railroads. According to current law, therefore, even though state licensed railroads are using diesel fuel in the same manner which makes federally licensed railroads exempt from the tax, those railroads are technically not exempt from the diesel fuel tax as train operators. This proposal would expand the definition to include all regulated railroads.

The current restrictions on anyone other than a supplier making exempt sales of diesel fuel restricts fuel marketers from selling undyed diesel fuel to railroads. Because current law requires the railroad to claim the refund directly from the state, railroads often refuse to purchase their fuel from anyone but a supplier. The proposed refund provisions in Section 60501(a)(4)(I) would eliminate the current disincentive for railroads to purchase their diesel fuel from wholesalers. This change would allow wholesalers to be refunded the excise tax on diesel fuel sold to railroads in much the same way they are refunded the tax on sales of diesel to farmers.

**Section 60201.2.** Deletes the sunset provisions which allow a wholesaler to postpone payment of the diesel tax to their supplier until five days before the supplier is required to make payment of the diesel tax to the Board. These provisions were added by Senate Bill 1131 (Ch. 34, 1995) to ease the cash flow burden of wholesalers when the diesel tax was moved to the terminal rack level beginning July 1, 1995. Under the new diesel tax law, wholesalers were required to pay the additional \$0.18 per gallon 60 to 90 days before they could collect the tax reimbursement from their customers. The sunset date for these provisions was July 1, 1997.

*Comments:*

While these provisions do not impact the Board's administration of the diesel tax, as they concern the contractual obligations between private parties, the extension of these provisions could set a precedent for other tax programs administered by the Board.

**Section 60201.3.** Deletes the sunset provisions which allow a diesel fuel supplier to claim a bad debt deduction for accounts found worthless and charged-off for income tax purposes. These provisions were added by Senate Bill 1131 (Ch. 34, 1995) in anticipation of the diesel tax being imposed at the terminal rack level beginning July 1, 1995.

*Comments:*

The allowance of a temporary bad debt deduction for diesel fuel suppliers was precedent setting for this type of tax. The Use Fuel Tax Law, under which the diesel fuel tax was previously administered, allowed bad debts for unpaid taxes on diesel fuel because the tax liability was on the fuel user and only collected by the seller. All other excise taxes imposed on a person distributing tangible personal property in a manner similar to the diesel tax do not allow bad debts. This provision would permanently establish provisions inconsistent with the gasoline tax law which does not permit bad debt deductions.

**Section 60472.** Limits the time frame under which the enforcement of unpaid taxes against a successor could be made to no later than three years after the Board has been notified that the business has been sold.

*Comments:*

Section 60472 currently gives no time limit to bar the enforcement by the Board of unpaid diesel fuel taxes of a predecessor against a successor. This measure would protect taxpayers by adding a time limit that conforms with other Board-administered tax and fee programs.

**Section 60501(a)(3), 60502(b)(4) and 60505.** Allows the Board to accept a computerized facsimile of an electronic invoice, if accompanied by an original bill of lading or fuel manifest, when invoicing is done electronically and no original invoice was created.

*Comments:*

This proposal would conform the law to current electronic invoicing practices. Board staff does not anticipate any refund documentation problems from this changed.

**Sections 60501(a)(4)(G) and 60510.** Allows the Board to issue refunds of the diesel tax for diesel fuel lost in the ordinary course of handling, transporting, and storage.

*Comments:*

The Board has received refund claims for certain handling losses for which current law does not authorize refunds. A common occurrence involves sellers accidentally pumping tax paid fuel into a storage tank for ex-tax fuel (dyed). Current law does not allow a refund of the tax on the fuel which subsequently cannot be used on the highway.

This proposal would amend Section 60501 to allow the Board to accept proof of these types of handling losses and refund the tax to the seller. This proposal complements the refund provisions currently in Section 60501 which additionally sets forth all of the requirements for obtaining a refund. Fair and consistent tax policy should require that no tax be paid on fuel which is not used for a taxable purpose.

**Section 60511.** Requires the payment of interest from the first day of the month following the day the refund was filed with the Board, but only on claims not paid within 20 days of receipt of a properly completed claim.

*Comments:*

Because a person does not become eligible for the refund of the diesel fuel tax until they use the diesel fuel in a refundable manner or sell the diesel fuel to an ultimate purchaser, interest should only be paid after the properly completed refund claim has been filed with the Board. Further, since the law requires the Board to refund an ultimate vendor within 20 days of receipt of the refund claim, interest should only be paid in the event the Board does not issue a timely refund check.

**Senate Bill 660 (Sher) Chapter 870***Environmental Cleanup and Fee Reform Act of 1997*

*Effective January 1, 1998. Sections operative either January 1, 1998, July 1, 1998 or January 1, 2001. Amends Sections 25143, 25160.5, 25165, 25166, 25166.5, 25174, 25174.1, 25178.1, 25187, 25192, 25201.6, 25201.9, 25204.7, 25205.4, 25205.5, 25205.6, 25205.7, 25205.12, 25205.14, 25205.15, 25205.16, 25205.18, 25205.19, 25207.12, 25209.7, 25221, 25324, 25330, 25330.4, 25336, 25337, 25343, 25351.1, 25354.5, 25360, 25395, 25404.5, and 25416 of, adds Sections 25173.6 and 25173.7 to, adds Article 9.2 (commencing with Section 25206.1) to Chapter 6.5 of Division 20 of, repeals Sections 25167, 25187.9, 25205.8, 25205.9, 25340, 25341, 25345, and 25351 of, repeals and adds Section 25174.2 of, repeals, adds and repeals, and adds Section 25174.6 of, the Health and Safety Code, and amends Sections 43053, 43054, and 43101 of, adds Section 43152.16 to, and repeals Section 43055 of, the Revenue and Taxation Code.*

**Enacts the Environmental Cleanup and Fee Reform Act of 1997. The bill changes various sections of the Health and Safety Code related to Board-administered hazardous waste fees as follows:**

<u>Type of fee</u>	<u>Section</u>	<u>Change</u>
Generator fee	25205.5	Decrease fee
Environmental fee	25205.6	Increase fee
Permit modifications	25205.7(b)(2)	Reimbursement
New permit applications	25205.7(c), (d), & (f)	Reimbursement
New standardized permit applications	25205.7(e)	Reimbursement
Variances	25205.7(g)	Reimbursement
Permit modifications	25205.7(h)	Reimbursement
Post-closure applications	25205.7(i)	Reimbursement
Extremely hazardous waste	25205.7(n) & (o)	Reimbursement
Waste classification	25205.8	Repeal section
Generator surcharge	25205.9	Repeal section
Onsite treatment modifications	25205.14	Decrease fee
Border zone determinations	25221	Repeal fee
Preliminary endangerment assessments	25343	Reimbursement



*Sponsor: Senator Sher*

***Law Prior to Amendment:***

Under existing law, the Health and Safety Code imposes various hazardous waste fees on the generation, transportation, transfer, storage, treatment, and disposal of hazardous wastes. These fees are collected by either the Board or the Department of Toxic Substances Control (DTSC). Revenues from the hazardous waste fees are used to fund DTSC's administration.

***Background:***

In enacting Senate Bill 1222 (Ch. 638, 1995), the Legislature required the Secretary for Environmental Protection to convene a task force to review the existing hazardous waste fee structure and provide recommendations to the Legislature no later than January 1, 1997. The task force was directed to propose a new fee system for providing financial support to California's hazardous waste and hazardous substance regulatory programs which would 1) provide protection for public health and safety and the environment; 2) provide adequate funding to ensure remediation of contaminated sites; 3) not impose a disproportionate burden on any sector of California's economy; 4) provide a level of funding that enables DTSC to appropriately implement programs authorized by the Legislature in a manner consistent with the objectives of those programs; and 5) provide a means of funding consistent with the objectives of DTSC's programs. The task force consisted of representatives from the Legislative Analyst, Senate and Assembly policy committees, Senate and Assembly fiscal committees, state employees, environmental organizations, and hazardous waste feepayers.

After reviewing the existing fee system, the task force concluded 1) the fee system is complex due to many incremental legislative or policy changes, 2) revenue prediction is difficult, 3) revenues are in a declining pattern, and 4) some fees are not cost-effective to collect and are insufficient to fund certain needs. The task force adopted the principle that an entity receiving a benefit or causing a problem should pay the costs associated with the fee's regulation, except in those instance in which a specific beneficiary or polluter cannot be identified. In those cases, the task force proposed the development of a funding source from a broad-based fee. Finally, the task force report suggests a reduction and consolidation of the fees paid by the hazardous waste industry for regulation, permits, and oversights in order to provide a funding source related to the activities supported by the fees.

*Comments:*

1. **Purpose.** According to the author's office, this bill is intended to implement a portion of the recommendations of the Fee Reform Task Force. While this bill does not contain all the recommendations of the Task Force, the author intended to amend the bill to include more of the task force's recommendations as it moved through both the Senate and the Assembly.
2. **This bill does not contain recommended broad-based fees.** The task force report recommended imposing some broad-based fees in order to spread the costs of environmental protection among all those who benefit either directly or indirectly. Among the task force's recommendations which are not included in this proposal are expanding the environmental fee to all businesses and increasing the lubricating oil fee.

The current environmental fee is imposed only on corporations with 50 or more employees who use, generate, store, or conduct activities related to hazardous materials. The task force recommended expanding the fee to include all businesses with 50 or more employees, adjust the rate categories to make per-employee rates more equitable, and establish a new rate for businesses with 1,000 or more employees. Amendments made in this version of the bill, however, only propose increasing the fee rate for corporations at the lowest and highest ends of the spectrum.

The other broad-based fee proposed by the task force was a \$0.04 per gallon fee hike on lubricating oil. Based on their conclusion that used oil is the single largest hazardous waste stream in California, the task force proposed an increase to the oil recycling fee to support DTSC programs. This fee hike was considered an acceptable method of imposing a hazardous waste fee on waste oil that is currently exempt by law from generator fees due to the administrative difficulties associated with estimating and collecting the fee from a large number of small generators.

As indicated in the author's intent for this bill, however, these broad-based fees could be introduced in subsequent versions of this bill.

**Senate Bill 1102 (Committee on Revenue and Taxation) Chapter 620**  
*Board-sponsored housekeeping measure*

*Effective January 1, 1998. Amends Section 15619 of the Government Code, amends Sections 6203, 7102, 8255, 8651.7, 9255, 30179, 30366, 30455, 32405, 40116, 43455, 45655, 46506, 46751, 50142.1, 50161, 55225, 60120, 60121, 60361, 60524, 60608, and 60609 of, adds Sections 7204.5, 9255.1, 50162, and 60105 to, repeals Sections 60104 and 60709 of, the Revenue and Taxation Code, and amends Sections 2104, 2105, and 2107 of the Streets and Highways Code.*

**Among the Board-sponsored proposals that affect the Special Taxes programs, this bill:**

- 1. Allows disclosure of information regarding the items included in the measure and amounts of any unpaid or uncollected tax, interest, and penalties, to directly interested successors, receivers, trustees, executors, administrators, assignees, and guarantors.**
- 2. Allows the Board to share motor fuel information with state and/or federal agencies in order to combine investigative efforts of fuel tax evasion.**
- 3. Provides for a prorated annual flat rate fuel tax when a vehicle is added to an existing flat rate fleet in order to maintain one annual renewal period.**
- 4. Corrects errors or omissions in prior amendments to the credit interest computation.**
- 5. Conforms to federal law the misuse of dyed diesel fuel penalty imposed when a person knows or has reason to know that they are using dyed diesel fuel in a taxable use.**
- 6. Conforms the diesel fuel law statutes regarding interstate user license requirements in order to require an operator of a qualified motor vehicle to secure an interstate user license.**
- 7. Reduces the penalty for failure to obtain a diesel fuel license and provides penalty relief provisions in cases where no tax is determined to be due.**

## TABLE OF SECTIONS AFFECTED

SECTION	BILL AND CHAPTER NUMBER		SUBJECT
<b>Revenue &amp; Taxation Code</b>			
§7402 Repeal	SB 612;	Ch. 76	Export certificate requirements
§7403 Repeal	SB 612;	Ch. 76	Filing export certificates
§7404 Repeal	SB 612;	Ch. 76	Export certificate: additional data
§7407 Repeal	SB 612;	Ch. 76	Extension of time for filing certificate
§8102 Amend	SB 612;	Ch. 76	Claim for refund
§8103 Amend	SB 612;	Ch. 76	Amount of refund
§8105 Amend	SB 612;	Ch. 76	Time for filing refund claims
§8108 Repeal	SB 612;	Ch. 76	Interest
§8109 Repeal	SB 612;	Ch. 76	Claim payment deadline
§8255 Amend	SB 1102;	Ch. 620	Furnishing information
Ch. 12 (commencing with Section 8500) Add	AB 595;	Ch. 878	Metropolitan Transportation Commission tax
§8651.7 Amend	SB 1102;	Ch. 620	Flat rate use fuel tax
§9255 Amend	SB 1102;	Ch. 620	Divulging of information forbidden
§9255.1 Add	SB 1102;	Ch. 620	Furnishing information
§30179 Amend	SB 1102;	Ch. 620	Refunds; interest
§30366 Amend	SB 1102;	Ch. 620	Refunds; interest
§30455 Amend	SB 1102;	Ch. 620	Divulging of information forbidden
§32405 Amend	SB 1102;	Ch. 620	Refunds; interest
§40116 Amend	SB 1102;	Ch. 620	Interest on overpayments

## TABLE OF SECTIONS AFFECTED

SECTIONS	BILL NUMBER		SUBJECT
<b>Revenue &amp; Taxation Code</b>			
§43053 Amend	SB 660;	Ch. 870	Fees
§43054 Amend	SB 660;	Ch. 870	Fees
§43055 Repeal	SB 660;	Ch. 870	Surcharge administration
§43101 Amend	SB 660;	Ch. 870	Registration
§43152.16 Add	SB 660;	Ch. 870	Fees; due and payable
§43455 Amend	SB 1102;	Ch. 620	Refunds; interest
§45655 Amend	SB 1102;	Ch. 620	Refunds; interest
§46506 Amend	SB 1102;	Ch. 620	Interest on overpayments
§46751 Amend	SB 1102;	Ch. 620	Information sharing
§50142.1 Amend	SB 1102;	Ch. 620	Interest on overpayments
§50161 Amend	SB 1102;	Ch. 620	Information collected pursuant to other laws
§50162 Add	SB 1102;	Ch. 620	Information sharing
§55225 Amend	SB 1102;	Ch. 620	Interest on overpayments
§60041 Amend	SB 612;	Ch. 76	"Train operator"
§60104 Repeal	SB 1102;	Ch. 620	Failure to post notice
§60105 Add	SB 1102;	Ch. 620	Dyed diesel fuel penalties

## TABLE OF SECTIONS AFFECTED

SECTIONS	BILL NUMBER	SUBJECT
<b>Revenue &amp; Taxation Code</b>		
§60115 Amend	AB 1269; Ch. 618	Levy of tax
§60116 Add	AB 1269; Ch. 618	Interstate user surcharge
§60120 Amend	SB 1102; Ch. 620	Interstate users license issued
§60121 Amend	SB 1102; Ch. 620	Interstate users security requirement
§60201.2 Amend	SB 612; Ch. 76	Purchaser's election to pay supplier
§60201.3 Amend	SB 612; Ch. 76	Worthless accounts; supplier
§60202 Amend	AB 1269; Ch. 618	Return; Interstate user
§60361 Amend	SB 1102; Ch. 620	Unlicensed person; penalty
§60472 Amend	SB 612; Ch. 76	Successor liability; tax clearance
§60501 Amend	SB 612; Ch. 76	Overpayment; credits and refunds
§60502 Amend	SB 612; Ch. 76	Refund; ultimate vendor
§60505 Amend	SB 612; Ch. 76	Refund
§60510 Repeal	SB 612; Ch. 76	No refund for spillage
§60511 Amend	SB 612; Ch. 76	Interest
§60524 Amend	SB 1102; Ch. 620	Interest
§60608 Amend	SB 1102; Ch. 620	Information sharing
§60609 Amend	SB 1102; Ch. 620	Information confidential; divulging forbidden
§60709 Repeal	SB 1102; Ch. 620	Evasion penalty

## TABLE OF SECTIONS AFFECTED

SECTIONS	BILL NUMBER	SUBJECT
<b>Government Code</b>		
§15388.5 Add	AB 475; Ch. 719	Establishment of fee registry
§15338.6 Add	AB 475; Ch. 719	Fees collected report- Year 2000
§15399.57 Repeal	AB 475; Ch. 719	Establishment of fee registry
§15399.58 Repeal	AB 475; Ch. 719	Annual regulatory fee inventory
<b>Health &amp; Safety Code</b>		
§25143 Amend	SB 660; Ch. 870	Variance from regulations
§25160.5 Amend	SB 660; Ch. 870	Incomplete manifest
§25165 Amend	SB 660; Ch. 870	Voluntary surrender of registration
§25166 Amend	SB 660; Ch. 870	Registration for transportation of hazardous waste
§25166.5 Amend	SB 660; Ch. 870	Two-year registration renewal
§25167 Repeal	SB 660; Ch. 870	Payment and use of registration fees
§25173.6 Add	SB 660; Ch. 870	Toxic Substances Control Account
§25173.7 Add	SB 660; Ch. 870	Appropriation of TSCA
§25174 Amend	SB 660; Ch. 870	Hazardous Waste Control Account
§25174.1 Amend	SB 660; Ch. 870	Disposal fee
§25174.2 Repeal & Add	SB 660; Ch. 870	Base rate
§25174.6 Repeal & Add	SB 660; Ch. 870	Operators; fees

## TABLE OF SECTIONS AFFECTED

SECTIONS	BILL NUMBER		SUBJECT
<b>Health &amp; Safety Code</b>			
§25178.1 Amend	SB 660;	Ch. 870	Report; hazardous waste fees system
§25187 Amend	SB 660;	Ch. 870	Schedule for compliance
§25187.9 Repeal	SB 660;	Ch. 870	Certified unified agency program
§25192 Amend	SB 660;	Ch. 870	Civil and criminal penalties
§25201.6 Amend	SB 660;	Ch. 870	Adoption of standardized facilities permit
§25201.9 Amend	SB 660;	Ch. 870	Consultative services
§25204.7 Amend	SB 660;	Ch. 870	Generators exemption from fees
§25205.4 Amend	SB 660;	Ch. 870	Facility fees
§25205.5 Amend	SB 660;	Ch. 870	Generator fees
§25205.6 Amend	SB 660;	Ch. 870	Corporation fees
§25205.7 Amend	SB 660;	Ch. 870	Application fees
§25205.8 Repeal	SB 660;	Ch. 870	Waste classification fees
§25205.9 Repeal	SB 660;	Ch. 870	Generator fee surcharge
§25205.12 Amend	SB 660;	Ch. 870	Facility fee exemption
§25205.14 Amend	SB 660;	Ch. 870	Permit-by rule; conditional authorization
§25205.15 Amend	SB 660;	Ch. 870	Manifest fee
§25205.16 Amend	SB 660;	Ch. 870	Annual verification fee



## TABLE OF SECTIONS AFFECTED

SECTIONS	BILL NUMBER		SUBJECT
<b>Health &amp; Safety Code</b>			
§25205.18 Amend	SB 660;	Ch. 870	Facility capacity
§25205.19 Amend	SB 660;	Ch. 870	Determination of size or type
Article 9.2 (commencing with Section 25206.1)	SB 660;	Ch. 870	Cost reimbursement
Add			
§25207.12 Amend	SB 660;	Ch. 870	Collection program; tax exemption
§25209.7 Amend	SB 660;	Ch. 870	Land treatment units; fees
§25221 Amend	SB 660;	Ch. 870	Application for designation of zone
§25324 Amend	SB 660;	Ch. 870	"State account"
§25330 Amend	SB 660;	Ch. 870	Administration; deposit of funds
§25330.4 Amend	SB 660;	Ch. 870	Removal or remedial action subaccount
§25336 Amend	SB 660;	Ch. 870	Hazardous Substances Account
§25337 Amend	SB 660;	Ch. 870	Site Remediation Account
§25340 Repeal	SB 660;	Ch. 870	"Board"
§25341 Repeal	SB 660;	Ch. 870	Deposit of fees
§25343 Amend	SB 660;	Ch. 870	Assessment for fee for remedial action
§25345 Repeal	SB 660;	Ch. 870	Enforcement of provisions
§25351 Repeal	SB 660;	Ch. 870	Purposes for fund expenditures

## TABLE OF SECTIONS AFFECTED

SECTIONS	BILL NUMBER		SUBJECT
<b>Health &amp; Safety Code</b>			
§25351.1 Amend	SB 660;	Ch. 870	Deposits to Hazardous Substances Clearing Account
§25354.5 Amend	SB 660;	Ch. 870	Remedial action of controlled substances
§25360 Amend	SB 660;	Ch. 870	Amounts to be recovered
§25395 Amend	SB 660;	Ch. 870	Duration of chapter; payment of bonds
§25404.5 Amend	SB 660;	Ch. 870	Single fee system
§25416 Amend	SB 660;	Ch. 870	Epidemiological studies