

(3) *For the fiscal year 2007-08 and each fiscal year thereafter, ad valorem property tax revenue allocations made pursuant to Section 96.1 shall fully incorporate the allocation adjustments required by this section.*

(e) *Nothing in this section shall do any of the following:*

(1) *Reduce any allocations of excess, additional, or remaining funds that would otherwise have been allocated to cities, counties, cities and counties, or special districts pursuant to clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.2 and clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.3, had this section not been enacted. The allocation made pursuant to subdivisions (a), (b), and (c) shall be adjusted to comply with this paragraph.*

(2) *Require an increased ad valorem property tax revenue allocation to a community redevelopment agency. Nor shall anything in this section result in a community redevelopment agency being allocated, for project areas existing as of the effective date of this section, an amount of tax increment revenue in excess of the amount that otherwise would have been allocated absent the enactment of this section.*

(3) *Alter the manner in which ad valorem property tax revenue growth from fiscal year to fiscal year is determined in a county.*

(4) *Interfere with or otherwise impair the realignment of funds and financial responsibility for programs and services that is required pursuant to Sections 11000 through 11006, inclusive, of the Revenue and Taxation Code for funding the programs specified by Sections 17600 through 17600.20, inclusive, of the Welfare and Institutions Code.*

(5) *Result in the allocation or distribution to any city, city and county, or county of property tax revenues that are collected outside the boundaries of the city, city and county, or county.*

(f) *Existing sales and use tax exchange and revenue sharing agreements, entered into prior to the operative date of this section, between local governments or between local governments and nonlocal governments shall be deemed to be modified to account for the reduction in sales and use tax revenues resulting*

from this section, with those reduced revenues to be replaced with property tax revenues as otherwise provided by law.

SECTION 14. Addition of Section 6051.7 to Revenue and Taxation Code.

Section 6051.7 is added to the Revenue and Taxation Code to read in its entirety as follows:

6051.7 (a) In addition to the taxes imposed by Section 6051 and any other provision of this part, for the privilege of selling tangible personal property at retail a tax is hereby imposed upon all retailers at the rate of one-half of 1 percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in this state.

(b) All revenues, net of refunds, received pursuant to this section shall be collected by the State Board of Equalization and, upon collection, shall be transmitted to the School Assistance Fund for Education for the county where the taxable activity occurred, which School Assistance Fund for Education for each county has been established pursuant to Section 36 of Article XIII of the Constitution and Chapter 6.3 (commencing with Section 30020) to Division 3 of Title 3 of Government Code.

(c) Revenues received pursuant to this section accruing to the School Assistance Fund for Education for each county shall not be considered to be "State General Fund proceeds of taxes appropriated pursuant to Article XIII B" within the meaning of either Section 8 of Article XVI of the California Constitution or Section 41202 of the Education Code.

(d) This section shall become operative on the first day of the first calendar quarter commencing more than 90 days following a notification to the board by the Director of Finance pursuant to subdivision (b) of Section 99006 of the Government Code.

SECTION 15. Addition of Section 6051.8 to Revenue and Taxation Code.

Section 6051.8 is added to the Revenue and Taxation Code to read in its entirety as follows:

6051.8. There are exempted from the taxes imposed by Section 6051.7 the gross receipts derived from the sale of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in

the use of the aircraft as common carriers of persons or property under the authority of the laws of this state, the United States, or any foreign government.

SECTION 16. Addition of Section 6201.7 to Revenue and Taxation Code.

Section 6201.7 is added to the Revenue and Taxation Code to read in its entirety as follows:

6201.7. (a) In addition to the taxes imposed by Section 6201 and any other provision of this part, an excise tax is hereby imposed on the storage, use, or other consumption in this state of tangible personal property purchased from any retailer at the rate of one-half of 1 percent of the sales price of the property.

(b) All revenues, net of refunds, received pursuant to this section shall be collected by the State Board of Equalization and, upon collection, shall be transmitted to the School Assistance Fund for Education for the county where the taxable activity occurred, which School Assistance Fund for Education for each county has been established pursuant to Section 36 of Article XIII of the Constitution and Chapter 6.3 (commencing with Section 30020) to Division 3 of Title 3 of Government Code.

(c) Revenues received pursuant to this section accruing to the School Assistance Fund for Education for each county shall not be considered to be "State General Fund proceeds of taxes appropriated pursuant to Article XIII B" within the meaning of either Section 8 of Article XVI of the California Constitution or Section 41202 of the Education Code.

(d) This section shall become operative on the first day of the first calendar quarter commencing more than 90 days following a notification to the board by the Director of Finance pursuant to subdivision (b) of Section 99006 of the Government Code.

SECTION 17. Addition of Section 6201.8 to Revenue and Taxation Code.

Section 6201.8 is added to the Revenue and Taxation Code to read in its entirety as follows:

6201.8. There are exempted from the taxes imposed by Section 6201.7 the storage, use, or other consumption in this state of tangible personal property, other than fuel or petroleum products, by operators of aircraft to be used or consumed principally outside the county in which the sale is made and

directly and exclusively in the use of the aircraft as common carriers of persons or property under the authority of the laws of this state, the United States, or any foreign government.

SECTION 18. Addition of Section 7101.4 to Revenue and Taxation Code.

Section 7101.4 is added to the Revenue and Taxation Code to read in its entirety as follows:

7101.4. Notwithstanding Section 7101, all revenues, less refunds, derived from the taxes imposed to Sections 6051.7 and 6201.7 shall be collected by the State Board of Equalization and, upon collection, shall be transmitted to the School Assistance Fund for Education for the county where the taxable activity occurred, which School Assistance Fund for Education for each county has been established pursuant to Section 36 of Article XIII of the Constitution and Chapter 6.3 (commencing with Section 30020) to Division 3 of Title 3 of Government Code.

SECTION 19: Amendment of Section 7202 of Revenue and Taxation Code. Section 7202 of the Revenue and Taxation Code is amended to read in its entirety as follows:

7202. The sales tax portion of any sales and use tax ordinance adopted under this part shall be imposed for the privilege of selling tangible personal property at retail, and shall include provisions in substance as follows:

(a) A provision imposing a tax for the privilege of selling tangible personal property at retail upon every retailer in the county at the rate of 1 1/4 percent, *and on and after the end of the revenue exchange period at the rate of three-quarters of 1 percent*, of the gross receipts of the retailer from the sale of all tangible personal property sold by that person at retail in the county.

(b) Provisions identical to those contained in Part 1 (commencing with Section 6001), insofar as they relate to sales taxes, except that the name of the county as the taxing agency shall be substituted for that of the state and that an additional seller's permit shall not be required if one has been or is issued to the seller under Section 6067.

(c) A provision that all amendments subsequent to the effective date of the enactment of Part 1 (commencing