



Legislation Text

File #: 15-0401, **Version:** 1

Recommendation to request City Attorney to draft a resolution in support of Assembly Bill 88, California Legislature - 2015-2016 Regular Session.

California Assembly Bill 88 (AB-88), Sales and use taxes: exemption: energy or water efficient home appliances, was introduced by Assembly Member Gomez on January 07, 2015, and as last amended in the Assembly on April 06, 2015, seeks to provide a sales and use tax exemption for energy or water efficient appliances provided free of cost to eligible low-income utility consumers.

In summary, the legislation would establish a sales and use tax (SUT) exemption for any energy or water efficient home appliance purchased by a public utility that is provided at no cost to a low-income participant in a federal, state or ratepayer funded energy efficiency program for use by that low-income participant in the energy efficient program. The author, along with principal coauthor Senator Hall and twenty-two additional coauthors including Assembly Member O'Donnell, of the bill intend for AB 88 to help further California's environmental and energy efficiency goals by reducing energy and water consumption, while reducing costs for a greater number of low-income Californians.

Long Beach has proven to be a leader in forming partnerships with other agencies and adopting local and regional programs that promote environmental conservation and which help to drive down utility costs for families, particularly as California is confronted with one of the most severe droughts on record. Yet, a Board of Equalization (BOE) audit completed in July of 2014 discovered that without a specific exemption as proposed through AB 88, a sales tax, of approximately \$54 for a \$600 refrigerator, must now be levied on appliances distributed for free through these local programs.

It is important for Long Beach to support this statewide legislation that would pass on cost savings to households, thereby allowing them to spend on other needs, and which would provide more residents with the opportunity to help meet California's goals for protecting our climate and scarce resources.

There is no fiscal impact.

Approve recommendation.

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FIFTH DISTRICT

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