



TAX AND FEE REPORT

Major Taxes and Fees Introduced in the California Legislature

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INTRODUCTION

During the first year of the 2023-24 session, California lawmakers considered more than \$203.7 billion in new taxes and fees, including a “wealth tax,” a government-run health care system that would require hundreds of billions of dollars in new taxes, a tax on oil company earnings, a corporate tax increase that would make California’s rate the highest in the nation, and numerous fee increases. This figure includes all tax and fee legislation introduced from the beginning of the session through July 17, 2023.

The state budget signed by Governor Gavin Newsom in June proposes total spending of \$310.8 billion in 2023-24. In July, the Department of Finance projected general fund operating deficits – the shortfall projected if no changes are made to spending or revenue – of approximately \$15 billion to \$18 billion per year during the next three years. The deficit could increase the likelihood that lawmakers propose more taxes and fees.

THE MOST EXPENSIVE BILLS



AB 1690 **GOVERNMENT-FUNDED HEALTH CARE** \$162.8 BILLION

AB 1690 expresses legislative intent to create a government-run single-payer health care program – a change estimated to require at least \$162.8 billion in tax increases.



AB 259/ACA 3 **WEALTH TAX** \$22.3 BILLION

AB 259/ACA 3 would impose a “wealth tax” on California residents and former residents. California would become the only state to impose such a tax on art, collectibles, retirement funds, farm assets, stocks, and many other assets.



AB 119 **EXTENDS MANAGED CARE ORGANIZATION TAX** \$8.2 BILLION

AB 119 extends the collection of the Managed Care Organization (MCO) tax. This tax extension also was included in SB 119 and SB 870.



SB 220 **CORPORATE TAX INCREASE** \$7.2 BILLION

SB 220 proposes tax changes that include a corporate tax rate increase estimated to cost taxpayers \$7.2 billion in 2023-24 and \$6 billion per year in subsequent years. Under the proposal, California would have the highest corporate tax rate in the nation.

PROJECTED COST TO TAXPAYERS

PROPOSAL	ESTIMATED ANNUAL COST TO TAXPAYERS	STATUS
Government-Funded Health Care – AB 1690 (Kalra)	\$162,800,000,000	②
Wealth Tax – AB 259/ACA 3 (Lee)	\$22,300,000,000	⌚/②
Extends MCO Tax – AB 119 (Assembly Budget Committee), SB 119 (Senate Budget and Fiscal Review Committee), and SB 870 (Caballero)	\$8,200,000,000	✓/②/②
Corporate Tax Increase – SB 220 (Skinner/Atkins)	\$7,200,000,000	②
Increases Annual Vehicle Tax – AB 540 (Wicks)	\$450,000,000	②
Raises Transactions and Use Tax Cap in Santa Clara County – SB 335 (Cortese)	\$360,860,000	⌚
Underground Storage Tank Tax Increase – AB 1115 (Papan)	\$310,000,000	⌚
Lower Vote Threshold for Local Taxes – ACA 1 (Aguilar-Curry)	\$255,000,000	⌚
Fees for Smog Inspections – AB 1263 (Berman)	\$253,000,000	⌚
Raises Transactions and Use Tax Cap in Los Angeles County – AB 1679 (Santiago)	\$243,000,000	⌚
Vehicle Tax for R&D Funding of New Fuels – SB 84 (Gonzalez)	\$185,000,000	②
Vehicle Tax and Fee Extension – AB 241 (Reyes)	\$173,000,000	②
Increased Bridge Tolls in Bay Area – SB 532 (Wiener)	\$167,870,000	⌚
Excise Tax on Firearms and Ammunition – AB 28 (Gabriel)	\$159,300,000	⌚
Fees Imposed on Doctors and Surgeons – SB 815 (Roth)	\$153,500,000	⌚
Tax on Short-Term Rental Property – SB 584 (Limón)	\$150,000,000	②
Riverside County Sales Tax Increase – AB 1385 (Garcia)	\$140,645,000	⌚
Vehicle Tax – AB 1609 (Garcia)	\$140,000,000	②
Tax on Non-Grantor Trusts – AB 131 (Assembly Budget Committee) and SB 131 (Senate Budget and Fiscal Review Committee)	\$30,000,000	✓
Higher Transactions and Use Tax Cap in Santa Cruz Transportation District – SB 862 (Laird)	\$27,625,000	⌚
Humboldt County Sales Tax Increase – AB 1256 (Wood)	\$26,612,000	⌚

PROPOSAL	ESTIMATED ANNUAL COST TO TAXPAYERS	STATUS
Marriage License Tax – SB 489 (Wilk)	\$6,690,000	②
Water Assessment in San Gabriel Valley – AB 279 (Blanca Rubio)	\$4,600,000	⌚
Fees on Alcohol and Drug Treatment Facilities – AB 1477 (Quirk-Silva)	\$3,500,000	②
Weed Abatement Assessment – AB 402 (Aguiar-Curry)	\$1,750,000	⌚
Fees Imposed on Mobilehome Owners – AB 319 (Connolly)	\$1,500,000	⌚
Private Security Manager Fees – AB 1244 (Holden)	\$1,200,000	⌚
Fee to Obtain a Concealed Firearm License – AB 1133 (Schiavo)	\$1,000,000	⌚
Driving School Fees – SB 473 (Allen)	\$1,000,000	②

Key

- ✓ The bill was signed into law and chaptered.
- ⌚ The bill or proposed constitutional amendment is pending in the Legislature.
- ② The bill is a two-year bill.

LEGISLATION WITH KNOWN COSTS



AB 28

EXCISE TAX ON FIREARMS AND AMMUNITION

\$159.3 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 7/13/2023

Status: Active

AB 28 (Gabriel) imposes an 11 percent excise tax on the gross receipts from the retail sale of firearms, firearm precursor parts, and ammunition. The revenue generated from the tax would be earmarked for gun violence prevention, education, and research programs.

Revenue Estimate: Assembly Revenue and Taxation Committee.



AB 119, SB 119, AND SB 870

MANAGED CARE ORGANIZATION TAX

\$8.2 BILLION

Vote Required: Two-Thirds

Version Reviewed: AB 119: Chaptered – 6/29/2023

Status: Chaptered

AB 119 (Assembly Budget Committee) and **SB 119** (Senate Budget and Fiscal Review Committee) impose a tax on managed care organizations from April 1, 2023, until December 31, 2026, with varying rates based on the number of Medi-Cal enrollees in the plan. A similar bill was proposed by Senator Anna Caballero as **SB 870**, which became a two-year bill. The MCO tax is imposed on managed care plans' enrollment levels, and the revenue is used to offset general fund spending on Medi-Cal.

Revenue Estimate: "Managed Care Organization Tax: Background and Issues for Consideration on Administration's Proposal," May 30, 2023, Legislative Analyst's Office.



AB 241

VEHICLE TAX AND FEE EXTENSION

\$173 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 6/26/2023

Status: Active

AB 241 (Reyes) extends the collection of higher vehicle registration fees, vessel registration fees, service fees for identification plates, and smog abatement fees until January 1, 2035.

Revenue Estimate: Assembly Appropriations Committee.



AB 259/ACA 3

WEALTH TAX

\$22.3 BILLION

Vote Required: Two-Thirds

Version Reviewed: Introduced – 1/19/2023

Status: Two-Year Bill/Active

AB 259 (Lee) imposes an annual “wealth tax” on Californians, as well as on former Californians for a period of time after they leave the state. For tax years 2024 and 2025, the tax would be imposed at a rate of 1.5 percent of a resident’s worldwide net worth in excess of \$1 billion, or in excess of \$500 million in the case of a married taxpayer filing separately. For tax years on or after January 1, 2026, the tax would be modified to cover additional taxpayers, at a rate of 1 percent of a resident’s worldwide net worth in excess of \$50 million, or \$25 million for a married taxpayer filing separately. The 1.5 percent rate would remain in place for those with assets above these thresholds. Net worth would be calculated every year based on the known or estimated values of assets as of December 31. The tax would apply to art, collectibles, real property, pension funds, financial assets held offshore, farm assets, mutual funds, index funds, and stocks, among other things. The legislation authorizes penalties for understating net worth. **ACA 3** is a proposed constitutional amendment that would need voter approval in a statewide election for the tax to take effect.

Revenue Estimate: "The California Tax on Extreme Wealth (ACA 8 & AB 310): Revenue, Economic, and Constitutional Analysis." March 21, 2021, by Brian Galle, David Gamage, Emmanuel Saez, and Darien Shanske.



AB 279

WATER ASSESSMENT IN SAN GABRIEL VALLEY

\$4.6 MILLION

Vote Required: Majority

Version Reviewed: Amended – 2/8/2023

Status: Active

AB 279 (Blanca Rubio) doubles the allowable assessment on water in the San Gabriel Valley. Increases the maximum allowable assessment (currently \$10 per acre-foot) to \$20 per acre-foot.

Revenue Estimate: California Tax Foundation. This estimate was calculated by doubling the current revenue from the assessment, reported as \$2.3 million by the Assembly Environmental Safety and Toxic Materials Committee.



AB 319

FEES IMPOSED ON MOBILEHOME OWNERS

\$1.5 MILLION

Vote Required: Majority

Version Reviewed: Amended – 5/18/2023

Status: Active

AB 319 (Connolly) extends through January 1, 2025, the collection of fees for the inspection of mobilehome parks and mobilehome construction, plumbing, mechanical, and electrical permits.

Revenue Estimate: Senate Floor Analysis of SB 46 (2018).



AB 402

WEED ABATEMENT ASSESSMENT

\$1.75 MILLION – \$3 MILLION

Vote Required: Majority

Version Reviewed: Amended – 5/18/2023

Status: Active

AB 402 (Aguiar-Curry) establishes the Broomrape Control Board and requires the board to establish an assessment to be paid by producers and handlers of commercial tomatoes, to fund weed abatement.

Revenue Estimate: Assembly Appropriations Committee. The low figure in the range estimated by the committee (\$1.75 million) is used in this report's calculation of the total amount of taxes and fees proposed.



AB 540

INCREASES ANNUAL VEHICLE TAX

\$450 MILLION

Vote Required: Two-Thirds

Version Reviewed: Introduced – 2/8/2023

Status: Two-Year Bill

AB 540 (Wicks) increases the "transportation improvement fee" by \$10. The annual tax on vehicles now ranges from \$25 to \$175, depending on the market value of the vehicle.

Revenue Estimate: California Tax Foundation. This estimate was calculated by using the revenue estimate published in the 2023-24 Governor's Budget Statement of Revenues, and calculating the percentage increase proposed in this bill.



AB 1115

UNDERGROUND STORAGE TANK TAX INCREASE

\$310 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 6/22/2023

Status: Active

AB 1115 (Papan) extends through January 1, 2036, the imposition of “storage fees” on each gallon of petroleum placed in an underground storage tank.

Revenue Estimate: Assembly Appropriations Committee.



AB 1133

FEE TO OBTAIN A CONCEALED FIREARM LICENSE

\$1 MILLION

Vote Required: Majority

Version Reviewed: Amended – 6/29/2023

Status: Active

AB 1133 (Schiavo) requires the Department of Justice to establish a standardized test for people applying for a concealed firearm license and authorizes the department to charge a fee for taking the test. The Assembly Appropriations Committee estimates this will cost the department \$1 million. As of 2021, California had 121,000 CCW license holders, so each would need to pay a license fee of at least \$10 to cover these additional costs.

Revenue Estimate: Assembly Appropriations Committee.



AB 1244

PRIVATE SECURITY MANAGER FEES

\$1.2 MILLION

Vote Required: Majority

Version Reviewed: Amended – 6/20/2023

Status: Active

AB 1244 (Holden) establishes requirements for renewing a certificate for private security managers and establishes application, examination, renewal, delinquency, and reinstatement fees for a qualified manager certificate.

Revenue Estimate: Assembly Appropriations Committee.



AB 1256

HUMBOLDT COUNTY SALES TAX INCREASE

\$26.61 MILLION

Vote Required: Majority

Version Reviewed: Amended –3/23/2023

Status: Active

AB 1256 (Wood) authorizes the Humboldt County Board of Supervisors to propose a transactions and use tax to support countywide transportation programs to voters in excess of the combined 2 percent cap on transactions and use taxes.

Revenue Estimate: California Tax Foundation Analysis of Taxable Sales in Humboldt County.



AB 1263

FEES FOR SMOG INSPECTIONS

\$253 MILLION

Vote Required: Majority

Version Reviewed: Amended –7/11/2023

Status: Active

AB 1263 (Berman) changes the state's smog check program to authorize referee facilities to charge a fee to test specified vehicles.

Revenue Estimate: Assembly Floor Analysis.



AB 1385

RIVERSIDE COUNTY SALES TAX INCREASE

\$140.64 MILLION

Vote Required: Majority

Version Reviewed: Amended –3/23/2023

Status: Active

AB 1385 (Garcia) raises the maximum transactions and use tax rate the Riverside County Transportation Commission may charge from 1 percent to 1.5 percent.

Revenue Estimate: California Tax Foundation Analysis of Riverside County Transportation Commission Sales Tax Revenue.

**AB 1477****FEES ON ALCOHOL AND DRUG TREATMENT FACILITIES****\$3.5 MILLION****Vote Required:** Majority**Version Reviewed:** Amended – 3/27/2023**Status:** Two-Year Bill

AB 1477 (Quirk-Silva) requires fees imposed on alcohol and drug treatment facilities to increase annually beginning January 1, 2031, until licensing and certification programs are self-sufficient.

Revenue Estimate: Assembly Appropriations Committee.

**AB 1609****VEHICLE TAX****\$140 MILLION****Vote Required:** Two-Thirds**Version Reviewed:** Amended – 4/17/2023**Status:** Two-Year Bill

AB 1609 (Garcia) imposes a \$4 tax on each vehicle registered in California, except those exempt from paying registration fees, with revenue earmarked to support the activities of local air pollution districts. Up to 6.25 percent of the revenue could be used by the districts for administrative costs.

Revenue Estimate: Assembly Appropriations Committee.

**AB 1679****RAISES TRANSACTIONS AND USE TAX CAP IN LOS ANGELES COUNTY****\$243 MILLION****Vote Required:** Majority**Version Reviewed:** Amended – 6/19/2023**Status:** Active

AB 1679 (Santiago) authorizes Los Angeles County to impose a transactions and use tax – at a rate capped at 0.5 percent – that would exceed the combined transactions and use tax cap of 2 percent. All revenue from the tax would be dedicated to addressing homelessness, and the ordinance enacting the tax would repeal Measure H (2017) – an existing 0.25 percent transactions and use tax that puts the county above the 2 percent transactions and use tax cap.

Revenue Estimate: California Tax Foundation.



AB 1690

GOVERNMENT-FUNDED HEALTH CARE

\$162.8 BILLION

Vote Required: Majority

Version Reviewed: Introduced – 2/17/2023

Status: Two-Year Bill

AB 1690 (Kalra) expresses legislative intent to create a government-run single-payer health care program. During the prior legislative session, the same author introduced this bill with a companion measure that proposed tax increases totaling an estimated \$162.8 billion through the imposition of a gross receipts tax, payroll taxes on employers and employees, and a personal income tax increase. A government-run health care system would cost more than \$400 billion annually, according to estimates for legislation proposed several years ago – some of which would be paid by the federal government and some from existing state funds that would be redirected from current health care programs. Health care costs have increased significantly since this estimate was prepared, so the total cost would be much higher – and far higher than the tax increases proposed in the 2022 legislation.

Revenue Estimate: California Tax Foundation.



ACA 1

LOWER VOTE THRESHOLD FOR LOCAL TAXES

\$255 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 7/13/2023

Status: Active

ACA 1 (Aguiar-Curry) lowers the vote threshold for local sales, transactions and use, and parcel taxes to 55 percent if those taxes finance affordable housing and public infrastructure. The proposed constitutional amendment also specifies that placing a tax on the ballot requires a majority vote of the local legislative body. The proposal additionally allows the ad valorem property tax rate to exceed 1 percent of the full cash value of the property if the tax is to service bond debt incurred to fund public infrastructure, affordable housing, or permanent supportive housing and is approved by at least 55 percent of the voters.

Revenue Estimate: California Tax Foundation. This estimate was calculated using data from the California Taxpayers Association's local tax table in the last major election cycle, which documents local governments' estimates of the total amount of revenue they will collect from taxes.

**SB 84****VEHICLE TAX FOR R&D FUNDING OF NEW FUELS****\$185 MILLION****Vote Required:** Two-Thirds**Version Reviewed:** Amended – 5/18/2023**Status:** Two-Year Bill

SB 84 (Gonzalez) extends by 11 years the collection of increased vehicle-related taxes, including registration fees, service fees for identification plates, and smog abatement fees, with the new sunset date of January 1, 2035, to fund the development of technologies that “transform California’s fuel and vehicle types.”

Revenue Estimate: Senate Transportation Committee.

**SB 131****TAX ON NON-GRANTOR TRUSTS****\$30 MILLION****Vote Required:** Two-Thirds**Version Reviewed:** SB 131: Chaptered – 7/10/2023**Status:** SB 131: Chaptered

AB 131 (Assembly Budget Committee) and **SB 131** (Senate Budget and Fiscal Review Committee) impose a \$30 million tax increase by subjecting incomplete non-grantor trusts to the California income tax.

Revenue Estimate: Governor Newsom’s May Revision of the State Budget.

**SB 220****CORPORATE TAX INCREASE****\$7.2 BILLION****Vote Required:** Two-Thirds**Version Reviewed:** Amended – 5/25/2023**Status:** Two-Year Bill

SB 220 (Skinner/Atkins) increases the corporate tax rate from 8.84 percent to 10.99 percent (12.99 percent for financial institutions) for businesses with net income over \$1.5 million. The higher corporate tax rate would phase out for any taxable year where the federal corporate tax rate is 32.85 percent or higher. The bill additionally lowers the corporate tax rate to 6.63 percent for businesses with net income below \$1.5 million, lowers the minimum franchise tax from \$800 to \$600, increases the renters’ tax credit to \$250 (or \$500 for filers with dependents), and establishes the Critical Needs Fund to provide funding to childcare programs, hospitals, schools, and homelessness programs. Under the proposal, California would have the highest corporate tax rate in the United States.

Revenue Estimate: “Protect our Progress” Senate Democrats’ Budget Plan released by Senator Nancy Skinner and Senate Pro Tem Atkins.



SB 335

RAISES TRANSACTIONS AND USE TAX CAP IN SANTA CLARA COUNTY

\$360.86 MILLION

Vote Required: Majority

Version Reviewed: Amended – 6/19/2023

Status: Active

SB 335 (Cortese) authorizes Santa Clara County to impose a transactions and use tax – at a rate capped at 0.625 percent – that would exceed the combined transactions and use tax cap of 2 percent, subject to voter approval.

Revenue Estimate: California Tax Foundation Analysis of Taxable Sales in Santa Clara County.



SB 473

DRIVING SCHOOL FEES

\$1 MILLION

Vote Required: Majority

Version Reviewed: Introduced – 2/13/2023

Status: Two-Year Bill

SB 473 (Allen) requires the Department of Motor Vehicles to charge a fee, not to exceed \$1, for each driver education or driver training certificate issued to an individual.

Revenue Estimate: Senate Appropriations Committee.



SB 489

MARRIAGE LICENSE TAX

\$6.69 MILLION

Vote Required: Majority

Version Reviewed: Amended – 4/12/2023

Status: Two-Year Bill

SB 489 (Wilk) authorizes city officials to issue marriage licenses and requires officials to collect a \$23 tax for the support of the county domestic violence shelter-based programs.

Revenue Estimate: California Tax Foundation.



SB 532

INCREASED BRIDGE TOLLS IN BAY AREA

\$167.87 MILLION

Vote Required: Majority

Version Reviewed: Amended – 6/29/2023

Status: Active

SB 532(Wiener) requires the Bay Area Toll Authority to increase the toll rate by \$1.50 for vehicles crossing state-owned bridges and requires all revenue collected from the toll increase to be transferred to the Metropolitan Transportation Commission.

Revenue Estimate: California Tax Foundation Analysis of Bay Area Toll Authority Toll Revenue.



SB 584

TAX ON SHORT-TERM RENTAL PROPERTY

\$150 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 5/18/2023

Status: Two-Year Bill

SB 584 (Limón) imposes a 15 percent tax on the rental price of a “short-term rental” – defined as a home, house, or a room in a house occupied for less than 30 days – collected by the online platform that facilitates the rental.

Revenue Estimate: Senate Floor Analysis.



SB 815

FEES IMPOSED ON DOCTORS AND SURGEONS

\$153.5 MILLION

Vote Required: Majority

Version Reviewed: Amended – 7/12/2023

Status: Active

SB 815 (Roth) establishes an initial licensing fee of \$1,350 for physicians and surgeons and a \$1,350 biennial renewal fee.

Revenue Estimate: California Tax Foundation and analysis of data from the Association of American Medical Colleges.



SB 862

HIGHER TRANSACTIONS AND USE TAX CAP IN SANTA CRUZ TRANSPORTATION DISTRICT

\$27.62 MILLION

Vote Required: Majority

Version Reviewed: Amended – 6/29/2023

Status: Active

SB 862 (Laird) authorizes the Santa Cruz Metropolitan Transit District to impose a transactions and use tax that would exceed the combined transactions and use tax cap of 2 percent, subject to voter approval. The bill additionally authorizes the district, after January 1, 2024, to impose a tax not to exceed 0.5 percent.

Revenue Estimate: California Tax Foundation Analysis of Santa Cruz Metropolitan Transit District Sales Tax Revenue.

LEGISLATION WITH UNKNOWN COSTS

AB 2 – SOLAR PANEL RECYCLING FEE

AB 2 (Ward) requires the Department of Resources Recycling and Recovery (CalRecycle) to establish a fee for the recycling of customer-owned solar photovoltaic module products – with the fee charged to a consumer or a service provider serving the consumer – and to require that the fee be adjusted annually for inflation.

Version Reviewed: Amended – 6/28/2023 | **Vote Required:** Two-Thirds | **Status:** Active

AB 39 – CRYPTOCURRENCY LICENSING FEE

AB 39 (Grayson) prohibits Californians from engaging in digital financial asset business activities unless they are licensed with the Department of Financial Protection and Innovation, imposes an unspecified licensing fee, and requires individuals licensed by the department to keep specified records of financial transactions.

Version Reviewed: Amended – 7/13/2023 | **Vote Required:** Majority | **Status:** Active

AB 41 – FEES IMPOSED ON INTERNET AND CABLE OPERATORS

AB 41 (Holden) modifies the existing law that establishes a state franchise fee, based on the gross revenue of a company, for cable service or open-video system service, and revises the definition of gross revenue used in calculating a franchise fee on internet and cable operators to increase the charge by removing several exclusions.

Version Reviewed: Amended – 7/13/2023 | **Vote Required:** Majority | **Status:** Active

AB 121 & SB 121 – FEES FOR DEVELOPMENTAL SERVICES

AB 121 (Assembly Budget Committee) and **SB 121** (Senate Budget and Fiscal Review Committee) implement a one-year extension of regional center family fee assessments and appropriate \$10.8 million to the Department of Development Services to implement a program that provides assistance to adults with developmental and intellectual disabilities.

Version Reviewed: AB 121, Chaptered – 7/10/2023; SB 121, Amended – 6/26/2023 | **Vote Required:** Majority
Status: Chaptered

AB 122 & SB 122 – WATER FEES FOR DAM AND RESERVOIR CONSTRUCTION

AB 122 (Assembly Budget Committee) and **SB 122** (Senate Budget and Fiscal Review Committee) authorize the Department of Water Resources to increase fees for the application for a new dam or reservoir and require individuals to pay an annual fee established by the State Water Resources Control Board for specified water reclamation projects.

Version Reviewed: AB 122, Amended – 6/24/2023; SB 122, Chaptered – 7/10/2023 | **Vote Required:** Majority
Status: Chaptered

AB 126 – VEHICLE FEES

AB 126 (Reyes) extends the collection of higher vehicle registration fees, vessel registration fees, service fees for identification plates, and smog abatement fees until January 1, 2035.

Version Reviewed: Amended – 6/24/2023 | **Vote Required:** Two-Thirds | **Status:** Active

AB 239 – ASSESSMENT ON AVOCADO OIL PRODUCERS

AB 239 (Wilson) would have established the Avocado Oil Commission of California with a prescribed board of directors and authorized the commission to levy an unspecified annual assessment on avocado oil producers. The assessment provisions were removed from the bill.

Version Reviewed: Amended – 3/8/2023 | **Vote Required:** Majority | **Status:** Levy Removed

AB 240 – ADDITIONAL TAX ON PET FOOD SALES

AB 240 (Kalra) authorizes a tax on pet food manufacturers, at a rate of \$200 for each label that would be attached to the dog or cat food container submitted by the manufacturer to the Department of Public Health, and requires a manufacturer of dog and cat food that has less than \$75,000 in gross annual sales to pay a single \$200 tax to the Department of Food and Agriculture. The bill also establishes the California Spray-Neuter Fund and authorizes the Department of Food and Agriculture to offer competitive grants to animal shelters that provide spaying and neutering services.

Version Reviewed: Amended – 2/28/2023 | **Vote Required:** Two-Thirds | **Status:** Two-Year Bill

AB 252 – FEES AND FINES FOR VIOLATING STUDENT ATHLETE REQUIREMENTS

AB 252 (Holden) establishes the College Athlete Protection Act to provide various protections and benefits to collegiate athletes and authorizes a subpanel to assess unspecified certification fees, renewal fees, fines, and penalties for entities required to comply with the program.

Version Reviewed: Amended – 6/19/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 307 – EXTENDS FUMIGATION FEE

AB 307 (Chen) extends a program (until January 1, 2029) that requires a company performing a structural fumigation in Los Angeles, Orange, or Santa Clara counties to pay an unspecified fee to the agricultural commissioner.

Version Reviewed: Introduced – 1/26/2023 | **Vote Required:** Majority | **Status:** Active

AB 515 – FEES FOR RESTRUCTURED LOANS

AB 515 (Ward) authorizes the Department of Housing and Community Development to charge fees necessary to cover the costs of processing restructured loan transactions.

Version Reviewed: Amended – 7/3/2023 | **Vote Required:** Majority | **Status:** Active

AB 534 – AIRPORT RENTAL COMPANY FEE

AB 534 (McCarty) indefinitely extends a program that allows airports to collect a "customer facility charge," defined as a fee or alternative fee levied on customers of airport vehicle rental facilities.

Version Reviewed: Amended – 3/16/2023 | **Vote Required:** Majority | **Status:** Active

AB 568 – FEE FOR ENHANCED DRIVER'S LICENSE

AB 568 (Ta) authorizes the Department of Motor Vehicles to issue or renew "enhanced driver's licenses," defined as licenses that are "enhanced in process, technology, and security to denote identity and citizenship," and set an application fee up to \$55.

Version Reviewed: Introduced – 2/8/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 592 – NONFRANCHISE WASTE HAULING FEES

AB 592 (Wilson) authorizes Alameda, Contra Costa, and Solano counties to create a three-year pilot program regulating nonfranchise waste haulers and authorizes a nonfranchise waste hauler to impose a fee.

Version Reviewed: Amended – 6/15/2023 | **Vote Required:** Majority | **Status:** Active

AB 633 – FEES FOR RETIRED NURSES

AB 633 (Patterson) authorizes the state to establish a "retired nurse" license for qualified nurses and establish an unspecified fee for the program.

Version Reviewed: Amended – 6/14/2023 | **Vote Required:** Majority | **Status:** Active

AB 656 – FEES IMPOSED ON DOCTORAL STUDENTS

AB 656 (McCarty) authorizes California State University colleges to offer doctoral programs and establish fees for these programs comparable to doctoral programs offered by the University of California system.

Version Reviewed: Amended – 7/13/2023 | **Vote Required:** Majority | **Status:** Active

AB 657 – CANDY TAX

AB 657 (Jackson) imposes a candy tax at the rate of \$0.05 “for each untaxed candy distributed” in California. Voters prohibited the taxation of candy, confectionary, snack foods and bottled water with the passage of Proposition 163 of 1992.

Version Reviewed: Amended – 3/23/2023 | **Vote Required:** Two-Thirds | **Status:** Two-Year Bill

AB 743 – FEE FOR AUTHORIZATION TO PERFORM ONLINE NOTARIZATIONS

AB 743 (Petrie-Norris) authorizes a notary public to apply for registration with the state to perform online notarizations and authorizes the Secretary of State’s Office to charge applicants an unspecified fee to cover the office’s costs of administering the program.

Version Reviewed: Amended – 4/19/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 796 – FEES IMPOSED ON ATHLETIC TRAINERS

AB 796 (Weber) prohibits a person from working as an athletic trainer without being licensed by the California Board of Athletic Training. The board would be authorized to establish licensing and renewal fees.

Version Reviewed: Amended – 7/6/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 886 – LINK TAX ON INTERNET PLATFORMS

AB 886 (Wicks) requires internet platforms with 50 million or more monthly users or with annual revenue exceeding \$550 billion to pay a tax (described as a “journalism usage fee,” but actually a tax under the definitions of the Internet Tax Freedom Act) to digital journalism providers. The tax would be equal to a percentage established in government-mandated arbitration between journalism providers and media platforms.

Version Reviewed: Amended – 7/3/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 911 – REZONING FOR AFFORDABLE HOUSING FEES

AB 911 (Schiavo) authorizes county recorders to charge a standard recording fee to an owner who submits a modification document that would remove a covenant, condition, or restriction limiting a property’s use for affordable housing.

Version Reviewed: Amended – 6/19/2023 | **Vote Required:** Majority | **Status:** Active

AB 1008 – JOSHUA TREE TAX

AB 1008 (Bauer-Kahan) establishes a conservancy program for Joshua trees and establishes a tax imposed on residents intending to purchase a Joshua tree.

Version Reviewed: Amended – 4/13/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 1055 – FEES IMPOSED ON ALCOHOL AND DRUG COUNSELORS

AB 1055 (Bains) requires the newly established Allied Behavioral Health Board to charge a licensing fee to alcohol and drug counselors.

Version Reviewed: Amended – 3/13/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 1136 – TAX ON TICKETS TO MMA EVENTS

AB 1136 (Haney) requires the State Athletic Commission to establish the Mixed Martial Arts Pension Fund and authorizes the commission to establish financing measures for the fund that may include, but would not be limited to, a tax on tickets to events under the commission’s jurisdiction, revenue generated from the sale of special license plates and “other commission-branded items, including, but not limited to sport paraphernalia and souvenirs,” and “contributions from mixed martial artists, managers, promoters, or any one or more of these persons.”

Version Reviewed: Amended – 5/22/2023 | **Vote Required:** Two-Thirds | **Status:** Active

AB 1304 – COUNTY FEES FOR WEIGHTS, MEASURES, AND METERS

AB 1304 (Papan) increases the maximum fees for various measuring instruments, including: water submeters (to \$6), vapor submeters (to \$10), computing scales (to \$25), and all other commercial weighing devices (to \$26), and increases the annual registration fee for commercial weight devices to \$1,200 for each business location. Additionally authorizes a board of supervisors to levy and collect an administrative fee to cover the costs of a county sealer, and extends the computing scale fee to scales interfaced with a cash register.

Version Reviewed: Amended – 5/31/2023 | **Vote Required:** Majority | **Status:** Active

AB 1328 – FEES IMPOSED ON MULTISTATE COSMETOLOGISTS

AB 1328 (Gipson) authorizes the State Board of Barbering and Cosmetology to charge a fee for multistate cosmetology licenses and impose fees on licensees in member states, and additionally establishes the Cosmetology Licensure Compact to facilitate interstate regulation of cosmetologists.

Version Reviewed: Amended – 6/6/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 1332 – FEES FOR ACCESSORY DWELLING UNITS

AB 1332 (Carrillo) develops a preapproval program for accessory dwelling unit plans and authorizes local agencies to charge a fee to an applicant for preapproval.

Version Reviewed: Amended – 7/10/2023 | **Vote Required:** Majority | **Status:** Active

AB 1403 – PERMIT FEE TO SELL FIREWORKS

AB 1403 (Garcia) authorizes local jurisdictions to establish an unspecified permit fee for the sale of safe fireworks.

Version Reviewed: Amended – 4/6/2023 | **Vote Required:** Majority | **Status:** Active

AB 1570 – LICENSING FEES IMPOSED ON SPECIFIED OPTOMETRISTS

AB 1570 (Low) requires the State Board of Optometry to establish a fee for the issuance and renewal of a certificate for optometrists who perform advanced procedures to treat glaucoma.

Version Reviewed: Introduced – 2/17/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 1743 – PORT FEES

AB 1743 (Bennett) authorizes the California Air Resources Board to impose an application fee for any project relating to reducing emissions from cargo-handling equipment and seaports under the Lower Emissions Transition Program, and authorizes competitive grants to be awarded to projects.

Version Reviewed: Amended – 4/27/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

SB 2 – ADDITIONAL FEES FOR FIREARMS

SB 2 (Portantino) authorizes firearm licensing authorities to charge an additional unspecified processing fee for a concealed carry license renewal, and implements additional regulations for firearm licensing authorities to adhere to.

Version Reviewed: Amended – 6/29/2023 | **Vote Required:** Majority | **Status:** Active

SB 40 – ANNUAL LICENSE FEE ON ATTORNEYS

SB 40 (Umberg) requires lawyers to pay an annual license fee of \$391 for active licensees for 2024 and \$97.40 for inactive licenses.

Version Reviewed: Amended – 7/12/2023 | **Vote Required:** Majority | **Status:** Active

SB 76 – FEE ON CATERING PERMITS

SB 76 (Wiener) imposes a fee for a catering permit or event permit for licensees under a music venue license.

Version Reviewed: Amended – 6/8/2023 | **Vote Required:** Majority | **Status:** Levy Removed

SB 353 – FEES FOR RECYCLING FRUIT JUICE CONTAINERS

SB 353 (Dodd) expands the recycling fee – referred to as a “redemption payment” that each beverage distributor is required to pay for every beverage container sold in the state – to include any container of 100 percent fruit juice. The California Department of Resources Recycling and Recovery would be responsible for adjusting the processing payment levied on manufacturers quarterly based on the three-month value, and, beginning January 1, 2024, deposit the revenue from the fee into a continuously appropriated fund.

Version Reviewed: Amended – 5/25/2023 | **Vote Required:** Two-Thirds | **Status:** Active

SB 362 – FEES IMPOSED ON BUSINESSES COLLECTING DATA

SB 362 (Becker) requires a data broker to register with the attorney general and pay a registration fee; authorizes the California Privacy Protection Agency to charge a fee to data brokers for accessing a state-run deletion mechanism that allows consumers to erase collected data; and requires a data broker to delete all personal data relating to a consumer every 31 days after a deletion request is submitted.

Version Reviewed: Amended – 6/29/2023 | **Vote Required:** Majority | **Status:** Active

SB 374 – INCREASED FEES FOR SPECIAL LICENSE PLATES

SB 374 (Ashby) increases the registration renewal fee for specialized license plates from \$35 to \$40.

Version Reviewed: Amended – 6/14/2023 | **Vote Required:** Majority | **Status:** Active

SB 384 – FEES FOR REMEDIAL COSMETOLOGY COURSES

SB 384 (Bradford) requires the State Board of Barbering and Cosmetology to establish a remedial education program for violators of health and safety rules and authorizes the board to impose a fee for administering the program.

Version Reviewed: Amended – 3/20/2023 | **Vote Required:** Majority | **Status:** Active

SB 440 – AUTHORIZES LOCAL GOVERNMENTS TO FORM HOUSING AGENCIES WITH TAXING AUTHORITY

SB 440 (Skinner) authorizes a regional housing authority to impose a parcel tax, gross receipts tax, special business tax, and/or documentary transfer tax, as well as issue general obligation bonds and impose commercial linkage fees, if approved by voters, for the purposes of increasing the supply of affordable housing.

Version Reviewed: Amended – 6/30/2023 | **Vote Required:** Majority | **Status:** Active

SB 495 – ALCOHOL DELIVERY LICENSING FEE

SB 495 (Dodd) establishes a new type of license for an alcohol consumer delivery service permit and sets an application fee of \$20,000 and an annual renewal fee of \$1,500.

Version Reviewed: Introduced – 5/18/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

SB 500 – TAXES ON AQUACULTURE FACILITIES

SB 500 (McGuire) extends by two years a temporary increase in various fees, surcharges, and penalties levied on aquaculture facilities, including increasing the sea urchin diving permit charge to \$598.50 (currently capped at \$200) and requiring the Fish and Game Commission to charge an additional \$200 for sea urchin permits.

Version Reviewed: Amended – 6/30/2023 | **Vote Required:** Majority | **Status:** Active

SB 564 – INCREASED FEES RELATING TO LAW ENFORCEMENT

SB 564 (Laird) increases various fees that are collected by sheriffs and marshals, including increased fees for opening safe-deposit boxes, processing warrants and summons, and delivering deeds of sale.

Version Reviewed: Chaptered – 6/29/2023 | **Vote Required:** Majority | **Status:** Chaptered

SB 608 – INCREASED FEES FOR SPECIAL LICENSE PLATES

SB 608 (Becker) increases the fees associated with the “Have a Heart, Be a Star, Help Our Kids,” license plate to \$90 for the initial issuance and \$80 for registration renewal.

Version Reviewed: Introduced – 2/15/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

SB 676 – LOCAL TAX ON CHLORINE

SB 676 (Allen) would have authorized a county to levy a tax by ordinance – with approval from a majority of voters – on trichlor, a chemical used to clean pools, at a rate of 30 cents per tablet.

Version Reviewed: Amended – 4/18/2023 | **Vote Required:** Majority | **Status:** Levy Removed

SB 696 – FEES IMPOSED ON NOTARIES

SB 696 (Portantino) authorizes the secretary of state to charge an application fee for a notary public to apply for registration to conduct online notarizations.

Version Reviewed: Amended – 5/2/2023 | **Vote Required:** Majority | **Status:** Active

SB 701 – FEES FOR FRUIT AND VEGETABLE WHOLESALERS

SB 701 (Hurtado) authorizes the board of supervisors of a county to establish a fee schedule for fruit and vegetable wholesalers, with a maximum registration fee of \$500.

Version Reviewed: Amended – 3/21/2023 | **Vote Required:** Majority | **Status:** Active

SB 707 – FEES FOR TEXTILE RECYCLING

SB 707 (Newman) requires textile manufacturers to pay fees to the Department of Resources Recycling and Recovery for the costs of administering a stewardship program for the recycling of specified textiles.

Version Reviewed: Amended – 7/3/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

SB 708 – FEES FOR OFFROAD VEHICLES

SB 708 (Jones) requires the Department of Motor Vehicles to establish a special permit for the operation of certain off-road vehicles and charge operators an unspecified fee for the permit.

Version Reviewed: Amended – 3/29/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

SB 778 – FEES FOR SUBSURFACE INSTALLATIONS

SB 778 (Ochoa Bogh) revises the definition of “subsurface installation” to include non-pressurized sewer lines, non-pressurized storm drains, and other non-pressurized drain lines, and authorizes local agencies to charge fees associated with subsurface installations.

Version Reviewed: Amended – 6/15/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

SB 816 – FEES IMPOSED ON INTERIOR DESIGNERS AND PSYCHIATRIC TECHNICIANS

SB 816 (Roth) establishes the California Council for Interior Design Certification and provides the council with the authority to establish application fees, renewal fees, and other fees relating to the certification of interior designers. The bill additionally authorizes the Board of Vocational Nursing and Psychiatric Technicians to approve reductions in “continuing approval fees” for psychiatric technicians, extends the collection of a \$500 annual fee for junk dealers, and imposes an additional fee on junk dealers beginning January 1, 2028.

Version Reviewed: Amended – 7/12/2023 | **Vote Required:** Majority | **Status:** Active

SB X1-2 – TAX ON OIL COMPANIES

SB X1-2 (Skinner) requires the California Energy Commission to establish a tax-like penalty, at an unspecified rate, on oil company earnings above a threshold through a public rulemaking process and establish the Division of Petroleum Market Oversight.

Version Reviewed: Chaptered – 3/28/2023 | **Vote Required:** Majority | **Status:** Chaptered



METHODOLOGY

This report identifies higher taxes, fees, assessments, and charges acted on or pending in the Legislature from the beginning of the 2023 session through July 17, 2023, when the Legislature went on break for the summer recess.

This report identifies 85 proposals during this period that contain higher costs. The costs cannot yet be quantified for 52 of the proposals.

Under Proposition 26, the voter-approved Stop Hidden Taxes Act of 2010, a tax is defined as any change in state statute that results in any taxpayer paying a higher tax or exaction, including any unreasonable fee or charge. This report includes any measure that imposes, authorizes, or states the intent to impose or authorize higher taxes or tax-like “fees,” as well as any legislation that increases a regulatory and/or license fee, user charge, or other charge for receiving a specific government service or benefit. Legislation imposing fines, penalties, and other costs for violating state or local laws is not included. This report also excludes legislation estimated to generate less than \$1 million per year in net revenue.

Revenue estimates are taken from legislative committee and floor analyses, and analyses from the state tax agencies. When an estimate had not been prepared for a bill, the most recent data from prior legislative or agency analyses of similar legislation or available economic studies was used. When estimates provided a revenue range, the lowest figure in the range was used to calculate a revenue total. Bills imposing identical taxes or fees are counted only once for purposes of calculating the cumulative revenue total for this report.

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