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March 6, 2023

The Honorable Jacqui Irwin
Chair, Assembly Committee on Revenue and Taxation
California State Assembly
1020 N Street, Room 167A
Sacramento, CA 95814

**RE: AB 321 (Wilson) State Sales Tax Exemption Zero-Emission Ferries
As Introduced January 26, 2023 – SUPPORT
Set for hearing March 13, 2023**

Dear Assemblymember Irwin:

The California State Association of Counties (CSAC), representing all 58 counties in the state, is pleased to support AB 321 by Assemblymember Wilson, which would establish, through 2034, a new exemption for the purchase of zero-emission ferries by public transit agencies from the state portion of the sales and use tax.

This proposal would expand on previous legislative actions to exempt from the state portion of the sales and use tax the purchase of zero-emission buses purchased by public transit agencies through AB 784 (Mullin, Chapter 684, Statutes of 2019) and AB 2622 (Mullin, Chapter 353, Statutes of 2022).

Existing law imposes or dedicates certain state sales and use tax rates for local funding, including through the Local Revenue Fund 2011. AB 321 would specify that this exemption does not apply to those state sales and use tax rates imposed or dedicated for local government funding, including those rates for which revenues are deposited into the Local Revenue Fund 2011. CSAC appreciates Assemblymember Wilson’s efforts in crafting AB 321 in a manner that protects local services and realignment funds while recognizing that the biggest portion (and thus biggest benefit for the buyer) is the state’s share. As a result, the measure does not negatively impact counties.

For these reasons, we are pleased to support AB 321 and respectfully urge your support. If you have any questions about our position, please do not hesitate to contact me at kdean@counties.org.

Sincerely,

Kalyn M. Dean
Legislative Advocate

cc: Members and Staff, Assembly Committee on Revenue and Taxation