

SENATOR ISADORE HALL, III
35TH SENATE DISTRICT
STATE CAPITOL, ROOM 4085 ★ SACRAMENTO, CA 95814
WWW.SENATE.CA.GOV/HALL

SB 357 (Hall) Railroad Cars: Mileage Assessment
FACT SHEET

Sponsor: California State Board of Equalization, Michele Pielsticker, (916) 322-2376
Staff Contact: Aaron Skaggs, (916) 651-4035

ISSUE

The Ports of Los Angeles and Long Beach are responsible for moving approximately 7 million cargo containers in and out of the United States each year and represent close to 40% of the nation's imports. Private Railroad Cars (PRC) are the most widely used method to move goods from California's ports to consumers throughout California, the nation and the world.

Current law imposes a property tax on PRCs operating on the state's railroads based on their time spent in California, not on the distance a PRC travels (as used in other states). The current calculation of PRC property tax relies heavily on an outdated data system and does not accurately reflect standardized modern assessments placed on cargo as it moves throughout the state. This system makes it more difficult to accurately report and collect assessments, increasing oversight costs to the State Board of Equalization (BOE) and PRC owners.

SOLUTION

SB 357 modernizes the way the BOE collects assessments on PRCs from the number of days spent in the state to the number of miles traveled within the state. By using a mileage based assessment, BOE administration costs will be reduced and businesses will be able to use a consistent, reliable and standardized method to pay assessments just as they do in other states throughout the country.

SUPPORT

Board of Equalization (Sponsor)
CalChamber
California Railroad Industry
California Taxpayers Association
Railway Supply Institute

(As introduced 2/24/15)