

ORDINANCE NO. _____

An ordinance adding Section 21.171 to the Los Angeles Municipal Code to exempt the retail sale of new passenger motor vehicles from this Article.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. A new Section 21.171 is added to Article 1 of Chapter 2 of the Los Angeles Municipal Code to read as follows:

SEC. 21.171. RETAILERS OF NEW PASSENGER MOTOR VEHICLES.

(a) Notwithstanding the provisions of Section 21.44, all gross receipts from the retail sales of new passenger motor vehicles by a dealer of new passenger motor vehicles are exempt from taxation under this Article:

(b) For the purpose of this Section:

1. A "dealer of new passenger motor vehicles" is a person who acquires for resale new and unregistered passenger motor vehicles from manufacturers or distributors of those motor vehicles. A "dealer of new passenger motor vehicles" must be subject to and comply with the provisions of Chapter 6 of Division 2 of the California Vehicle Code (*i.e.*, the requirements of the New Motor Vehicle Board).

2. The term "motor vehicle" shall have the same meaning as that set forth for "motor vehicle" in California Vehicle Code Section 415, as of the effective date of this Section.

3. This Section shall only apply to the sale of passenger vehicles. A "passenger vehicle" shall have the same meaning as that set forth for "passenger vehicle" in California Vehicle Code Section 465 as of the effective date of this Section. "Passenger vehicle" shall not include housecars, mobile homes, motorcycles, motor-driven cycles, motorized bicycles, motorized quadricycles, motorized scooters or similar motorized vehicles.

(c) This section and the tax treatment for retailers of new passenger motor vehicles shall be operative effective January 1, 2013, through the 2020 tax year.

Sec. 2. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of _____.

JUNE LAGMAY, City Clerk

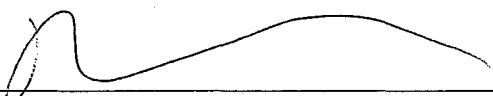
By _____ Deputy

Approved _____

Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By 

DANIEL M. WHITLEY
Deputy City Attorney

Date 7/3/12

File No. _____