

6016.3. "Tangible personal property," for the purpose of this part, includes any leased fixtures if the lessor has the right to remove the fixtures upon breach or termination of the lease, unless the lessor is also the lessor of the realty.

6016.5. Notwithstanding any other provision of law, "tangible personal property," for purposes of this part, does not include telephone and telegraph lines, electrical transmission and distribution lines, and the poles, towers, or conduit by which they are supported or in which they are contained.

6017. "In this State" or "in the State" means within the exterior limits of the State of California and includes all territory within these limits owned by or ceded to the United States of America.

6018. A licensed optometrist, physician and surgeon, pharmacist, or registered dispensing optician is a consumer of and shall not be considered a retailer within the provisions of this part as follows:

(a) In the case of a licensed optometrist or physician and surgeon with respect to the ophthalmic materials used or furnished by him or her, in the performance of his or her professional services in the diagnosis, treatment or correction of conditions of the human eye, including the adaptation of lenses or frames for the aid thereof.

(b) In the case of a licensed pharmacist only with respect to replacement contact lenses dispensed pursuant to Section 4124 of the Business and Professions Code.

(c) In the case of a registered dispensing optician with respect to the dispensing of ophthalmic materials.

6018.1. A licensed veterinarian is a consumer of, and shall not be considered a retailer within the provisions of this part with respect to, drugs and medicines used or furnished by him or her in the performance of his or her professional services.

For the purposes of this section, "drugs and medicines" includes substances or preparations intended for use in the diagnosis, cure,

17011. "Fiscal year" means an accounting period of 12 months ending on the last day of any month other than December.

17012. "Paid or incurred" and "paid or accrued" shall be construed according to the method of accounting upon the basis of which the taxable income is computed under this part.

17014. (a) "Resident" includes:

(1) Every individual who is in this state for other than a temporary or transitory purpose.

(2) Every individual domiciled in this state who is outside the state for a temporary or transitory purpose.

(b) Any individual (and spouse) who is domiciled in this state shall be considered outside this state for a temporary or transitory purpose while that individual:

(1) Holds an elective office of the government of the United States, or

(2) Is employed on the staff of an elective officer in the legislative branch of the government of the United States as described in paragraph (1), or

(3) Holds an appointive office in the executive branch of the government of the United States (other than the armed forces of the United States or career appointees in the United States Foreign Service) if the appointment to that office was by the President of the United States and subject to confirmation by the Senate of the United States and whose tenure of office is at the pleasure of the President of the United States.

(c) Any individual who is a resident of this state continues to be a resident even though temporarily absent from the state.

(d) For any taxable year beginning on or after January 1, 1994, any individual domiciled in this state who is absent from the state for an uninterrupted period of at least 546 consecutive days under an employment-related contract shall be considered outside this state for other than a temporary or transitory purpose.

(1) For purposes of this subdivision, returns to this state, totaling in the aggregate not more than 45 days during a taxable year, shall be disregarded.

(2) This subdivision shall not apply to any individual, including any spouse described in paragraph (3), who has income from stocks, bonds, notes, or other intangible personal property in excess of two hundred thousand dollars (\$200,000) in any taxable year in which the employment-related contract is in effect. In the case of an

individual who is married, this paragraph shall be applied to the income of each spouse separately.

(3) Any spouse who is absent from the state for an uninterrupted period of at least 546 consecutive days to accompany a spouse who, under this subdivision, is considered outside this state for other than a temporary or transitory purpose shall, for purposes of this subdivision, also be considered outside this state for other than a temporary or transitory purpose.

(4) This subdivision shall not apply to any individual if the principal purpose of the individual's absence from this state is to avoid any tax imposed by this part.

17015. "Nonresident" means every individual other than a resident.

17015.5. For purposes of Part 10.2 (commencing with Section 18401) and this part, the term "part-year resident" means a taxpayer who meets both of the following conditions during the same taxable year.

(a) Is a resident of this state during a portion of the taxable year.

(b) Is a nonresident of this state during a portion of the taxable year.

17016. Every individual who spends in the aggregate more than nine months of the taxable year within this State shall be presumed to be a resident. The presumption may be overcome by satisfactory evidence that the individual is in the State for a temporary or transitory purpose.

17017. "United States," when used in a geographical sense, includes the states, the District of Columbia, and the possessions of the United States.

17018. "State" includes the District of Columbia, and the possessions of the United States.

17019. "Foreign country" means any jurisdiction other than one embraced within the United States.

17020. "Trade or business" includes the performance of the functions of a public office.

17020.1. For purposes of this part, the term "substituted basis property" has the same meaning given that term by Section 7701(a)(42) of the Internal Revenue Code.

17020.2. For purposes of this part, the term "transferred basis property" has the same meaning given that term by Section 7701(a)(43) of the Internal Revenue Code, except that reference to Subtitle A shall instead be a reference to this part.

17020.3. For purposes of this part, the term "exchanged basis property" has the same meaning given that term by Section 7701(a)(44) of the Internal Revenue Code, except that reference to Subtitle A shall instead be a reference to this part.

17020.4. For purposes of this part, the term "nonrecognition transaction" has the same meaning given that term by Section 7701(a)(45) of the Internal Revenue Code, except that reference to Subtitle A shall instead be a reference to this part.

17020.5. For purposes of this part, in determining the amount of gain or loss (or deemed gain or loss) with respect to any property, Section 7701(g) of the Internal Revenue Code, relating to nonrecourse indebtedness, shall apply.

17020.6. For purposes of this part:

(a) Section 7702 of the Internal Revenue Code, relating to life insurance contracts, shall apply, except as otherwise provided.

(b) Section 7702A of the Internal Revenue Code, relating to modified endowment contracts, shall apply, except as otherwise provided.

(c) Section 7702B of the Internal Revenue Code, relating to treatment of qualified long-term care insurance, shall apply, except as otherwise provided.

17020.7. Section 7701(a)(46) of the Internal Revenue Code, relating to determination of whether there is a collective bargaining agreement, shall apply, except as otherwise provided.

17020.8. Section 7701(e) of the Internal Revenue Code, relating to treatment of certain contracts for providing services, etc., shall apply, except as otherwise provided.

17020.9. For purposes of this part, the term "domestic building and loan association" has the same meaning given that term by Section 7701(a)(19) of the Internal Revenue Code.

17020.11. Section 7701(h) of the Internal Revenue Code, relating to motor vehicle operating leases, shall apply.

17020.12. Section 7701(a)(20) of the Internal Revenue Code, relating to definition of "employee," shall apply, except as otherwise provided.

17020.13. Section 7701(k) of the Internal Revenue Code, relating to treatment of certain amounts paid to charity, shall apply, except as otherwise provided.

17021. As used in this part, if the husband and wife therein referred to are divorced, wherever appropriate to the meaning of this

(20) Employee

For the purpose of applying the provisions of section 79 with respect to group-term life insurance purchased for employees, for the purpose of applying the provisions of sections 104, 105, and 106 with respect to accident and health insurance or accident and health plans, and for the purpose of applying the provisions of subtitle A with respect to contributions to or under a stock bonus, pension, profit-sharing, or annuity plan, and with respect to distributions under such a plan, or by a trust forming part of such a plan, and for purposes of applying section 125 with respect to cafeteria plans, the term "employee" shall include a full-time life insurance salesman who is considered an employee for the purpose of chapter 21, or in the case of services performed before January 1, 1951, who would be considered an employee if his services were performed during 1951.