

The top portion of the slide features a panoramic view of the San Diego skyline across the water. On the left, the official seal of the City of San Diego is overlaid. The seal is circular with a gold border and contains the text 'SAN DIEGO STATE OF CALIFORNIA' at the top and 'SEMPER VIGILANS' at the bottom. In the center of the seal is a figure holding a scale and a sword. To the right of the seal, the text 'The City of San Diego' is written in a large, bold, black font, with 'America's Finest City' in a smaller font below it. The background of the top section is a clear blue sky and water.

The City of
San Diego
America's Finest City

Sales & Use Tax Exemption Incentive

(effective July 1, 2014)



Sales & Use Tax Exemption

Highlights:

- WHEN: Applies to qualifying equipment purchases *after July 1, 2014*.
- ADMINISTERED BY: California State Board of Equalization (BOE).
- EXEMPTION VALUE: Affords 4.19% State sales & use tax exemption for qualifying equipment purchases statewide.
(Businesses are still obligated to pay local sales tax)
- EXEMPTION CAP: Maximum \$200M/year in qualifying equipment purchases per business.

Sales & Use Tax Exemption

Highlights:

- **ELIGIBLE INDUSTRIES:** Companies primarily engaged in Manufacturing, Biotech and R&D activities.
(includes NAIC's codes 3111 - 3399, 541711 - 541712 - and any other industry categories determined eligible by BOE).
- **SALES vs USE TAX:** Qualifying equipment purchased in CA will be eligible for then partial Sales Tax exemption.
- Qualifying equipment purchased outside CA will be subject to Use Tax (calculation based on purchase price of equipment and the partial sales tax exemption "rate" of 4.19%)



Sales & Use Tax Exemption

Highlights:

- **QUALIFYING EQUIPMENT**: Includes basic manufacturing, food processing, R&D, and Biotech manufacturing equipment; **PLUS** any related “equipment” necessary to accommodate needed tenant improvements (i.e. racking systems, clean rooms, automated product assembly, mechanized storage systems).
- **BOE QUALIFYING EQUIPMENT (ELIGIBLE NAIC’S CODES)**:
http://www.boe.ca.gov/sutax/manufacturing_exemptions.htm#Qualifications
- **FAQ’S**:
http://www.boe.ca.gov/sutax/manufacturing_exemptions.htm#page=overview

The image features a blue background with a white banner across the top. On the left, the City of San Diego logo is visible, featuring a circular seal with the text "SAN DIEGO STATE OF CALIFORNIA" and "SEMPER VIGILANS". To the right of the seal, the text "The City of San Diego" is written in a large, bold, black font, with "America's Finest City" in a smaller font below it. The background of the banner shows a panoramic view of the San Diego skyline, including several tall skyscrapers, set against a clear blue sky and a body of water in the foreground.

The City of
San Diego
America's Finest City

**For More Information on the new
Sales & Use Tax Exemption Program**

California Board of Equalization (BOE)

Phone: 800-400-7115

E-mail inquiries:

<http://www.boe.ca.gov/info/email.html>

BOE Website:

<http://www.boe.ca.gov/>