

The top of the slide features a banner with a background image of the San Diego skyline across a body of water. On the left side of the banner is the official seal of the City of San Diego, which includes the text 'SAN DIEGO STATE OF CALIFORNIA' and 'SEMPER VIGILANS'. Overlaid on the banner is the text 'The City of San Diego' in a large, bold, black font, with 'America's Finest City' in a smaller font below it.

The City of
San Diego
America's Finest City

**City San Diego
Economic Development
Department
Presents:**

**Partial Sales & Use Tax Exemption
Incentive Overview**

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America's Finest City

Presenter:

**Kevin Sullivan,
City of San Diego
Economic Development
Department
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Sales & Use Tax Exemption

Highlights:

- EFFECTIVE: Applies to qualifying equipment purchases *after July 1, 2014*.
- ADMINISTERED BY: 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 background of the San Diego skyline across a body of water. In the top left corner, there is a circular seal for the City of San Diego with the text "SAN DIEGO STATE OF CALIFORNIA" and "SEMPER VIGILANS". Overlaid on the seal is the text "The City of San Diego" in a large, bold, black font, with "America's Finest City" in a smaller font below it.

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**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/>

The top of the slide features a panoramic view of the San Diego skyline across a body of 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 serif font, with 'San Diego' in a larger, bold font. Below this, the phrase 'America's Finest City' is written in a smaller, sans-serif font.

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QUESTIONS ?

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