



TAX EXEMPTION *for* FARM SOLAR

CALIFORNIA STATE BOARD OF EQUALIZATION





California State Board of Equalization

California provides an exemption from a portion of the sales and use taxes, for purchases of farm equipment and machinery used primarily for qualified agricultural activities. This tax exemption could save you thousands of dollars on qualifying purchases.

Solar Equipment Now Eligible

California also offers a partial tax exemption for farmers when they purchase equipment or machinery that provides electricity directly to qualifying farm equipment and machinery. These purchases of solar energy systems may qualify even if the electricity generated first goes to the electrical grid before being used in qualified agricultural activities.

Farmers who purchase a solar electricity generating system can benefit from this important tax exemption for any solar energy system that is specifically purchased to provide power to qualified farm equipment and machinery.

Learn more at
www.boe.ca.gov/industry/agriculture.html



To qualify, 50 percent or more of the electricity generated by a solar power facility must be used in the production and harvesting of agricultural products. To determine if a solar power facility does qualify, divide the total annual amount of electricity used by the qualifying farm equipment and machinery in producing and harvesting agricultural products by the total annual amount of electricity generated by the solar power facility.

For example, a solar power facility producing 1000 kilowatts of electricity annually to power qualified agricultural equipment that consumes 600 kilowatts of electricity annually would qualify for the partial exemption ($600/1000 = .60$, or 60 percent).



Tax exemptions can help farmers and other California businesses succeed during challenging economic times.

Please call our Customer Service Center at 1-800-400-7115 for more information on how to qualify for the partial tax exemption for farm solar equipment.



To support a claim that the purchase of a solar power facility is eligible for the partial tax exemption, it is important you document that the solar power is primarily used in producing and harvesting agricultural products.

Ideally, documentation should include data obtained from the meters on qualifying farm equipment and machinery.

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