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500 Capitol Mall, Suite 1750
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TAX EXEMPTIONS for the AGRICULTURAL INDUSTRY



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CALIFORNIA STATE BOARD OF EQUALIZATION

GEORGE RUNNER

MEMBER, 1ST DISTRICT
George.Runner@boe.ca.gov

California provides a partial tax exemption from the state portion of sales and use taxes for specified purchases of farm equipment and machinery, including specific solar equipment, and diesel fuel used primarily for qualified agricultural activities.

Business owners may qualify for a partial tax exemption on purchases of some manufacturing and research and development equipment.

Farmers and businesses serving the agricultural industry could potentially save thousands of dollars by taking advantage of available state tax exemptions.

Please review the information in this brochure and online. If you need further assistance, please email or call the phone number listed below.

500 Capitol Mall, Suite 1750
Sacramento, CA 95814
Telephone: 916-445-2181
Fax: 916-327-4003

Agricultural Exemptions

• Farm Equipment and Machinery

California provides an exemption from the state portion of sales and use taxes for purchases of farm equipment and machinery by *qualified* individuals if used primarily for *qualified* agricultural activities.

• Solar Equipment

California's partial tax exemption includes purchases of solar equipment used primarily to provide electricity to qualifying farm equipment and machinery including equipment that is subject to a net metering agreement.

Fuel Exemptions

• Diesel Fuel

A partial sales and use tax exemption is available for certain sales and purchases of diesel fuel used in farming or food processing activities.

• Liquefied Petroleum Gas (LPG)

Certain sales of LPG are exempt from sales and use tax when a qualified buyer purchases it for commercial crop, livestock production, or harvesting.

Manufacturing Exemption

Manufacturers and research and developers may qualify for a partial exemption from sales and use tax on certain manufacturing and research and development equipment purchases and leases.

This exemption may also extend to construction contractors furnishing and installing materials and fixtures for construction of special purpose manufacturing and research and development facilities.



Tax exemptions help farmers and other agricultural businesses succeed during challenging economic times. Please call or mail back the card below to request assistance or receive more information.



I would like more information on the following **agricultural tax exemptions**.

Agricultural Farm Solar Manufacturing

First Name

Last Name

Address

City/State/Zip

Daytime Phone

Email

Out this card on the dotted line, attach postage and mail. Privacy Statement: Your contact information will not be shared unless required by law. It will only be used to periodically inform you of important policy issues.