



STATE BOARD OF EQUALIZATION

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May 4, 2015

Honorable Travis Allen
California State Assembly Member
State Capitol, Room 4015
Sacramento, CA 95814

Subject: **AB 89 – BOE SUPPORT IF AMENDED**

Dear Assemblyman Allen:

The Board of Equalization (BOE) supports your Assembly Bill (AB) 89, which provides a 3.9375% (General Fund) sales and use tax exemption for items purchased by a K-12 public school or K-12 public school district for use by the school or district, if amended to limit the exemption to educational supplies.

In general, retail sales of tangible personal property to public and private schools and school districts are subject to sales and use tax to the same extent as any other person in this state. In fact, no exemption on the basis of the purchaser being a state or local governmental agency currently exists in the Sales and Use Tax Law.

This bill creates a General Fund exemption for K-12 public school or school district purchases of any tangible personal property, such as books, pens, pencils, paper, art supplies, computers, software, desks, chairs, light bulbs, paper towels, vehicles, etc. The BOE supports providing sales and use tax relief to reduce the cost of educational supplies to public schools, and would like to see the exemption limited in this regard. Accordingly, the BOE supports AB 89, if amended to narrow the proposed exemption to educational supplies.

If you have any questions please contact Michele Pielsticker, Chief, Legislation and Research Division, at (916) 322-2376.

Sincerely,

A handwritten signature in blue ink that reads "Cynthia Bridges".

Cynthia Bridges
Executive Director

CB:ah