



For Immediate Release
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BOE Adopts Regulation to Implement Partial Tax Exemption for Manufacturing and R&D Equipment

Sacramento – The California State Board of Equalization (BOE) adopted a regulation to implement the Manufacturing and Research & Development Equipment Partial Sales and Use Tax Exemption during a public hearing on July 17, 2014.

The regulation applies to equipment used primarily in manufacturing or research and development. This is part of the Governor’s Economic Development Initiative which provides tax exemptions and credits to qualified businesses to promote business expansion and job growth in California. Prior Board votes on this topic initiated the rulemaking process, and further clarified the Board’s view of the types of businesses and purchases that qualify for the exemption which took effect on July 1, 2014.

The Board also adopted the assessment rolls for private rail cars and publicly owned private utilities, and heard a report on the Private Railroad Car Tax Rate that will be used to assess property taxes on private rail cars during the 2014-15 fiscal year.

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The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects \$56 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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