

**For Immediate Release**  
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## **Board Approves Regulation to Clarify Hydroponic Farmer Tax Exemption**

**Sacramento** – Members of the California State Board of Equalization approved the publication of amendments to a regulation that will clarify hydroponic farmers may qualify for sales and use tax exemptions. The Board action was taken during its meeting on Tuesday, September 23, 2014.

The amendments to Regulation 1588 add carbon dioxide (CO<sub>2</sub>) to the definition of fertilizer, thus eliminating sales tax for those who buy carbon dioxide products for hydroponic farming uses. If the regulation is ultimately adopted and codified, it will clarify that sales of carbon dioxide used in hydroponic farming may qualify for a sales and use tax exemption.

In other BOE business, the “bulk sales” tax exemption which applies to sales of gold and silver coins and bullion will remain at \$1,500. The annual rate review is based upon the California Consumer Price Index.

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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](http://www.taxes.ca.gov).

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