



For Immediate Release
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Tax Exemption Clarification for Hydroponic Farmers Considered by BOE

Sacramento – Members of the California State Board of Equalization (BOE) will conduct a public hearing regarding amendments to a regulation that will clarify that hydroponic farmers may qualify for the sales and use tax exemption for fertilizer. The Board will hear this item at its meeting on Thursday, December 18, 2014, at 450 N Street, Sacramento. The meeting begins at 10:00 a.m.

The clarifying regulation amendments will add carbon dioxide (CO₂) to the definition of fertilizer and emphasize that fertilizer does not need to be applied to land to qualify for the exemption. This will help clarify that the exemption for fertilizer may apply to those who buy carbon dioxide for use in hydroponic farming. The amendment to the regulation is expected to take effect on April 1, 2015. The clarifications to the tax exemption will apply retroactively.

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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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