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BOE to Consider Tax Exemptions for Space Travel and Agriculture

Sacramento – A rule to provide property tax exemptions for space flight equipment and a position on legislation to apply a partial sales and use tax exemption to the agricultural industry will be considered by members of the California State Board of Equalization during their monthly meeting on May 22, 2014 at 450 N Street in Sacramento.

The Board will consider adopting amendments to a business property tax rule that will clarify that the property tax exemption for business inventory applies to space flight property that is not reusable, and turned over to federal safety authorities' control at launch. This exemption is narrower than the property tax exemption that will apply to all space flight property for the next 10 years beginning in 2014, with the signing of BOE-supported [Assembly Bill 777](#) (Muratsuchi).

The Board will also consider positions on tax-related legislation. One is a proposal for a bill that would allow some food manufacturers engaged in business in the agricultural industry to take advantage of partial sales and use tax exemptions for equipment purchased primarily for use in manufacturing or research and development. The exemption does not currently apply to qualified purchases by some food manufacturers that are also engaged in agriculture.

Other Board business includes the annual adoption of the values of privately owned public utility properties. The Board annually assesses property owned by telephone, gas and electric companies, and railroads. Their property tax bills are set based on this assessment, and the county governments in which they are located benefit from the tax revenue.

The Board will also host the annual Taxpayers' Bill of Rights Hearings. Californians will be able to address the Board with their input and concerns about business and property taxes in the state. The Bill of Rights Hearings are set to begin at approximately 1:30 p.m.

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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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