Reduced Sales Tax for Research Equipment

The California State Board of Equalization (SBOE) is offering a reduced sales/use tax rate on equipment purchased for use in Biotechnology, Engineering, Life Sciences, and Physical Sciences research.

Start taking advantage of this savings now through June 2022.

Partial Exemption Rate

The current local sales tax is 7.75%. Under this program there is a reduction of 3.9375%, for a **total adjusted tax rate* of 3.8125%,** from January 1, 2017 through June 30, 2022.

As a reminder, the location of where the good is purchased or delivered determines the sales tax. For example, if the good was purchased or delivered to LA, the local sales tax rate is higher. Following is a link to lookup tax rates by city, county, or address: http://www.boe.ca.gov/cgi-bin/rates.cgi.

Qualified Research Areas

- Biotechnology
- Engineering
- Life Sciences
- Physical Sciences

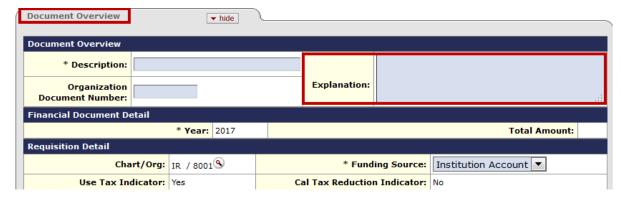
Equipment Qualifications

- Purchase cost greater than \$5,000 which is routed through Central Purchasing.
- Equipment must be used in California for research and development at least 50% of the time.
- Equipment must have a useful life of one or more years.
- Includes equipment leased on or after July 1, 2014.

Note: Reduced tax rate does not apply to consumables, non-research related equipment and services.

How to obtain

• Complete a KFS Requisition. In the **Document Overview** tab, type the research purpose in the **Explanation** field.



 The Central Purchasing will provide the supplier with the partial exemption form required to obtain the discounted rate.

Note: In the event a BOE audit determines that the purchase does not qualify for the partial sales tax exemption, the requesting department is responsible for any additional tax and penalties.

*Total adjusted tax rate is subject to change whenever the current local sales tax rate changes.