



BusinessScene

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New State Programs Can Save Businesses Money

New laws passed by the California Legislature can provide savings for Camarillo businesses this year. The Enterprise Zones program, which ended last year, has been replaced by new programs, two of which may result in savings for your business beginning in July, including:

CA Sales Tax Exemption to the state portion of sales tax on equipment that is purchased for manufacturing, or for R&D in biotechnology, engineering, and science.

CA Competes Tax Credit for businesses that relocate to California; or for existing businesses that want to expand.

These programs are being implemented by the Governor's Office of Business and Economic Development (GO Biz).

Sales Tax Exemption - each eligible business operator (taxpayer) can receive exemptions for up to \$200 million in purchases during a calendar year. This can be for manufacturing and R&D equipment and machinery (including parts), or for devices used to regulate primary equipment. Certain buildings used for manufacturing and R&D are also eligible, as is property used in conjunction with pollution control measures. If a particular business does not purchase \$200 million worth of eligible equipment in a given year, the remaining amount will not be carried over to the following year.

Tax Credits - tax credit agreements with eligible businesses will be negotiated through GO Biz and a program committee. Applications for the tax credits will be accepted beginning in March or April. The criteria for issuing credits will be based on a number of factors, including:



- Number of jobs that a business will create or retain;
- Compensation/benefits paid by the business to its employees;
- Amount of investment in California by the business;
- Period of time the business commits to remain in the state;
- Overall economic impact of the business to California;
- Strategic importance of the business to the state, region, County of Ventura, or Camarillo; and
- The opportunity for future growth and expansion in this area.

The amount of statewide tax credits available to businesses will tentatively be \$30 million for FY 2013-14; another \$150 million in FY 2014-15; and \$200 million in each fiscal year through 2017-18.

More information about the Sales Tax Exemption and CA Competes Tax Credit program, please visit the GO Biz website at www.business.ca.gov.

