

## PARTIAL SALES AND USE TAX EXEMPTION FOR MANUFACTURING AND R&D EQUIPMENT

### EQUIPMENT ELIGIBILITY CHECKLIST

Complete this form and attach to your KFS Requisition document.

Add the Tax Processor group as an Ad Hoc approval routing prior to submitting the document.

Providing this information will enable Contracting Services to evaluate whether the equipment qualifies for a sales tax reduction. Completing the form is not a guarantee of receiving the sales tax reduction.

Department \_\_\_\_\_

Department contact name \_\_\_\_\_ Phone \_\_\_\_\_

E-mail \_\_\_\_\_ KFS Document # \_\_\_\_\_

Vendor \_\_\_\_\_ Is the vendor collecting California sales tax? YES  NO

Is the purchase in fulfillment of a federal contract? YES  NO

If yes, will the federal government take title to the equipment upon purchase? YES  NO

Does the cost center/fund being used to make this purchase derive 50% or more gross receipts for research and development; and expend 50% or more of operating expenses in research and development? YES  NO

### OVERVIEW OF EQUIPMENT AND RESEARCH ACTIVITIES

---

**1. Description of the equipment.**

**2. Briefly describe the research and development uses of the equipment.**

**3. Specify the areas of research and development (Check all research areas which apply):**

**NAICS Code 541711** - Research and development in Biotechnology (involves the study of the use of Microorganisms and cellular and bio-molecular processes to develop or alter living or non-living materials) -

**NAICS Code 541712** – Research and development in the physical, engineering and life sciences (other than biotechnology):

- |                 |                          |                |                          |
|-----------------|--------------------------|----------------|--------------------------|
| • Agriculture   | <input type="checkbox"/> | • Forests      | <input type="checkbox"/> |
| • Electronics   | <input type="checkbox"/> | • Geology      | <input type="checkbox"/> |
| • Environmental | <input type="checkbox"/> | • Health       | <input type="checkbox"/> |
| • Biology       | <input type="checkbox"/> | • Mathematics  | <input type="checkbox"/> |
| • Botany        | <input type="checkbox"/> | • Medicine     | <input type="checkbox"/> |
| • Computers     | <input type="checkbox"/> | • Oceanography | <input type="checkbox"/> |
| • Chemistry     | <input type="checkbox"/> | • Pharmacy     | <input type="checkbox"/> |
| • Food          | <input type="checkbox"/> | • Physics      | <input type="checkbox"/> |
| • Fisheries     | <input type="checkbox"/> | • Veterinary   | <input type="checkbox"/> |

## OTHER EQUIPMENT INFORMATION

---

1. Will equipment be purchased  or leased  ?
2. Does the equipment have a useful life of one year or more? (Supplies and other consumables with a useful life of less than one year do not qualify). YES  NO
3. Will special facilities need to be built or special building modifications made to install, use or maintain the equipment? If yes, please explain.
4. Will the equipment be used outside California? If so, please explain.
5. Will the equipment be used in non-research activities (e.g. instruction, patient care, administration, management, marketing etc)? YES  NO
6. Please indicate the estimated percentage of time that the equipment will be used for research vs. non-research activities:  
  
Research activities: \_\_\_\_\_%  
Non-research activities \_\_\_\_\_%

For more information on this sales tax reduction program, from the State of California, go to: <https://www.cdtfa.ca.gov/industry/manufacturing-exemptions.htm>