

LOS ANGELES SOUTH CHAMBER OF COMMERCE

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CALIFORNIA ASSEMBLY - JOBS & THE ECONOMY

AB-1951 (2021-2022)

Sales and use tax: exemptions: manufacturing.

District 14 Assembly Member [Timothy Grayson](#)

Purpose

Makes full exemption of sales and use tax for purchases of manufacturing and research and development equipment. Prior to the pandemic, California manufacturing had already faced a decline in total employment. Many of these losses are a result of California's steep cost of doing business, which is one of the highest in the nation. Other states are aggressively attempting to lure California manufacturers with lower business costs and location incentives.

- Manufacturing jobs in California have decreased by 42%
- Full state and local sales and use tax exemption for the purchase of manufacturing equipment.
- Sales and use tax (SUT) exemption for manufacturing and research and development (MR&D) tangible personal property (TPP) by making the expenditure a full exemption and removing the \$200 million cap on qualifying purchases per individual purchaser.

Status

- **History:** 09/15/22 - Vetoed by Governor.

- **Votes:** 08/11/22 (PASS) - Sen Appropriations - Ayes: 7, Noes: 0, NVR: 0 - AB-1951 Grayson Assembly Third Reading.

Position

- LASCC's Position: **Support**
- Businesses are taxed heavily in California, and the consequences that comes with it are like what you see in the manufacturing sector. This bill goes in the right direction of addressing taxing strategies and will help grow potential new businesses and bring back jobs into California.

Read the bill. [Click Here](#)

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