

**State of California
Office of Administrative Law**

In re:
California Alternative Energy and Advanced
Transportation Financing Authority

Regulatory Action:

Title 04, California Code of Regulations

Adopt sections:

Amend sections: 10031, 10032, 10033,
10034, 10035, 10036

Repeal sections:

**NOTICE OF APPROVAL OF CERTIFICATE OF
COMPLIANCE**

**Government Code Sections 11349.1 and
11349.6(d)**

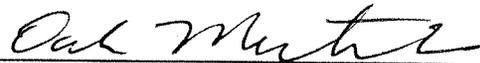
OAL Matter Number: 2022-0224-04

**OAL Matter Type: Certificate of Compliance
(C)**

This Certificate of Compliance action makes permanent emergency regulations that streamline administration of the Sales and Use Tax Exclusion Program which is available to qualifying manufacturers and recyclers for projects and products that create California-based manufacturing jobs or advanced manufacturing processes or reduce greenhouse gases, air and water pollution, or energy consumption. More specifically, the action revises definitions, application and eligibility requirements, and compliance deadlines, and updates cross references and subdivision numbering.

OAL approves this regulatory action pursuant to section 11349.6(d) of the Government Code.

Date: April 7, 2022



Dale P. Mentink
Assistant Chief Counsel

For: Kenneth J. Pogue
Director

Original: Derek Chernow, Executive
Director

Copy: Matt Jumps

NOTICE PUBLICATION/REGULATIONS SUBMISSION

CERT

STD. 400 (REV. 10/2019)

For use by Secretary of State only

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-2021-1123-03	REGULATORY ACTION NUMBER 2022-0224-04 C	EMERGENCY NUMBER
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	
AGENCY WITH RULEMAKING AUTHORITY			AGENCY FILE NUMBER (If any)

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

APR 07 2022
3:10 PM

OFFICE OF ADMIN. LAW
2022 FEB 24 PM 2:43

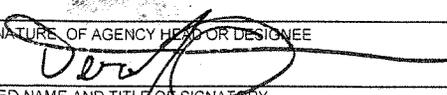
A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE <i>California Alternative Energy and Advanced Transportation Financing Authority</i>	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER 2021, 49-Z
			PUBLICATION DATE 12/3/2021

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Sales and Use Tax Exclusion Program	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) 2020-1026-02E; 2021-0826-04EE; 2021-1118-02EE; 2021-1129-02E
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT
	AMEND
	REPEAL
4	10031, 10032, 10033, 10034, 10035, 10036
3. TYPE OF FILING	
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input checked="" type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)
<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)	
<input type="checkbox"/> File & Print	
<input type="checkbox"/> Print Only	
<input type="checkbox"/> Other (Specify) _____	
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)	
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d), Cal. Code Regs., title 1, §100)	
<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input checked="" type="checkbox"/> Effective on filing with Secretary of State
<input type="checkbox"/> §100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify)	
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY	
<input checked="" type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission
<input type="checkbox"/> Other (Specify) _____	<input type="checkbox"/> State Fire Marshal per agency request DM
7. CONTACT PERSON Matt Jumps	TELEPHONE NUMBER 916-651-5103
FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) mjumps@sto.ca.gov

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE


TYPED NAME AND TITLE OF SIGNATORY
Derek Chernow, Executive Director

DATE
2/23/22

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

APR 07 2022

Office of Administrative Law

TEXT OF REGULATIONS
CALIFORNIA CODE OF REGULATIONS
Title 4. Business Regulations

Division 13. California Alternative Energy and Advanced Transportation Financing Authority

Article 2. MANUFACTURING SALES AND USE TAX EXCLUSION PROGRAM

§ 10031. Definitions.

- (a) "Administrative Fee" means the fee payable upon the execution of the Regulatory Agreement between the Applicant and the Authority and at the time of submitting the semi-annual report to CAEATFA.
- (b) "Advanced Manufacturing" is defined as stated in Section 26003(a) of the Public Resources Code.
- (c) "Advanced Transportation Technology" or "Advanced Transportation Technologies" is defined as stated in Section 26003(a) of the Public Resources Code.
- (d) "Alternative Sources" is defined as stated in Sections 26003(a) of the Public Resources Code.
- (e) "Applicant(s)" means a Participating Party submitting an Application.
- (f) "Application" means a completed formal request for sales and use tax exclusion as specified in Section 10032.
- (g) "Application Fee" means the fee payable at the time of Application for a sales and use tax exclusion.
- (h) "Authority" means the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) established pursuant to Division 16 of the Public Resources Code (commencing with Section 26000).
- (i) "Biofuel" includes "Biodiesel," a fuel comprised of mono-alkyl esters of long chain fatty acids derived from vegetable oils or animal fats, and "Biogas," the raw gaseous mixture comprised primarily of methane and carbon dioxide and derived from the anaerobic decomposition of organic matter in a landfill, lagoon, or constructed reactor (digester).
- (j) "California Supplier" means a business entity that manufactures, assembles, or produces its product or service in the state of California.
- (k) "Competitive Criteria" means a set of Project or Applicant characteristics, as determined in Section 10032(a)(8)(B), which are measurable at the time of application.

(l) "Corporate Headquarters" means the location that is the primary center of direction, control and coordination for the company.

(m) "Emerging Strategic Industry" means an innovative industry, technology or product that may be identified by the Executive Director as having a potentially significant impact on the State's environmental goals or economy, the advancement of which are in the public interest, and which advance the purposes of the Program. The Executive Director may from time to time develop or add to a list of Emerging Strategic Industries which will be identified by North American Industry Classification System (NAICS) code (or its equivalent) or by description of the product or manufacturing process. The list of these industries will be publicly posted on the Authority's website.

(n) "Estimated Useful Lifespan" means the length of time the Qualified Property or Advanced Transportation Technology or Alternative Source product, component, or system can reasonably be expected to last in a productive capacity, as identified in the Application or the Regulatory Agreement.

(o) "Executive Director" means the executive director of CAEATFA.

(p) "Facility" or "Facilities" means a design, manufacturing, production, or assembly facility that includes or will include tangible personal property utilized for the design, manufacture, production, or assembly of Advanced Manufacturing, Advanced Transportation Technologies or Alternative Source products, components, or systems, or a facility that includes or will include tangible personal property that at least 50 percent of its use is either to process Recycled feedstock that is intended to be reused in the production of another product or using Recycled feedstock in the production of another product or soil amendment. Facilities involving more than one location may be combined in a single Application, provided the locations are part of a single process. Where facilities at multiple locations are performing the same or substantially similar operations they will require separate Applications.

(q) "Financial Assistance" means the granting of a sales and use tax exclusion by the Authority pursuant to Section 26011.8(a) of the Public Resources Code.

(r) "Green Component" means the component or system within Advanced Transportation Technologies or Alternative Source products, components, or systems that is primarily responsible for or required to enable the increase in energy efficiency, Alternative Source generation, or pollution reduction.

(s) "Industry Cluster" means a concentration of interrelated businesses or industries in a region that, by virtue of being located in proximity, act to increase productivity or economic growth in that region. For purposes of receiving points as part of an Application, Industry Clusters must be recognized by a California state or local government entity, regional economic development authority, or association of governments as an industry cluster, strategic cluster, or competitive cluster of the region within which the Applicant's Project resides.

(t) "Participating Party" is defined as stated in Section 26003(a)(7)(A) of the Public Resources Code.

(u) "Program" means the sales and use tax exclusion program created pursuant to Public Resources Code Section 26011.8.

(v) "Project" is defined as stated in Section 26011.8(b)(1) of the Public Resources Code. Project does not include machinery or equipment that utilizes or is designed to utilize an Alternative Source.

(w) "Qualified Product" means an Advanced Transportation Technology or Alternative Source product, component or system, a product produced with an Advanced Manufacturing Process, or a product made by processing Recycled feedstock or utilizing Recycled feedstock.

(x) "Qualified Property" means the tangible personal property identified in the Application or Regulatory Agreement to be purchased for use in the Facility if at least 50 percent of its use is either to process Recycled feedstock that is intended to be reused in the production of another product or using Recycled feedstock in the production of another product or Soil amendment; or tangible personal property that is used in the state for the design, manufacture, production, or assembly of Advanced Transportation Technologies, or Alternative Source products, components, or systems or utilized in an Advanced Manufacturing process. Qualified Property must be used for the purpose stated in the Application for a period equal to the longer of (a) one year or (b) one-half of the Estimated Useful Lifespan of the Qualified Property. The total value of Qualified Property necessary for the operation of the Facility and located on the same site as the Facility, but not directly used for the design, manufacture, production or assembly of advanced transportation technologies or alternative source products, components or systems shall not exceed one percent (1%) of the total value of all Qualified Property purchased by the Applicant.

(y) "Recognized Energy Efficiency Standard" is a statutory, regulatory, or voluntary set of minimum energy efficiency standards for one or more products, product components, or categories of products or product components, as designated by the Executive Director. The Executive Director may designate a standard as a Recognized Energy Efficiency Standard if it (a) has been adopted and currently maintained by a government agency, trade group, or nonprofit organization, (b) has clearly defined test methods, (c) contains product energy consumption ratings based on independent certification and testing, and (d) the energy consumption of products that meet the standards is significantly below the consumption of comparable products.

(z) "Recycled feedstock" is defined as stated in Section 26011.8(b)(2) of the Public Resources Code.

(aa) "Recycled Resource Extraction Project" is a project that converts Recycled feedstock into materials that are used in subsequent manufacturing processes.

(ab) "Regulatory Agreement" means the agreement specified in Section 10035.

(ac) "Small Project Pool" is the twenty million dollars (\$20,000,000) in sales and use tax exclusion available to award only to Applications requesting two million dollars (\$2,000,000) or less in sales and use tax exclusion through September each year as established in Section 10032(a)(4).

(ad) "Soil amendments" is defined as stated in Section 26011.8(b)(3) of the Public Resources Code.

(ae) "Statutory Cap" means the maximum amount of sales and use tax exclusion the Authority may grant pursuant to Section 26011.8(h) of the Public Resources Code.

Note: Authority cited: Section 26009, Public Resources Code; Section 26011.8, Public Resources Code. Reference: Section 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.

§ 10032. Application Requirements.

(a) Timing of Application submissions.

(1) The Executive Director will announce the application periods for the sales and use tax exclusion prior to the start of each calendar year on the Authority website found at www.treasurer.ca.gov/CAEATFA.

(A) The announcement will include the (1) application periods, (2) deadline to submit Applications for each application period, (3) tentative dates when the Authority will hold Board meetings to consider Applications, and (4) amount of sales and use tax exclusion available to award during each application period.

(B) The Executive Director may reschedule or amend any previously announced application period by providing notice on the Authority website and may reschedule or relocate any previously announced Authority Board meeting so long as the information is posted on the Authority website at least ten (10) days before the scheduled meeting.

(2) Applications must be submitted via e-mail to CAEATFA@treasurer.ca.gov.

(3) The Authority may limit the number of meetings each year at which Applications will be considered.

(4) \$20 million in sales and use tax exclusions shall be available to award only to Applications requesting \$2 million or less in sales and use tax exclusion through September each year. If any of the \$20 million in sales and use tax exclusion remains after September, it shall be made available to award to all Applicants. Applications being considered under the Small Project Pool will be reviewed and presented to the CAEATFA Board for approval in the order in which the Applications are ranked based on Competitive Criteria, as established in Section 10032(a)(7)(B), and will be heard before Applications being considered for an award under the general pool of STE. When the amount requested in the Application exceeds the STE available from the Small Project Pool, the Authority shall award the remaining STE request

using STE from the general pool of STE allocation, if any remains. Any Applicant requesting \$2 million or less in STE that is not awarded from the Small Project Pool will be considered for an award from the general pool of STE allocation, if any remains.

(5) Except as provided in subparagraphs (A) and (B) below, Applications shall be capped at \$10 million of sales and use tax exclusions per Applicant, per calendar year, based on the average statewide sales tax rate at time of Application. For any Applicant which has a parent company with an ownership interest greater than 50%, the \$10 million cap also applies to the Applicant's parent company and the parent company's subsidiaries or affiliates.

(A) If STE will be available at the last application period of the calendar year after all Applications are considered, the Authority may provide additional STE to Applicants that qualified for additional STE but were capped pursuant to this paragraph. The remaining STE available will be awarded first to the last Applicant considered for additional STE pursuant to subparagraph (B), below, if the Applicant did not receive its full STE request, then to any additional Applicants wishing to exceed the \$10 million cap that were not awarded pursuant to subparagraph (B), below. The Applications will be reviewed and presented to the CAEATFA Board for approval in the order in which they are ranked based on Competitive Criteria. If there is still additional STE available, then Applicants wishing to exceed \$20 million in STE will be reviewed and presented to the CAEATFA Board for approval in the order in which they are ranked based on Competitive Criteria. Applicants wishing to exceed that cap must bring a revised Project Application or a new Application before the Authority Board for consideration in the last application period of the same calendar year in which the original Application was approved. The revised or new Application must include updated information requested ~~as~~ in Section 10032 and will be evaluated pursuant to Section 10033. The Executive Director will announce end-of-the-year availability of sales and use tax exclusion no later than 28 days prior to the last Authority Board meeting of the calendar year.

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(B) For Applicants wishing to exceed the \$10 million in STE cap, \$15 million in STE will be available to award to Applicants in addition to the \$10 million in STE cap in the first application period of the calendar year. Requests for STE in addition to the \$10 million in STE cap shall be capped at \$10 million in STE, for a potential total award of \$20 million in STE, and must be submitted during the first application period of the calendar year. The Applications will be reviewed and presented to the CAEATFA Board for approval in the order in which they are ranked based on Competitive Criteria, as established in Section 10032(a)(8)(B) below. If the amount requested in the last Application considered exceeds the STE available from the \$15 million in STE set-aside, the Applicant shall only receive the amount remaining from the \$15 million in STE set-aside. If any of the \$15 million in STE is not awarded, the remaining STE will be made available to award to all Applicants.

(6) To the extent the total sales and use tax exclusion awarded during the calendar year reaches the Statutory Cap, additional Applications will not be reviewed during that calendar year. Applications that are received but not awarded due to the Statutory Cap will be placed on a waiting list. To the extent that additional STE becomes available during the calendar year, it will be awarded first to the last Applicant considered, if that Applicant did not receive

its full STE request. If the last Applicant considered received its full STE request, Applications on the waiting list will be reviewed and presented to the CAEATFA Board for approval in the order in which those Applications are ranked based on Competitive Criteria. The waiting list shall expire at midnight on January 1 of the year following the calendar year the list is established.

(7) Except as provided in paragraph (4), the order in which Applications will be reviewed and considered by the Authority will be based on a ranking of Competitive Criteria, as established in subparagraphs (A) and (B) below.

(A) The Projects with the greatest point score will be reviewed and presented to the CAEATFA Board. In the event of a tie, the Application representing the smaller STE award will move forward to consideration before the Authority. If the STE amounts are identical, the Application that was received by CAEATFA first shall be heard first. When the amount requested in the Application exceeds the STE available in the calendar year, the Authority shall award the remaining STE request using STE from the following calendar year, up to \$2 million in STE. Any remaining Applications shall be placed on the waiting list.

(B) Competitive Criteria.

(i) The competitive criteria score will be the sum of all of the following:

- a. 100 points for Applicants with Recycled Resource Extraction Projects or Projects that produce an Advanced Transportation Technology or an Alternative Source product, component, or system;
- b. the Unemployment Score as calculated pursuant to Section 10033(c)(5)(A);
- c. the New Jobs Score as calculated pursuant to Section 10033(c)(5)(B);
- d. 50 points for Applicants that can demonstrate the Project is to relocate or rebuild the Applicant's Facility due to a fire, flood, storm, or earthquake identified in a state of emergency proclamation made by the California State Governor within two years of the time of application;
- e. 15 points for Applicants with a Corporate Headquarters, as defined in Section 10031(l), located in California;
- f. 50 points for Applicants that are not eligible to use any of the exemptions established pursuant to Section 6377.1 of the Revenue and Taxation Code. The Authority staff will consult with the California Department of Tax and Fee Administration regarding questions of eligibility for any of the exemptions established pursuant to Section 6377.1 of the Revenue and Taxation Code; and
- g. 75 points if the Project's industry is in an Emerging Strategic Industry.

(8) The Authority may, upon a finding that it is in the public interest and advances the purposes of the Program, at any time announce that it is not accepting further Applications.

(b) Application. Applicants shall submit to the Authority the information required by this section.

(1) Applications not meeting all requirements shall be considered incomplete. An Applicant shall be notified by the Authority should its Application be deemed incomplete, and the Applicant may correct any deficiency and resubmit the Application. Resubmitted Applications will be reviewed for completeness and, if complete, will be further reviewed by staff and presented to the Authority pursuant to the regular review and evaluation process and timeline with the date of submission determined based on the date the Authority receives the resubmitted Application.

(2) Determination of completeness, compliance with all requirements, and the scoring of the Application shall be based entirely on the documents contained in the Application as of the date on which the Application was submitted. Any additional documents pertaining to the requirements or scoring categories that the Applicant chooses to submit shall be accepted after the Application-filing date only with the understanding that, for purposes of determining the date the Application is deemed to have been received, the date the additional documentation is received shall be the date of receipt of the Application. In the event the Authority asks an Applicant for additional information or requests clarification or correction of errors, Applicants shall be given up to three (3) business days from the date of receipt of staff notification to submit said documents to complete the Application. A timely response shall not cause a redetermination of the date of receipt. The Authority may request additional clarifying information from third party sources, such as local government entities, other state agencies, or subject matter experts. To the extent that third party information is received that contradicts or otherwise calls into question information provided in the Application or otherwise may result in a reduction in the score that an Application would receive, the Applicant will be notified and will be given three (3) business days to respond to the third party information received.

(3) An Application may not be changed, nor may any additional information with respect to scoring be submitted subsequent to the Application filing date, except as noted above.

(4) Applications will be considered incomplete if the Application Fee is not received within five (5) business days of submission of the Application, unless an Application is a resubmission pursuant to Section 10032(a)(5)(B)(A).

(c) Documentation. The following documentation relevant to the proposed Facility is required to be submitted with all Applications:

(1) Applicant Certification. A signed statement certifying the responsibility of the Applicant to:

- (A) provide Application-related documentation to the Authority upon request;
- (B) be familiar with and comply with Program statutes and regulations;
- (C) hold the Authority and its employees and consultants harmless from any and all issues arising from the Applicant's participation in the Program;
- (D) agree to comply with and remain in compliance with all applicable laws and regulations during the term of the Regulatory Agreement;
- (E) acknowledge that the Authority has recommended the Applicant seek tax advice;
- (F) acknowledge that the Application will be evaluated according to Authority regulations;
- (G) acknowledge that continued compliance with Program requirements, including ongoing reporting requirements and any costs associated with such requirements for the term of the Regulatory Agreement, is the responsibility of the Applicant;
- (H) acknowledge that information submitted to the Authority may be subject to disclosure pursuant to the Public Records Act (Government Code Section 6250, et seq.);
- (I) agree to enter with the Authority into a Regulatory Agreement if the Application is approved; and,
- (J) acknowledge, under penalty of perjury, that all information provided to the Authority is true and correct, and that the Applicant has an affirmative duty to notify the Authority of any material changes to the information submitted in the Application during the Application process and the term of the Regulatory Agreement.

(2) Legal Information. Applicants shall complete the Legal Status Questionnaire (as revised on August 14, 2018), which is hereby incorporated by reference.

(3) Designated Contacts. The Application must identify designated contacts who can respond to questions from the Authority or provide additional information if requested. If the designated contacts are not directly employed by Applicant, the Application must include appropriate documentation signifying the contact's authority to represent and act on behalf of the Applicant with respect to the Application.

(4) Applicant and Facility Information. Applicants are responsible for providing all requested information, which shall include:

(A) Applicant Information.

- (i) Name, phone number, email address, mailing address, and taxpayer identification number of Applicant,

- (ii) Applicant organization type (e.g., corporation, LLC, partnership, etc.),
- (iii) Name, phone number, email address, and mailing address of a primary and secondary contact person
- (iv) Contacts' titles or relationships to Applicant,
- (v) The name(s) of the owners of the Applicant's business entity.
 - a. If the Applicant is a corporation, include the names of the officers of the corporation, major shareholders (10.0% or greater), and date and place of incorporation.
 - b. If the Applicant is a sole proprietorship, include the name of the proprietor and the date and place of establishment.
 - c. If the Applicant is another type of legal entity, identify the name(s) of the owners and each owner's share of ownership (the totals of the reported shares of ownership should equal 100%).
 - d. For all types of business entities, other than publicly traded corporations, private equity firms or sole proprietorships, that are owned by another business entity with an ownership share greater than or equal to 10 percent, identify any individuals or businesses with an ownership share in the parent entity of 10 percent or more.
- (vi) Brief description of the Applicant's business, including product(s) produced, facility locations, years in business, and any unique technological or environmental characteristics of the business or products.
- (vii) Address of the Applicant's Corporate Headquarters as defined in Section 10031(l).
- (viii) If applicable, documentation demonstrating the Project is to relocate or rebuild the Applicant's Facility due to a fire, flood, storm, or earthquake identified in a state of emergency proclamation made by the California State Governor within two years of the time of application.
- (ix) Whether the Applicant meets at least one of the following size requirements, on average, over the past 3 years:
 - a. 100 or fewer employees, including affiliates;
 - b. Annual revenues of less than \$15 million, including affiliates; or
 - c. The U.S. Small Business Administration's size standards for a Small Business matched to the North American Industry Classification System, found in Part 121.201 of Title 13 of the Code of Federal Regulations (1-1-20 Edition), which is hereby incorporated by reference.

(x) How the Applicant learned about the Sales and Use Tax Exclusion Program.

(xi) The Applicant's North American Industry Classification System (NAICS) code.

(B) Facility Information.

(i) Brief description of Facility and product(s) to be produced, including the following:

a. Physical location of the Facility.

b. A description of the Facility, including the design, manufacturing, or assembly process to be employed, the product to be produced, and the intended or likely customers.

c. Identification of the Advanced Transportation Technology or Alternative Source product, component or system to be produced, the Advanced Manufacturing process to be utilized, or the type of Recycled Resource Extraction Project. In the case of a Facility producing property or products that, after further manufacture, will become the Green Component of an Advanced Transportation Technology or Alternative Source product or system, the Applicant must describe both the property or product produced by the Facility and the Green Component of the Advanced Transportation Technology or Alternative Source product or system for which the product produced will be used.

d. Current Facility status and a schedule indicating the estimated Facility construction start date through the placed-in-service date for the Qualified Property identified in the Application, including the expected date of any needed permits.

e. Description of the sources of financing necessary for Facility completion, including the provision of financial assistance from any local governments for the project, as well as any state incentives or state financing the Applicant has applied for or received.

f. Total value of the capital stock used to produce the product, including the anticipated Qualified Property purchases. The value is not the cost of the capital stock, but the depreciated value of the capital stock excluding buildings and land.

g. Projected average number of employees at the Facility, measured in full time equivalents, assuming Qualified Property is utilized.

h. Projected number of employees employed for purposes of constructing the Facility or installing Qualified Property, measured in full time equivalents.

i. For Alternative Source Projects producing Biofuels, the fraction of Biofuel produced that is used to offset external fuel purchases.

j. Taxability of the product produced and of the end of supply chain product for purposes of generating sales taxes.

k. Projected average number of employees at the Facility, measured in full time equivalents, assuming the Qualified Property is not utilized.

l. Average and minimum wage of each classification of full-time employees proposed to be hired or not retained using the following wage categories: up to \$20,000; \$20,001–\$30,000; \$30,001–\$40,000; \$40,001–\$50,000; \$50,001–\$60,000; \$60,001–\$70,000; \$70,001–\$80,000; \$80,001–\$90,000; \$90,001–\$100,000; \$100,001–\$110,000; \$110,001–\$120,000; and over \$120,000. Wages include monetary compensation paid to the employee each year, not including tips, commissions, bonuses, stock options, overtime, or other compensation of any kind.

m. An explanation of why each classification is being eliminated and if any existing employees in the classification will be retrained or reclassified.

(C) Qualified Property Information. Completed provisional Qualified Property list to include the following information for each piece of property to be subject to the sales and use tax exclusion. Good faith estimates are acceptable if specific property characteristics are not available at the time of submission of the Application. Individual items of Qualified Property can be grouped together provided the individual items are reasonably related, such as items that will be used together to produce a particular sub-component or perform a discrete function in the manufacturing process. An Applicant is not to reduce the amount of Qualified Property listed in the Application to qualify for consideration under the Small Project Pool. An Applicant is not to increase the amount of Qualified Property listed in the Application if the total amount of sales and use tax exclusion requested in the Application period for which the Application was submitted represents sales and use tax exclusion in excess of the Statutory Cap.

(i) Brief description of Qualified Property to be purchased and its use in the manufacturing, production, assembly, or design process.

(ii) Estimated cost of the Qualified Property to be purchased.

(iii) Average Estimated Useful Lifespan of the Qualified Property, weighted by cost.

(iv) Estimated percent of time Qualified Property will be (a) used to make Advanced Transportation Technologies or Alternative Source products, components, or systems, (b) utilized in an Advanced Manufacturing process, or (c) utilized in a Recycled Resource Extraction Project.

(D) Product information (all information must relate solely to the Facility or product to be produced with Qualified Property if the Applicant produces other goods or services):

- (i) Brief description and name of the product to be produced with Qualified Property and within California.
- (ii) Estimated average annual number of Qualified Products produced or amount of recycled material to be produced.
- (iii) Estimated per unit sales price.
- (iv) Estimated per unit production-related purchases from suppliers, assuming Qualified Property is utilized or installed.
- (v) Estimated percent of production costs from California Suppliers.
- (vi) Estimated per unit labor costs, assuming Qualified Property is utilized or installed.
- (vii) For Alternative Source and Advanced Transportation Projects, the Estimated Useful Lifespan of product, component, or system.
- (viii) Estimated percent of total Qualified Products to be sold in California.
- (ix) For Alternative Source or Advanced Transportation Projects, statement as to whether the technology, product, component, or system is a subcomponent of a Qualified Product or an end-of-supply-chain product.
- (x) For Alternative Source or Advanced Transportation Projects, total value of the end-of-supply-chain Green Component.
- (xi) Estimated percent of total end of supply chain product sales in California.

(E) Environmental Benefit Information.

- (i) For Facilities producing the Green Component of Alternative Source products, components or systems:
 - a. Annual energy generation capacity or energy content per unit.
 - b. Lbs. of CO₂ (or equivalent) emitted per MWh or equivalent.
 - c. Lbs. of SO₂ emitted per MWh or equivalent.
 - d. Lbs. of NO_x emitted per MWh or equivalent.
 - e. Amount of other pollutants emitted per MWh or equivalent.
 - f. Pollution cost of other pollutants emitted per MWh or equivalent.

(ii) For Facilities producing the Green Component of Alternative Source energy efficiency products, components or systems:

- a. Type and units of energy conserved.
- b. Applicable Recognized Energy Efficiency Standard.
- c. Annual baseline system consumption of energy per unit.
- d. Annual improved system consumption of energy per unit.

(iii) For Facilities producing the Green Component of Advanced Transportation Technology products, components, or systems:

- a. Annual baseline system consumption of energy per unit.
- b. Annual improved system consumption of energy per unit.
- c. Annual consumption of any offsetting energy required to achieve improved system performance.

(iv) For Facilities producing the Green Component of Alternative Source or Advanced Transportation Technology products, components, or systems that do not fall within the above categories of products, the Applicant shall explain and quantify the following:

- a. Description of environmental benefits.
- b. Annual value of environmental benefits associated with use of the product.
- c. Annual pollution cost of any off-setting energy use or other pollutants emitted.

(v) For Advanced Manufacturing Facilities:

- a. Description of environmental benefits.
- b. Estimated reduction in energy or water use; solid waste, hazardous waste, or air pollution emissions.
- c. Description of any environmental sustainability plans.

(vi) For Recycled Resource Extraction Projects:

- a. Description of environmental benefits.
- b. Marginal increase in total amount of material recycled due to the sales and use tax exclusion.

(F) Optional Supplemental Information. The following information may be submitted with an Application. Submission of this information may increase an Applicant's score, as specified in Section 10033.

(i) Applicants claiming any additional significant environmental benefits associated with use of their product beyond those associated with reduced energy consumption or increased Alternative Source energy generation may provide a description of these benefits, including the amount of pollution avoided and a quantification of the impact of the pollution reduction in dollars if possible.

(ii) Other Facility Information:

a. Applicants with facilities located in California that perform research and development functions related to the product or production process at the Facility that is the subject of the Application may submit information establishing the location of the research and development facility and the connection between the research and development and the Facility, submission of which may increase an Applicant's score.

b. Applicants that have partnerships with educational institutions either for the purpose of training the workers at the Facility or for purposes of assisting in the training of potential future workers, including workers from disadvantaged communities including women, racial minorities, formerly incarcerated, and veterans, may submit information documenting this partnership, submission of which may increase an Applicant's score.

c. Applicants in Industry Clusters, as defined, may submit information establishing this fact, submission of which may increase an Applicant's score.

d. Applicants that provide benefits and fringe benefits to their employees may submit information on the types of benefits and fringe benefits provided, submission of which may increase an Applicant's score. Benefits include medical, health, dental, and vision premiums paid by the Applicant on behalf an employee, an employee's spouse or dependents. Fringe benefits include, but are not limited to, bonuses, pension plans, retirement contributions, profit-sharing programs, dependent care and assistance reimbursement, transportation subsidies, education reimbursement, gym subsidies, employee discounts, and paid leave.

(iii) Additional documentation only for Applicants claiming that without the exclusion the proposed Facility will not be sited in California. Determination of Facility benefits, as further delineated in Section 10033, may be increased for Facilities that would not locate production Facilities in California absent the grant of the sales and use tax exclusion. For Applicants claiming that Facility location or expansion decisions are dependent upon receipt of the sales and use tax exclusion, Applications must provide evidence to support the claim. Such evidence may include the following:

- a. Internal financial analysis demonstrating the extent of an advantage for a non-California site.
- b. Location consultant report demonstrating the extent of an advantage for a non-California site.
- c. Other internal or external analyses demonstrating that, absent the grant of the sales and use tax exclusion, the proposed Facility will not proceed at the California site.

(G) Calculations and assumptions relied upon by the Applicant. For any calculation performed by or assumption relied upon by the Applicant in completing the Application, the Applicant must provide an explanation of the basis for the value resulting from the calculation or reasonableness of the assumption relied upon. Applicants may be asked to provide additional supporting information, including business plans, pro forma financial statements or other comparable documents used for the purpose of soliciting investors to verify responses contained in the Application. Applications that do not adequately document any calculations or assumptions relied upon will be considered incomplete.

(5) Application materials and supporting documentation in excess of thirty pages will not be considered or reviewed except to the extent that documentation in excess of this page limit is provided in response to a direct request for additional information from the Authority.

Note: Authority cited: Section 26009, Public Resources Code; Section 26011.8, Public Resources Code. Reference: Section 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.

§ 10033. Eligibility Requirements and Application Evaluation.

(a) Staff summary and recommendation. Following receipt of a complete Application, Authority staff will review each Application and prepare a summary and recommendation to the Authority. The summary and recommendation will include a calculation of the benefits of the Facility and an assessment of whether the proposed Facility meets the eligibility requirements.

(b) Eligibility. To be eligible for the sales and use tax exclusion:

(1) The Facility must include the purchase of tangible personal property otherwise subject to sales and use tax used substantially (a) for the design, manufacture, production or assembly of Advanced Transportation Technologies or Alternative Source products, components, or systems, (b) for the design, manufacture, production or assembly of a component of the Green Component of an Advanced Transportation Technology or Alternative Source product, component or system, (c) as part of an Advanced Manufacturing process, or (d) where at least 50.0 percent of the use of the Qualified Property is to process Recycled feedstock.

(A) For this purpose, “used substantially” shall mean that the Qualified Property must be used for the design, manufacture, production or assembly of Advanced Transportation Technologies or Alternative Source products, components, or systems; as part of an Advanced Manufacturing process; or to process Recycled feedstock more than 50.0 percent of the time.

(2) The Facility must produce benefits to the State of California, as determined by the Authority subject to the criteria and evaluation process identified herein.

(3) The Applicant must not have disclosed as part of its Legal Status Questionnaire a finding of guilty of a willful violation by the Occupational Safety and Health Administration or a case under the Occupational Safety and Health Administration’s Severe Violator Enforcement Program.

(c) Evaluation. Applications shall be scored according to the benefits provided to the state by the marginal increase in Qualified Property purchases resulting from the sales and use tax exclusion. Applicants must demonstrate that the benefits of the marginal increase in Qualified Property purchases exceed the cost to the state of the sales and use tax exclusion. Benefits can be a combination of fiscal, environmental and other benefits, as specified. Each Application will be evaluated based on these elements as specified below.

(1) Fiscal Benefits

(A) The estimated percent increase in capital investment (PICI) resulting from sales and use tax exclusion. The increase in capital investment will be calculated based on the factor share of capital (ω), the price elasticity of demand for output (η), the elasticity of substitution between capital and labor (σ), and the change in user cost from the sales tax exclusion (equal to the current statewide average sales tax rate or STR) according to the following formula:

$$PICI = (\sigma - \sigma * \omega + \omega * \eta) * STR$$

(i) The factor share of capital (ω) is calculated for each Applicant depending on the capital stock's contribution to the firm's value-added output. To calculate the factor share of capital, Applicant-provided information about estimated annual sales value (Sales), production-related purchases from suppliers (Supplies), labor costs (Labor), the value of the capital stock (VCS), and determinations made by the Executive Director based on the relevant research literature and consultation with outside experts of the cost of employee benefits (EB) and the cost of capital (\$CAP) are used in the following formula:

$$\omega = \text{Equipment Capital as Percent of Total Capital} * \text{Capital Share of Output}$$

a. Equipment Capital as Percent of Total Capital is the ratio of the Estimated Annual Payment for Capital Stock (CAP) to Total Capital. CAP is the lesser of: 1)

the estimated amount the applicant would have to pay for the capital stock (VCS) with interest (\$CAP) over the weighted average life span (WALS) of the Qualified Property, or 2) Total Capital, which is calculated pursuant to the following formula:

$$\text{Total Capital} = \text{Sales} - \text{Supplies} - (\text{Labor} + \text{EB})$$

Notwithstanding the above, if the resulting value is less than the value of CAP, then Total Capital shall be equal to CAP.

b. Capital Share of Output is the ratio of capital to output calculated pursuant to the following formula:

$$\text{Capital Share of Output} = 1 - (\text{Labor} + \text{EB}) / (\text{Sales} - \text{Supplies})$$

Notwithstanding the above, if the resulting value is less than zero, then the capital share of output shall be calculated pursuant to the following formula:

$$\text{Capital Share of Output} = \text{Total Capital} / (\text{Total Capital} + \text{Labor})$$

(ii) The price elasticity of demand for output (η) and the elasticity of substitution between capital and labor (σ) are determined by the Executive Director based on the relevant research literature and consultation with outside experts.

(iii) The change in user cost is the same as the sales tax rate (STR) as determined by the Executive Director based on information collected by the California Department of Tax and Fee Administration.

(iv) Where the Applicant can demonstrate that the Facility would have been located outside of California absent the sales and use tax exclusion, the Executive Director will adjust the PICI to reflect this fact.

(B) The estimated marginal increase in Qualified Property (MIQP) purchases resulting from sales and use tax exclusion. The increase in purchases will be calculated using Applicant-provided information on the total value of the Qualified Property (VQP) and the estimated percent increase in capital investment (PICI). The MIQP will be calculated pursuant to the following formula:

$$\text{MIQP} = (\text{VQP} / (1 + \text{PICI}) * \text{PICI})$$

(C) The estimated marginal increase in sales (MIS) resulting from sales and use tax exclusion. The increase in sales will be calculated by multiplying MIQP times the ratio of the estimated annual units of production times the average per unit sales price to the value of the capital stock (VCS) used to produce the product, pursuant to the following formula:

$$\text{MIS} = \text{MIQP} * (\text{Estimated Annual Sales Value} / \text{VCS})$$

(i) The present value of the MIS (PVMIS) will be calculated based on the weighted average life span (WALS) of the Qualified Property as provided by the Applicant and a discount rate determined by the Executive Director based on the relevant research literature, consultation with outside experts, or information provided by other state agencies and approved by the Authority.

(D) The estimated annual marginal increase in units (MIU) resulting from sales and use tax exclusion. The increase will be calculated using the marginal increase in sales (MIS) and Applicant-provided data on the sales price per unit (\$Unit), pursuant to the following formula:

$$\text{MIU} = (\text{MIS} / \$\text{Unit})$$

(E) The estimated annual increase in employee wages (AIEW) will be calculated based on Applicant-provided information about the per unit labor costs and the per unit price, pursuant to the following formula:

$$\text{AIEW} = (\text{MIU}) * \text{average per unit labor cost}$$

(F) The estimated marginal increase in state economic output (MISO) resulting from the sales and use tax exclusion. The MISO will be calculated using the MIS, the AIEW resulting from the marginal increase in sales, the marginal increase in in-state supplier purchases (MISP) and a multiplier effect (Multiplier) to be determined by the Executive Director based on the relevant research literature, consultation with outside experts, or information provided by other state agencies, pursuant to the following formulas:

$$\text{MISP} = \text{MIU} * \text{percent of production costs from California suppliers} * \text{Per unit production-related purchases from suppliers}$$

$$\text{MISO} = (\text{MISP} * \text{Multiplier} + \text{AIEW} * \text{Multiplier} - \text{AIEW})$$

(i) The present value of the MISO (PVMISO) will be calculated based on the WALS of the Qualified Property as provided by the Applicant and a discount rate determined by the Executive Director.

(G) The estimated extent of increased tax revenues, or total fiscal benefits (TFB), that will accrue to the state and local governments over the WALS resulting from the PVMIS and PVMISO. TFB is the sum of the increased direct fiscal benefits (DFB) and the indirect fiscal benefits (IFB).

$$\text{TFB} = \text{DFB} + \text{IFB}$$

(i) The DFB are the sum of the increases in sales taxes (IST), personal income taxes (IPIT), corporate or other income taxes paid by the company on its profits (ICIT) and property taxes (IPT) that result from the company's MIS.

$$\text{DFB} = \text{IST} + \text{IPIT} + \text{ICIT} + \text{IPT}$$

a. The IST is calculated using MIS, Applicant-provided data on the percent of sales in California (POSCA), and the current statewide average sales tax rate (STR) as determined by the Executive Director based on information collected by the California Department of Tax and Fee Administration, and the percent value added (VA), pursuant to the following formula:

$$\text{IST} = \text{POSCA} * \text{PVMIS} * \text{VA} * \text{STR}$$

If the Applicant produces a product that does not generate sales tax revenue, the IST will be reduced based on the fraction of production that does not generate sales tax revenue. If the Applicant produces Biofuel and utilizes a fraction of that Biofuel for purposes of operating the Facility and produces an end-of-supply-chain product that does not generate sales tax revenue, the IST will be reduced based on the fraction of the Applicant's Biofuel production that will offset external fuel purchases.

b. The IPIT is calculated using the present value of the AIEW and the average state income tax rate (SIR) as determined by the Executive Director by using the most recent two-year average of personal income tax rates published by the California Franchise Tax Board, pursuant to the following formula:

$$\text{IPIT} = \text{Present Value (AIEW)} * \text{SIR}$$

i. The present value is based on the WALs of the capital equipment purchased as provided by the Applicant and the discount rate determined by the Executive Director.

c. The ICIT paid by the company on its profits is the present value of the estimated annual tax liability that is attributable to the Qualified Property.

i. The ICIT is calculated using an estimate of annual tax liability (ATL) as determined by the Executive Director based on information collected by the California Franchise Tax Board, Applicant-provided data on estimated annual tax liability, or other sources as determined by the Executive Director; the value of the capital stock (VCS) used to produce the product; and the MIQP pursuant to the following formula:

$$\text{ICIT} = \text{Present Value (ATL * MIQP/VCS)}$$

ii. The present value is based on the WALs of the capital equipment purchased as provided by the Applicant and the discount rate determined by the Executive Director.

d. The increase in property taxes (IPT) is the present value of the annual property taxes paid on the MIQP.

i. The annual property tax amount is calculated using MIQP and the current property tax rate (PTR) as determined by the Executive Director based on information collected by the California Department of Tax and Fee Administration, pursuant to the following formula:

$$\text{IPT} = \text{Present Value (MIQP * PTR)}$$

ii. The present value is based on the WALs of the capital equipment purchased as provided by the Applicant and the discount rate determined by the Executive Director.

(ii) The indirect fiscal benefits (IFB) result from increased state and local revenues resulting from increased economic activity caused by additional purchases from in-state suppliers and increased employee wages resulting from the MIQP.

a. The increase in revenues is calculated using PVMISO and the ratio of state and local government revenues to gross state output (GRSO) as determined by the Executive Director using the sum of the latest two-year average of actual state general fund revenues from the California Department of Finance, the latest two-year average of actual aggregate city and county revenues excluding intergovernmental transfers and service charges from the cities annual report and the counties annual report from the California State Controller's Office, divided by the latest two-year average of gross state product from U.S. Department of Commerce's Bureau of Economic Analysis, pursuant to the following formula:

$$\text{IFB} = \text{PVMISO} * \text{GRSO}$$

(2) The value of the sales and use tax exclusion. For each Application, the total cost of the sales and use tax exclusion will be calculated by multiplying the value of the Qualified Property (VQP) as reported by the Applicant times the STR.

(3) Environmental Benefits.

(A) The allocated share (AS) is the estimated percent of the pollution benefit from the Green Component of the Advanced Transportation Technology or Alternative Source product, component, or system that can be attributed to the Applicant's use of the Qualified Property. The AS is calculated using Applicant-provided data on the percent of time (POT) that the Qualified Property will be used to make the Advanced Transportation Technology or Alternative Source product, component or system and the fractional component contribution (FCC) of the Applicant's product to the Green Component of the end-of-supply-chain product. FCC will be calculated by multiplying the percent value added (VA) per unit times the sales price per unit (\$Unit) and then dividing by the total value of the end-of-supply-chain product for Facilities producing end products or systems or by the total value of the Green Component of the end-of-supply-chain product for

Facilities producing subcomponents (End \$) as provided by the Applicant. The AS will be calculated pursuant to the following formulas:

$$FCC = (VA * \$Unit) / End \$$$

and

$$AS = POT * FCC$$

Notwithstanding the above, the FCC and the AS both have a maximum value of 1.

(B) For Facilities producing the Green Component of Alternative Source or Advanced Transportation Technology products, excluding Biofuels, the estimated impact of pollution from a gallon of gasoline equivalent (GGE) or a MWh of electricity or equivalent. GGE refers to the number of gallons of a fuel that has the equivalent amount of energy to one gallon of gasoline.

(i) The dollar value of pollution costs associated with a GGE (\$GGE) is calculated based on the percent of sales in California (POSCA) as provided by the Applicant and the pollution cost per unit of volatile organic compounds (VOCs), nitrous oxide (NOx), and carbon dioxide or carbon dioxide equivalent (CO2) as determined by the Executive Director based on the relevant research literature, expert analysis, or information provided by other state agencies, pursuant to the following formula:

$$\$GGE = \text{Pollution cost of CO}_2 \text{ per GGE} + (\text{POSCA} * (\text{pollution cost of VOC per GGE} + \text{pollution cost of NO}_x \text{ per GGE}))$$

(ii) The dollar value pollution costs associated with a MWh of electricity generation (\$MWh) is calculated based on the POSCA as provided by the Applicant and the pollution cost per unit of CO2, nitrous oxide, and sulfur dioxide released from a MWh of electricity production in California (CA) and the rest of the United States (US) as determined by the Executive Director based on the relevant research literature, expert analysis, or information provided by other state agencies, pursuant to the following formula:

$$\$MWh = (\text{POSCA} * (\text{pollution cost of CA CO}_2 \text{ per MWh} + \text{pollution cost of CA NO}_x \text{ per MWh} + \text{pollution cost of CA SO}_2 \text{ per MWh})) + ((1-\text{POSCA}) * \text{pollution cost of US CO}_2 \text{ per MWh})$$

(iii) The dollar value per pound of any other offsetting energy pollutants (\$OP) shall be determined by the Executive Director based on the relevant research literature, expert analysis, or information provided by other state agencies.

a. Any non-greenhouse gas emissions benefits will be weighted according the POSCA.

(C) The total pollution benefit (TPB) will be calculated based on the marginal increase in product sales due to the sales and use tax exclusion in the following areas:

(i) Net change in use of electricity generated from alternative sources (increased use of alternative sources). The total pollution benefit (TPB) resulting from the net change in electricity generated from alternative sources is based on the lifetime pollution benefit (LPB) of each unit and the increase in unit sales that can be attributed to the sales and use tax exclusion.

a. The LPB is calculated using information on the annual net electricity generation per unit (MWhG), the annual emissions per MWh of offsetting pollutants (OP) as provided by the Applicant, and estimates of the pollution cost in dollars of avoided MWh (\$MWh) and the pollution cost in dollars of any offsetting energy pollutants (\$OP) as determined by the Executive Director, pursuant to the following formula:

$$\text{LPB} = \text{Present Value } (\$MWh * MWhG) - (OP * \$OP)$$

i. The present value is based on the estimated useful lifespan of the product (ULOP) as provided by the Applicant and the discount rate determined by the Executive Director.

b. The TPB is then calculated pursuant to the following formula:

$$\text{TPB} = \text{Present Value } (\text{LPB} * \text{AS} * \text{MIU})$$

i. The present value is based on the WALs of the capital equipment as provided by the Applicant and the discount rate determined by the Executive Director.

(ii) Net change in fossil fuel consumption resulting from increased use of Alternative Source fuels. The TPB resulting from the net change in consumption of fossil fuels is based on the lifetime pollution benefit (LPB) of each unit and the increase in unit sales that can be attributed to the sales and use tax exclusion.

a. The LPB is calculated based on the dollar value of pollution avoided per unit calculated as the number of GGEs per unit (GGEA) times the dollar value of pollution avoided per GGE (\$GGE) less the dollar value of offsetting pollution cost for any fuel or electricity required to produce a unit (OFF) of Alternative Source fuel (\$GGE or \$MWh or dollar value of pollution cost per unit for other pollutants), as determined by the Executive Director, pursuant to the following formula:

$$\text{LPB} = (\text{GGEA} * \$\text{GGE}) - (\text{OFF} / * \$\text{GGE}) - (\text{OFF} * \$\text{MWh}) - \text{dollar value of other pollution costs/per unit}$$

b. For Biofuels, the LPB is determined based on the net annual pollution benefit per unit (NAPB) as calculated by the Executive Director based on information

from the California Air Resources Board or other state agencies, expert analysis, relevant research literature, and applicant provided information with respect to the net change in greenhouse gas emissions resulting from production and use of the alternative source product and the dollar value of pollution costs avoided by use of Biofuels as calculated based on the pollution cost per unit of carbon dioxide or carbon dioxide equivalent (\$CO₂) as determined by the Executive Director based on the relevant research literature, expert analysis, or information provided by other state agencies multiplied by the NAPB pursuant to the following formula.

$$LPB = NAPB * \$CO_2$$

c. The TPB is then calculated pursuant to the following formula:

$$TPB = \text{Present Value } (LPB * AS * MIU)$$

i. The present value is based on the WALS of the capital equipment as provided by the Applicant and the discount rate determined by the Executive Director.

(iii) Net change in use of energy generated or produced from current sources (energy efficiency). The TPB resulting from the net change in the use of energy generated or produced from current sources is based on the lifetime pollution benefit (LPB) of each unit and the increase in unit sales that can be attributed to the sales and use tax exclusion.

a. The LPB is calculated using the annual net improvement in system consumption per unit (NI) as provided by the Applicant and estimates of the dollar value of pollution avoided per MWh (\$MWh), per GGE (\$GGE), or per MMBTU (\$MMBTU), respectively, as determined by the Executive Director, pursuant to the following formula:

$$LPB = \text{Present Value } (NI * \$MWh)$$

or

$$LPB = \text{Present Value } (NI * \$GGE)$$

or

$$LPB = \text{Present Value } (NI * \$MMBTU)$$

i. The present value is based on the ULOP as provided by the Applicant and the discount rate determined by the Executive Director.

ii. The net improvement in system consumption is calculated as the difference between baseline system consumption and improved system consumption where

the baseline system consumption is equal to the maximum energy consumption amount that would allow the product to qualify for the applicable Recognized Energy Efficiency Standard. If more than one Recognized Energy Efficiency Standard applies to a product, the more stringent standard will be used for purposes of setting the baseline system consumption. The improved system consumption is the energy consumption of the Applicant's product under circumstances and conditions substantially similar to those used for purposes of setting the baseline system consumption value.

b. The TPB is then calculated pursuant to the following formula:

$$\text{TPB} = \text{Present Value (LPB * AS * MIU)}$$

i. The present value is based on the WALs of the capital equipment as provided by the Applicant and the discount rate determined by the Executive Director.

(iv) Net change in consumption of fossil fuels due to increased use of Advanced Transportation Technologies. The TPB resulting from the net change in consumption of fossil fuels is based on the lifetime pollution benefit (LPB) of each unit and the increase in unit sales that can be attributed to the sales and use tax exclusion.

a. The LPB is calculated by using the annual net improvement in system consumption per unit (NI) and the annual consumption of offsetting energy (OFF) as provided by the Applicant and estimates of the dollar value of pollution avoided per GGE (\$GGE) and the dollar value of pollution emitted as a result of the offsetting energy consumption (\$MWh) as determined by the Executive Director, pursuant to the following formula:

$$\text{LPB} = \text{Present Value } ((\$GGE * \text{NI}) - (\text{OFF} * \$\text{MWh}))$$

i. The present value is based on the ULOP as provided by the Applicant and the discount rate determined by the Executive Director.

b. The TPB is then calculated pursuant to the following formula

$$\text{TPB} = \text{Present Value (LPB * AS * MIU)}$$

i. The present value is based on the WALs of the capital equipment as provided by the Applicant and the discount rate determined by the Executive Director.

(v) Other environmental benefits. Any other environmental benefits asserted by the Applicant shall be evaluated by the Executive Director based on verification of Applicant-provided information regarding the methodology for calculating such

benefits and shall be added to the appropriate Total Pollution Benefit (TPB) amount determined pursuant to these regulations.

(D) For Advanced Manufacturing Applications, the environmental benefits score is calculated based on the per unit reduction in energy use, waste generation, water use, or emissions of air pollutants, or other environmental benefits as follows:

(i) Applicants may receive points for the following:

a. Applicants with an environmental sustainability plan that describes the Applicant's plans to reduce energy use or water use and reduce solid waste, hazardous waste, or air pollutant emissions at the Facility will receive 5 points.

b. Applicants with Facilities that reduce energy use by at least five percent relative to the baseline identified in the Application will receive five points plus one point for each additional percentage point of reductions over five percent up to a maximum of 30 points.

c. Applicants with Facilities that reduce water use by at least five percent relative to the baseline identified in the Application will receive five points plus one point for each additional percentage point of reductions over five percent up to a maximum of 30 points.

d. Applicants with Facilities that reduce solid waste by at least five percent relative to the baseline identified in the Application will receive five points plus one point for each additional percentage point of reductions over five percent up to a maximum of 30 points.

e. Applicants with Facilities that reduce hazardous waste by at least five percent relative to the baseline identified in the Application will receive five points plus one point for each additional percentage point of reductions over five percent up to a maximum of 30 points.

f. Applicants with Facilities that reduce air pollutant emissions by at least five percent relative to the baseline identified in the Application will receive five points plus one point for each additional percentage point of reductions over five percent up to a maximum of 30 points.

g. Applicants with Facilities that reduce emissions of other pollutants by at least five percent relative to the baseline identified in the Application will receive five points plus one point for each additional percentage point of reductions over five percent up to a maximum of 30 points.

(E) For Recycled Resource Extraction Projects, the environmental benefits score will be calculated based on the estimated greenhouse gas reduction due to increased use of recycled materials as follows.

(i) The estimated change in amount recycled (CAR) will be calculated as follows.

a. Annual production costs (APC) will be calculated as the sum of annual labor costs, production-related purchase costs, and the CAP.

b. The present value of production costs (PVPC) will be calculated based on APC, the WALs of the Qualified Property as provided by the Applicant, and a discount rate determined by the Executive Director based on the relevant research literature, consultation with outside experts, or information provided by other state agencies.

$$PVPC = \text{Present Value}(APC)$$

i. The present value is based on the WALs of the capital equipment as provided by the Applicant and the discount rate determined by the Executive Director.

c. The percentage change in production costs (PCPC) due to the sales and use tax exclusion will be calculated from the value of the sales and use tax exclusion (exclusion amount, or EA) and the present value of production costs (PVPC) using the following formula:

$$PCPC = EA / PVPC$$

d. The percent increase in recycling (PIR) is the estimated increase in the amount of material recycled due to the sales and use tax exclusion. The PIR is calculated from the PCPC, the price elasticity of supply (SE) for the recycled material, and the price elasticity of demand (DE) for the recycled material using the following formula:

$$PIR = PCPC * (SE * DE) / (SE + DE)$$

i. The SE and DE will be determined by the Executive Director based on the relevant research literature or consultation with outside experts.

e. The CAR is calculated based on the PIR and the projected average annual amount of recycled material sold or shipped (ARM), as provided by the Applicant as follows:

$$CAR = PIR * (1 - PIR) * ARM$$

(ii) The greenhouse gas benefit (GGB) for each unit of material recycled will be determined by the Executive Director based on the relevant research literature, consultation with outside experts, information from other state agencies, or the Federal Environmental Protection Agency Waste Reduction Model (WARM). Where the California Air Resources Board (CARB) has made modifications or developed an alternative to the WARM model, the CARB measurements will be used.

(iii) The dollar value of pollution costs associated with emission of a unit of CO₂ (\$CO₂) will be determined by the Executive Director based on the relevant research literature, expert analysis, or information provided by other state agencies

(iv) The TPB will be determined based on the present value of the GGB and \$CO₂ as follows:

$$\text{TPB} = \text{Present Value}(\text{GGB} * \$\text{CO}_2)$$

a. The present value is based on the WALS of the capital equipment as provided by the Applicant and the discount rate determined by the Executive Director.

(4) Calculation of points. Points for fiscal benefits will be calculated by dividing total fiscal benefits (TFB) by the value of the sales and use tax exclusion and multiplying the result by 1,000. Points for environmental benefits for Advanced Transportation, Alternative Source, and Recycled Resource Extraction Applications will be calculated by dividing total pollution benefits (TPB) by the value of the sales and use tax exclusion and multiplying the result by 1,000. Points for environmental benefits for Advanced Manufacturing Applicants will be equal to the sum of the environmental benefits points awarded based on the categories listed in Section 10033(c)(3)(D).

(5) Additional points. Additional points shall be awarded as follows:

(A) Unemployment score. An Applicant may earn up to 50 points for creating jobs in high unemployment areas.

(i) The unemployment rate for the area means the rate within the county in which the Facility is located as reported by the California Employment Development Department. The most current annual average unemployment rate information available at the time of the Application submission shall be used.

(ii) Points are based on how much greater the local unemployment rate is in comparison to the annual average statewide unemployment rate, pursuant to the following formula:

$$\text{Points} = ((\text{Local Rate} / \text{State Rate}) * 100) - 100$$

a. Non-integer points (e.g., 20.4) will be rounded to the nearest whole integer for scoring purposes.

(B) New jobs score. An Applicant may earn up to 75 points for creating new jobs.

(i) The Executive Director will calculate the amount of the sales and use tax exclusion per job created by the Applicant as a result of the MIQP. The number of jobs created

by the Applicant as a result of the MIQP will be calculated by multiplying the total number of full time equivalent jobs associated with the production of the Applicant's product times the ratio of the MIQP to the VCS. Points for the New Jobs Score will be awarded as follows:

- a. Less than or equal to \$50,000 in sales and use tax exclusion per job - 75 points.
- b. Less than or equal to \$100,000 in sales and use tax exclusion per job but greater than \$50,000 per job - 60 points.
- c. Less than or equal to \$150,000 in sales and use tax exclusion per job but greater than \$100,000 per job - 55 points.
- d. Less than or equal to \$200,000 in sales and use tax exclusion per job but greater than \$150,000 per job - 45 points.
- e. Less than or equal to \$300,000 in sales and use tax exclusion per job but greater than \$200,000 per job - 40 points.
- f. Less than or equal to \$400,000 in sales and use tax exclusion per job but greater than \$300,000 per job - 35 points.
- g. Less than or equal to \$750,000 in sales and use tax exclusion per job but greater than \$400,000 per job - 30 points.
- h. Less than or equal to \$1,500,000 in sales and use tax exclusion per job but greater than \$750,000 per job - 20 points.
- i. Greater than \$1,500,000 in sales and use tax exclusion per job - 0 points.

(ii) The Executive Director will calculate the decrease in Facility jobs, if any, due to the sales and use tax exclusion. The number of jobs reduced by the Applicant as a result of the sales and use tax exclusion will be calculated by subtracting the total Facility jobs as reported by the Applicant assuming the Qualified Property is not used from the total Facility jobs assuming the Qualified Property is used. If the result is a negative value, the New Jobs Score will be set to zero regardless of the results of the calculation in Section 10033(c)(5)(B)(i). If this value is negative, Lost Jobs Points will be calculated by (a) subtracting the total Facility jobs as reported by the Applicant assuming the Qualified Property is not used from the total Facility jobs assuming the Qualified Property is used, (b) dividing the result by the number of Facility jobs assuming the Qualified Property is used, and (c) multiplying the result by 100.

(C) Construction or installation jobs score. An Applicant may earn up to 75 points for creating construction or installation related jobs.

(i) The Executive Director will calculate the amount of the sales and use tax exclusion per annual full time equivalent construction or installation job created by the Applicant as a result of the MIQP. The number of annual full time equivalent construction or installation jobs created by the Applicant as a result of the MIQP will be calculated by multiplying the total number of annual full time equivalent construction or installation jobs associated with construction of the Applicant's Facility or the installation of the Applicant's equipment times the ratio of the MIQP to the VCS. Points will be awarded as follows:

- a. Less than or equal to \$50,000 in sales and use tax exclusion per job - 75 points.
- b. Less than or equal to \$100,000 in sales and use tax exclusion per job but greater than \$50,000 per job - 60 points.
- c. Less than or equal to \$150,000 in sales and use tax exclusion per job but greater than \$100,000 per job - 55 points.
- d. Less than or equal to \$200,000 in sales and use tax exclusion per job but greater than \$150,000 per job - 45 points.
- e. Less than or equal to \$300,000 in sales and use tax exclusion per job but greater than \$200,000 per job - 40 points.
- f. Less than or equal to \$400,000 in sales and use tax exclusion per job but greater than \$300,000 per job - 35 points.
- g. Less than or equal to \$750,000 in sales and use tax exclusion per job but greater than \$400,000 per job - 30 points.
- h. Less than or equal to \$1,500,000 in sales and use tax exclusion per job but greater than \$750,000 per job - 20 points.
- i. Greater than \$1,500,000 in sales and use tax exclusion per job - 0 points.

(D) Emerging Strategic Industry score. An Applicant may earn up to 40 points if the Applicant's industry is in an Emerging Strategic Industry as defined in Section 10031(m). The Executive Director will determine if an Applicant's industry is an Emerging Strategic Industry and award points to those Applicants that qualify.

(E) Other Facility Characteristics.

(i) An Application may be awarded points for the following other facility characteristics:

a. Applicants with facilities in California that perform research and development functions related to the product or production process at the Facility that is the subject of this application will receive 25 points.

b. Applicants with partnerships with educational institutions either for the purpose of training the workers at the Facility or for purposes of assisting in the training of potential future workers, including workers from disadvantaged communities including women, racial minorities, formerly incarcerated, and veterans, will receive 25 points.

c. Applicants in Industry Clusters, as defined, will receive 25 points.

d. Applicants that provide benefits and fringe benefits to employees will receive 5 points for each type of benefit or fringe benefit provided, up to 25 points.

(F) Out-of-state environmental benefits score. An Application may be awarded points for non-greenhouse gas environmental benefits attributable to Advanced Transportation Technologies or Alternative Source products, components, or systems sold outside of California, pursuant to the following:

(i) The Executive Director will calculate the value of the non-greenhouse gas environmental benefits resulting from the marginal increase in out-of-state product sales due to the sales and use tax exclusion, pursuant to the following equations:

a. The dollar value of an out-of-state non-greenhouse gas benefit from a GGE (\$OSG) pursuant to the following formula:

$$\text{\$OSG} = (1 - \text{POSCA}) * (\text{pollution cost of VOC per GGE} + \text{pollution cost of NOx per GGE})$$

b. The dollar value of an out-of-state non-greenhouse gas benefit from a MWh (\$OSM) is calculated pursuant to the following formula:

$$\text{\$OSM} = (1 - \text{POSCA}) * (\text{pollution cost of US NOx per MWh} + \text{pollution cost of US SO2 per MWh})$$

c. The dollar value per unit of any other offsetting pollutants (\$OP) be weighted by the POSCA and incorporated by the Executive Director into the calculation of the out-of-state environmental benefits score.

d. The total value of out-of-state non-greenhouse gas pollution benefits (TOB) due to electricity generated from alternative sources (increased use of alternative sources excluding Biofuels) is calculated pursuant to the following formula:

$$\text{LPB} = \text{Present Value} ((\text{NI} * \text{\$OSM}) - (\text{OP} * \text{\$OP}))$$

and

$$\text{TOB} = \text{Present Value (LPB * AS * MIU)}$$

e. The total value of out-of-state non- greenhouse gas pollution benefits (TOB) to electricity generated from non-alternative sources or fossil fuels burned (conservation) is calculated pursuant to the following formula:

$$\text{LPB} = \text{Present Value (NI * \$OSM)}$$

or

$$\text{LPB} = \text{Present Value (NI * \$OSG)}$$

and

$$\text{TOB} = \text{Present Value (LPB * AS * MIU)}$$

f. The total value of out-of-state non-greenhouse gas benefits (TOB) due to increased use of advanced transportation technologies is calculated pursuant to the following formula:

$$\text{LPB} = \text{Present Value ((NI * \$OSG) - (OFF * \$OSM))}$$

and

$$\text{TOB} = \text{Present Value (LPB * AS * MIU)}$$

(ii) The Authority will then calculate the ratio of the total value of out-of-state non-greenhouse gas benefits (TOB) to the value of the sales and use tax exclusion and the result will be multiplied times 1000 and divided in half to determine the Applicant's point total, pursuant to the following formula:

$$\text{Points} = ((\text{TOB} / \text{Sales and Use Tax Exclusion}) * 1000)/2$$

a. Non-integer point totals will be rounded to the nearest whole integer for scoring. A maximum of 40 points may be awarded for out-of-state pollution benefits.

(6) Total Score. The total number of additional points not to exceed 200 determined pursuant to Section 10033(c)(5) shall be added to the number of points determined pursuant to Section 10033(c)(4). The result of this sum is the Applicant's total score. Complete Applications receiving both a total score greater than or equal to the threshold value of 1,000 and a TPB score greater than 20 may be recommended for a sales and use tax exclusion.

Notwithstanding the foregoing, where a project receives a score less than these thresholds, the Executive Director may recommend it to the board for approval upon a statement

articulating specific reasons why the approval is in the public interest and advances the purposes of the Program.

(7) Upon a recommendation from the Executive Director that it is in the public interest and advances the purposes of the Program, the Authority may adjust any of the threshold values set forth in Section 10033(c)(6).

Note: Authority cited: Section 26009, Public Resources Code; Section 26011.8, Public Resources Code. Reference: Section 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.

§ 10034. Approval of Applications by the Authority.

(a) Applications may be considered at meetings in accordance with the schedule established by the Authority pursuant to Section 10032. The Authority will evaluate Applications based on the eligibility requirements contained in Section 10033 and the summary and recommendation prepared by the Authority staff.

(b) For each Application, the Authority will determine whether the Application meets the eligibility requirements and will produce benefits for the State of California.

(c) Applicants that do not receive a recommendation for approval from the Authority staff will be notified in writing of the staff recommendation prior to the board meeting in which the Application will be considered. Applicants that do not receive a favorable recommendation from the staff may appeal the staff recommendation to the Authority. Applicants wishing to appeal the staff recommendation must notify the Authority of their intent to appeal the decision within five (5) business days of receipt of the notice containing the staff recommendation. No Applicant may appeal the evaluation of another Applicant's Application.

(d) Rejected Applications. Applicants whose Applications are not approved by the Authority will be notified in writing following the Authority's board meeting in which the determination was made.

(e) Approved Applications. For each approved Application, the Authority will pass a resolution including the following findings:

(1) The Applicant to be a Participating Party (Pub. Res. Code Sec. 26003(a)(7)).

(2) The equipment proposed for the sales and use tax exclusion to be a "project" (Pub. Res. Code Sec. 26011.8(b)(1)).

(f) Applicants with Applications that are approved by the Authority will be notified in writing following the Authority's board meeting at which the determination was made. The dollar value of the Qualified Property approved by the Authority will be stated in the letter.

Note: Authority cited: Section 26009, Public Resources Code; Section 26011.8, Public Resources Code. Reference: Section 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.

§ 10035. Regulatory Agreement and Compliance.

(a) Regulatory Agreement. All recipients of sales and use tax exclusions are required to execute a Regulatory Agreement as a condition to the Authority's making a finding and awarding a sales and use tax exclusion.

(1) This agreement, to be entered into between the Applicant and the Authority's Executive Director, will require the Applicant to comply with the requirements set forth in these regulations. This agreement must be signed by a representative of the Applicant's company authorized to enter into contracts on behalf of that company and returned to CAEATFA within 30 calendar days from the acceptance date shown on the notification provided pursuant to Section 10034(f).

(2) The Regulatory Agreement will commence upon execution and will continue in force for a period equal to the longer of (a) three years or (b) one-half of the Estimated Useful Lifespan of the longest lived item of Qualified Property identified in the Application. If the Applicant is granted an extension of the initial term to make Qualified Property purchases pursuant to Section 10035(b)(1)(B), below, the term of the Regulatory Agreement shall be extended for an equal amount of time.

(3) The Regulatory Agreement shall include but not be limited to the following:

(A) A requirement that the Applicant indemnify and hold harmless CAEATFA from claims connected with: 1) the Project, 2) transactions associated with the Project, 3) any violation of law connected with the Project, and 4) any dispute or ruling regarding the ultimate taxability of the sale or use of the Qualified Property.

(B) A requirement that the Qualified Property be installed, maintained and operated within the State of California, except as provided by this section.

(C) The Executive Director may approve a request to relocate Qualified Property outside of California in an amount up to fifteen percent (15%) of the dollar volume of Qualified Property included on all semi-annual reports to the Authority as of the date of the request. The amount of Qualified Property relocated shall be cumulative and the amount requested will be added to any previously approved request and compared to the dollar volume of Qualified Property included on all semi-annual reports to determine compliance with the fifteen percent (15%) limitation. The Executive Director shall approve a request pursuant to this section upon a finding that the relocation is part of an improvement, upgrade or increase in the economic efficiency of the Project and that approval of the requested relocation is likely to continue or increase the anticipated net benefits of the Project. Any denial of a request pursuant to this section may be reviewed by the Authority.

(D) Requests for relocation of Qualified Property in excess of the fifteen percent (15%) requirement set forth in (a)(3)(C) may be approved by the Authority based on a recommendation from the Executive Director and upon a finding that the relocation is part of an improvement, upgrade or increase in the economic efficiency of the Project and that approval of the requested relocation is likely to continue or increase the anticipated net benefits of the Project.

(E) Any amount of Qualified Property may be relocated outside of California upon a voluntary payment by the Applicant in an amount calculated by multiplying the original purchase price of the Qualified Property to be relocated by the average statewide sales tax rate at the time of the proposed relocation.

(F) A requirement that the Applicant file a semi-annual report. This report will identify purchases of Qualified Property, if any, made during the preceding two calendar quarters.

(i) Each semi-annual report shall include information about the Qualified Property purchased, including the acquisition date; vendor city, county, and country; cost; address where the Qualified Property will be located or installed; a description and explanation of the purpose of the Qualified Property; and any other information requested by the Executive Director that is reasonably related to the purposes of the Program.

(ii) The semi-annual report covering the first two calendar quarters of the year shall be submitted to the Authority on or before July 31; the semi-annual report covering the last two calendar quarters of the year shall be submitted to the Authority on or before January 31 of the immediately following calendar year.

(b) Compliance. Applicants are responsible for compliance with all applicable Program regulations, including the following:

(1) Exercise of sales and use tax exclusion. Except as noted in subparagraph (A) below, within eighteen (18) months of approval by the Authority, the Applicant must make purchases or have executed purchase orders of Qualified Property totaling not less than fifteen percent (15.0%) of the total amount listed in the approval resolution. Except as noted in subparagraph (B) below, all purchases of Qualified Property must be made within three years of Application approval. Regulatory Agreements for Facilities not meeting these requirements will be subject to termination, and no further purchases will be excluded from the imposition of the sales and use tax.

(A) Upon a finding of extraordinary circumstances and that it is in the public interest and advances the purposes of the Program, the Authority shall waive the requirement that the Applicant make purchases or have executed purchase orders of Qualified Property totaling not less than fifteen percent (15.0%) of the total amount of Qualified Property listed in the approval resolution within eighteen (18) months of Application approval. Extraordinary circumstances may include, but are not limited to, unforeseen permitting delays.

(B) Upon a finding that it is in the public interest and advances the purposes of the Program, the Authority may waive the requirement that all purchases of Qualified Property be made within three years of Application approval.

(2) **Obligation to inform the Authority.** During the term of the Regulatory Agreement, Applicants must inform the Authority if the Qualified Property is moved out of the State of California or of any change in the ownership of the Qualified Property, including the name, ownership percentage, and mailing address of the new owners.

(A) Any transfer of Qualified Property ownership prior to the expiration of the Regulatory Agreement shall be evidenced by a written agreement between the parties to the transfer. Such sale or transfer may require Applicant to repay the amount of the sales and use tax exclusion if the new owner of the Qualified Property does not enter into a Regulatory Agreement with the Authority within 30 calendar days of the close of the transaction in which the owner acquires title to the Qualified Property.

(3) **Certification letter and compliance report.** During the term of the Regulatory Agreement, Applicants must submit an annual certification and compliance report. The certification letter must document that the Qualified Property was used for the purposes specified in the Application for the entire period since the signing of the Regulatory Agreement as required by these regulations. The certification letter and compliance report must be submitted to the Authority by January 31 with information reported for the previous calendar year. The annual compliance report shall contain:

(A) total payroll;

(B) number of full time equivalent permanent jobs at the Applicant's Facility;

(C) number of full time equivalent construction or installation jobs created as a result of the Qualified Property purchases;

(D) total annual product sales (in dollars) including the fraction in California;

(E) total number of units sold including the fraction in California;

(F) anticipated corporate or personal income tax related to the Facility for the preceding calendar year; if the Facility makes multiple products, include information relating to the tax liability associated with the production of Qualified Products;

(G) the amount spent on supplier purchases for Qualified Products, including the fraction of such purchases from California Suppliers;

(H) the total amount of Qualified Property purchased as of the date specified in the compliance report;

(I) a narrative description of the project status and consistency with the timeline contained in the Application, anticipated purchase dates of any additional items of Qualified Property, and an explanation of any material changes to the product or manufacturing process implemented since the approval of the Application;

(J) a statement indicating the fraction of the time that the Qualified Property has been used to make Qualified Products; and

(K) any other information requested by the Executive Director that is reasonably related to the purposes of the Program.

(4) Retention of records. Applicants must retain records necessary to document information provided in the annual compliance reports and certification letters for at least five (5) years following the date of the latest certification letter or compliance report required.

(5) False Information. Upon a finding that information supplied by an Applicant, or any person acting on behalf of an Applicant, is false or no longer true, and the Applicant has not notified the Authority in writing, the Authority may, after written notice to the Applicant, rescind the approval resolution, in addition to other remedies.

(6) Rescission. Following a finding that an Applicant has provided false information pursuant to paragraph (5) or has otherwise violated the Regulatory Agreement, the Authority may, after written notice to the Applicant, terminate or rescind the approval resolution, in addition to other remedies. Applicants may request an opportunity to be heard in front of the Authority to contest rescission. Any such request must be made in writing to the Authority and postmarked no later than fifteen (15) calendar days following the mailing of written notice from the Authority. Upon a final decision by the Authority, the approval resolution shall be rescinded, and notice of the rescission may be provided to the Department of Tax and Fee Administration.

(7) Reporting. The Authority may from time to time publish the actual total value of the Qualified Property purchased within each city or county in California. If the Executive Director determines that publishing such information could cause the price paid by an Applicant to a supplier for a Qualified Property purchase or the identity of that supplier to become known, then the information from multiple cities or counties will be aggregated so as to protect the confidentiality of this information.

(8) Suspension. If the Applicant violates statute, regulations, or the terms of the Regulatory Agreement, the Executive Director may suspend the Regulatory Agreement until the Executive Director certifies that the Applicant is once again in compliance. Purchases made during this suspension will not be excluded from the imposition of sales and use tax.

(c) Recovery of Financial Assistance. The Regulatory Agreement shall contain a provision under which the Authority may seek recovery of the Financial Assistance provided plus interest at a rate to be reasonably determined by the Authority and specified in the Regulatory Agreement. The Authority may seek recovery of the Financial Assistance actually utilized in cases in which

the Applicant: (1) does not meet the substantial use requirements identified in Section 10033(b)(1)(A) or (2) removes the Qualified Property purchased from the State of California prior to the shorter of (a) the expiration of the term of the Regulatory Agreement or (b) three years, except in compliance with section 10035(b)(1)(F).

Note: Authority cited: Section 26009, Public Resources Code; Section 26011.8, Public Resources Code. Reference: Section 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.

§ 10036. Fees.

(a) Application Fee.

(1) Except as provided in paragraph (5) below, every Applicant shall be required to pay an Application Fee.

(2) The Application Fee shall be equal to .0005 (one twentieth of one percent) of the total amount of Qualified Property identified in the Application as originally submitted. If, during the Application process, the Applicant reduces the amount of Qualified Property listed in the Application as submitted, the Applicant will not be entitled to a refund of the excess Application Fees paid. If the Applicant makes a request to CAEATFA to increase the amount of Qualified Property listed in a revised or amended Application, CAEATFA will require additional Application Fees to be submitted. The minimum Application Fee shall be \$250 and shall not exceed \$10,000.

(3) This fee shall be paid in a check payable to the Authority, and shall be received by CAEATFA within five (5) business days of the Application submission.

(4) This fee is not refundable, except in the event an Application is (1) only reviewed to determine its Competitive Criteria ranking and (2) is not fully reviewed by staff due to the Applicant's Competitive Criteria ranking and the oversubscription of the Statutory Cap. Then 75% of the Application Fee will be refunded.

(5) If the Applicant can demonstrate the Project is to relocate or rebuild the Applicant's Facility due to a fire, flood, storm, or earthquake identified in a state of emergency proclamation made by the California State Governor within two years of the time of application, the Executive Director shall waive the Application Fee.

(b) Administrative Fee.

(1) The Authority shall charge an Administrative Fee to cover the costs associated with the Program, including the costs of compliance monitoring.

(2) The total Administrative Fee amount shall be .004 (four tenths of one percent) of the total amount of the Qualified Property purchased.

(3) In no case shall the total Administrative Fee be less than \$15,000 nor more than \$350,000.

(4) \$15,000 of the total Administrative Fee shall be due upon the execution of the Regulatory Agreement between the Applicant and the Authority.

(5) The balance of an Applicant's Administrative Fee shall be payable semi-annually on July 31 and January 31 each year following Application approval until such time as the total amount of the Administrative Fee due has been paid. The amount of the Administrative Fee due during each period shall be based on the Qualified Property purchase amounts during the immediately preceding six-month period (from January 1 through June 30 and July 1 through December 31, respectively) until the total Administrative Fee has been paid.

(A) Each semi-annual fee payment shall include information about the Qualified Property purchased, including the acquisition date; vendor city, county, and country; cost; address where the Qualified Property will be located or installed; a description and explanation of the purpose of the Qualified Property; and any other information requested by the Executive Director that is reasonably related to the purposes of the Program.

(B) The Applicant will submit a "final statement" when the total amount of Qualified Property purchases equals the total amount of exclusion granted or when the Applicant no longer wishes to exercise the sales and use tax exclusion granted and signifies that the Applicant's purchases are no longer subject to the sales and use tax exclusion. Pursuant to Section 10036 a determination will be made of the total amount of Qualified Property purchased, and the corresponding amount of the total Administrative Fee due. If any remaining Administrative Fee is due, the Fee shall be submitted together with the final statement. In the event that an Applicant has overpaid Administrative Fees, the overpayment will be paid to the Applicant within thirty (30) days of submission of the final statement.

(6) The initial \$15,000 paid by the Applicant at the time of executing the Regulatory Agreement will be credited to the Applicant's total Administrative Fee upon a determination of total amount of Qualified Property actually purchased.

(7) The Administrative Fee shall be paid in checks payable to the Authority.

(8) The Administrative Fee is not refundable, except as indicated in section (5)(B) above.

(c) Other fees

(1) Except as provided below, an Applicant that requests a modification to its Regulatory Agreement or authorizing resolution that must be approved by the Authority shall pay an additional administrative fee of \$500.

(A) An Applicant that requests a modification to its Regulatory Agreement or authorizing resolution to waive the 15% purchase requirement pursuant to Section 10035(b)(1) above, shall pay an additional administrative fee of \$1,500.

(B) An Applicant that requests a modification to its Regulatory Agreement or authorizing resolution to waive the three-year initial term pursuant to Section 10035(b)(1) above, shall pay an additional administrative fee of \$2,000.

(C) An Applicant that requests a modification to its Regulatory Agreement or authorizing resolution to waive the 15% purchase requirement and the three-year initial term pursuant to Section 10035(b)(1) for consideration at the same Authority Board meeting shall pay an additional administrative fee of \$2,250.

(2) An Applicant that requests a modification to its Regulatory Agreement or authorizing resolution that requires a revised application to be considered by the Authority shall pay .00005 (one two hundredth of one percent) of the total amount of Qualified Property identified in the Authority resolution approved by the board.

(A) In no case shall this fee be less than \$500 nor more than \$2,000.

(3) This fee shall be paid in checks payable to the Authority and received by the Authority within five (5) business days of the submission of the request.

Note: Authority cited: Section 26009, Public Resources Code; Section 26011.8, Public Resources Code. Reference: Section 26011.8, Public Resources Code; and Section 6010.8, Revenue and Taxation Code.

Legal Status Questionnaire

Legal Applicant Name: _____

1. Financial Viability

Disclose material information relating to any legal or regulatory proceeding or investigation in which the Applicant is or has been a party and which might have a material impact on the financial viability of the Project or the Applicant. Such disclosures should include any parent, subsidiary, or affiliate of the Applicant that is involved in the management, operation, or development of the Project.

Response: _____

2. Fraud, Corruption, or Serious Harm

Disclose any civil, criminal, or regulatory action in which the Applicant, or any current board members (except for volunteer board members of non-profit entities), partners, limited liability corporation members, senior officers, or senior management personnel has been named a defendant in such action in the past ten years involving fraud or corruption, matters related to employment conditions (including, but not limited to wage claims, discrimination, or harassment), or matters involving health and safety where there are allegations of serious harm to employees, the public or the environment.

Response: _____

Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), charters, complaint or filing, and the outcome. For a publicly-traded company, the relevant sections of the company's 10K, 8K, and 10Q most recently filed with the Securities and Exchange Commission may be attached in response to question #1. With respect to a response for question #2, previous 10K, 8K, and 10Q filings of the company may be attached if applicable.

I/We attest that we have provided full disclosure as indicated in response to the items #1 and #2 above.

Signature of Principal, CEO, or Lead Administrator

Date

Print or Type Name

Signature of President or Chair of Governing Board

Date

Print or Type Name

§ 121.110

to section 16(a) of the Small Business Act, 15 U.S.C. 645(a), as amended, including failure to correct "continuing representations" that are no longer true.

[80 FR 7536, Feb. 11, 2015]

§ 121.110 What must a concern do in order to be identified as a small business concern in any Federal procurement databases?

(a) In order to be identified as a small business concern in the System for Award Management (SAM) database (or any successor thereto), a concern must certify its size in connection with specific size standards at least annually.

(b) If a firm identified as a small business concern in SAM fails to certify its size within one year of a size certification, the firm will not be listed as a small business concern in SAM,

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unless and until the firm recertifies its size.

[78 FR 38817, June 28, 2013. Redesignated at 80 FR 7536, Feb. 11, 2015.]

SIZE STANDARDS USED TO DEFINE SMALL BUSINESS CONCERNS

§ 121.201 What size standards has SBA identified by North American Industry Classification System codes?

The size standards described in this section apply to all SBA programs unless otherwise specified in this part. The size standards themselves are expressed either in number of employees or annual receipts in millions of dollars, unless otherwise specified. The number of employees or annual receipts indicates the maximum allowed for a concern and its affiliates to be considered small.

SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
Sector 11—Agriculture, Forestry, Fishing and Hunting			
Subsector 111—Crop Production			
111110	Soybean Farming	\$1.0	
111120	Oilseed (except Soybean) Farming	\$1.0	
111130	Dry Pea and Bean Farming	\$1.0	
111140	Wheat Farming	\$1.0	
111150	Corn Farming	\$1.0	
111160	Rice Farming	\$1.0	
111191	Oilseed and Grain Combination Farming	\$1.0	
111199	All Other Grain Farming	\$1.0	
111211	Potato Farming	\$1.0	
111219	Other Vegetable (except Potato) and Melon Farming	\$1.0	
111310	Orange Groves	\$1.0	
111320	Citrus (except Orange) Groves	\$1.0	
111331	Apple Orchards	\$1.0	
111332	Grape Vineyards	\$1.0	
111333	Strawberry Farming	\$1.0	
111334	Berry (except Strawberry) Farming	\$1.0	
111335	Tree Nut Farming	\$1.0	
111336	Fruit and Tree Nut Combination Farming	\$1.0	
111339	Other Noncitrus Fruit Farming	\$1.0	
111411	Mushroom Production	\$1.0	
111419	Other Food Crops Grown Under Cover	\$1.0	
111421	Nursery and Tree Production	\$1.0	
111422	Floriculture Production	\$1.0	
111910	Tobacco Farming	\$1.0	
111920	Cotton Farming	\$1.0	
111930	Sugarcane Farming	\$1.0	
111940	Hay Farming	\$1.0	
111991	Sugar Beet Farming	\$1.0	
111992	Peanut Farming	\$1.0	
111998	All Other Miscellaneous Crop Farming	\$1.0	
Subsector 112—Animal Production and Aquaculture			
112111	Beef Cattle Ranching and Farming	\$1.0	
112112	Cattle Feedlots	\$8.0	
112120	Dairy Cattle and Milk Production	\$1.0	

Small Business Administration

§ 121.201

SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
112210	Hog and Pig Farming	\$1.0	
112310	Chicken Egg Production	\$16.5	
112320	Broilers and Other Meat Type Chicken Production	\$1.0	
112330	Turkey Production	\$1.0	
112340	Poultry Hatcheries	\$1.0	
112390	Other Poultry Production	\$1.0	
112410	Sheep Farming	\$1.0	
112420	Goat Farming	\$1.0	
112511	Finfish Farming and Fish Hatcheries	\$1.0	
112512	Shellfish Farming	\$1.0	
112519	Other Aquaculture	\$1.0	
112910	Apiculture	\$1.0	
112920	Horse and Other Equine Production	\$1.0	
112930	Fur-Bearing Animal and Rabbit Production	\$1.0	
112990	All Other Animal Production	\$1.0	
Subsector 113—Forestry and Logging			
113110	Timber Tract Operations	\$12.0	
113210	Forest Nurseries and Gathering of Forest Products	\$12.0	
113310	Logging		500
Subsector 114—Fishing, Hunting and Trapping			
114111	Finfish Fishing	\$22.0	
114112	Shellfish Fishing	\$6.0	
114119	Other Marine Fishing	\$8.0	
114210	Hunting and Trapping	\$6.0	
Subsector 115—Support Activities for Agriculture and Forestry			
115111	Cotton Ginning	\$12.0	
115112	Soil Preparation, Planting, and Cultivating	\$8.0	
115113	Crop Harvesting, Primarily by Machine	\$8.0	
115114	Postharvest Crop Activities (except Cotton Ginning)	\$30.0	
115115	Farm-Labor Contractors and Crew Leaders	\$16.5	
115116	Farm Management Services	\$8.0	
115210	Support Activities for Animal Production	\$8.0	
115310	Support Activities for Forestry	\$8.0	
115310 (Exception 1)	Forest Fire Suppression ¹⁷	\$20.5 ¹⁷	
115310 (Exception 2)	Fuels Management Services ¹⁷	\$20.5 ¹⁷	
Sector 21—Mining, Quarrying, and Oil and Gas Extraction			
Subsector 211—Oil and Gas Extraction			
211120	Crude Petroleum Extraction		1,250
211130	Natural Gas Extraction		1,250
Subsector 212—Mining (except Oil and Gas)			
212111	Bituminous Coal and Lignite Surface Mining		1,250
212112	Bituminous Coal Underground Mining		1,500
212113	Anthracite Mining		250
212210	Iron Ore Mining		750
212221	Gold Ore Mining		1,500
212222	Silver Ore Mining		250
212230	Copper, Nickel, Lead, and Zinc Mining		750
212291	Uranium-Radium-Vanadium Ore Mining		250
212299	All Other Metal Ore Mining		750
212311	Dimension Stone Mining and Quarrying		500
212312	Crushed and Broken Limestone Mining and Quarrying		750
212313	Crushed and Broken Granite Mining and Quarrying		750
212319	Other Crushed and Broken Stone Mining and Quarrying		500
212321	Construction Sand and Gravel Mining		500
212322	Industrial Sand Mining		500
212324	Kaolin and Ball Clay Mining		750
212325	Clay and Ceramic and Refractory Minerals Mining		500
212391	Potash, Soda, and Borate Mineral Mining		750

SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
212392	Phosphate Rock Mining		1,000
212393	Other Chemical and Fertilizer Mineral Mining		500
212399	All Other Nonmetallic Mineral Mining		500
Subsector 213—Support Activities for Mining			
213111	Drilling Oil and Gas Wells		1,000
213112	Support Activities for Oil and Gas Operations	\$41.5	
213113	Support Activities for Coal Mining	\$22.0	
213114	Support Activities for Metal Mining	\$22.0	
213115	Support Activities for Nonmetallic Minerals (except Fuels)	\$8.0	
Sector 22—Utilities			
Subsector 221—Utilities			
221111	Hydroelectric Power Generation		500
221112	Fossil Fuel Electric Power Generation		750
221113	Nuclear Electric Power Generation		750
221114	Solar Electric Power Generation		250
221115	Wind Electric Power Generation		250
221116	Geothermal Electric Power Generation		250
221117	Biomass Electric Power Generation		250
221118	Other Electric Power Generation		250
221121	Electric Bulk Power Transmission and Control		500
221122	Electric Power Distribution		1,000
221210	Natural Gas Distribution		1,000
221310	Water Supply and Irrigation Systems	\$30.0	
221320	Sewage Treatment Facilities	\$22.0	
221330	Steam and Air-Conditioning Supply	\$16.5	
Sector 23—Construction			
Subsector 236—Construction of Buildings			
236115	New Single-family Housing Construction (Except For-Sale Builders)	\$39.5	
236116	New Multifamily Housing Construction (except For-Sale Builders)	\$39.5	
236117	New Housing For-Sale Builders	\$39.5	
236118	Residential Remodelers	\$39.5	
236210	Industrial Building Construction	\$39.5	
236220	Commercial and Institutional Building Construction	\$39.5	
Subsector 237—Heavy and Civil Engineering Construction			
237110	Water and Sewer Line and Related Structures Construction	\$39.5	
237120	Oil and Gas Pipeline and Related Structures Construction	\$39.5	
237130	Power and Communication Line and Related Structures Construction	\$39.5	
237210	Land Subdivision	\$30.0	
237310	Highway, Street, and Bridge Construction	\$39.5	
237990	Other Heavy and Civil Engineering Construction	\$39.5	
237990 (Exception).	Dredging and Surface Cleanup Activities ²	\$30.0 ²	
Subsector 238—Specialty Trade Contractors			
238110	Poured Concrete Foundation and Structure Contractors	\$16.5	
238120	Structural Steel and Precast Concrete Contractors	\$16.5	
238130	Framing Contractors	\$16.5	
238140	Masonry Contractors	\$16.5	
238150	Glass and Glazing Contractors	\$16.5	
238160	Roofing Contractors	\$16.5	
238170	Siding Contractors	\$16.5	
238190	Other Foundation, Structure, and Building Exterior Contractors	\$16.5	
238210	Electrical Contractors and Other Wiring Installation Contractors	\$16.5	
238220	Plumbing, Heating, and Air-Conditioning Contractors	\$16.5	
238290	Other Building Equipment Contractors	\$16.5	
238310	Drywall and Insulation Contractors	\$16.5	
238320	Painting and Wall Covering Contractors	\$16.5	
238330	Flooring Contractors	\$16.5	
238340	Tile and Terrazzo Contractors	\$16.5	
238350	Finish Carpentry Contractors	\$16.5	

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SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
238390	Other Building Finishing Contractors	\$16.5	
238910	Site Preparation Contractors	\$16.5	
238990	All Other Specialty Trade Contractors	\$16.5	
238990 (Exception)	Building and Property Specialty Trade Services ¹³	\$16.5 ¹³	
Sectors 31–33—Manufacturing			
Subsector 311—Food Manufacturing			
311111	Dog and Cat Food Manufacturing		1,000
311119	Other Animal Food Manufacturing		500
311211	Flour Milling		1,000
311212	Rice Milling		500
311213	Malt Manufacturing		500
311221	Wet Corn Milling		1,250
311224	Soybean and Other Oilseed Processing		1,000
311225	Fats and Oils Refining and Blending		1,000
311230	Breakfast Cereal Manufacturing		1,000
311313	Beet Sugar Manufacturing		750
311314	Cane Sugar Manufacturing		1,000
311340	Nonchocolate Confectionery Manufacturing		1,000
311351	Chocolate and Confectionery Manufacturing from Cacao Beans		1,250
311352	Confectionery Manufacturing from Purchased Chocolate		1,000
311411	Frozen Fruit, Juice, and Vegetable Manufacturing		1,000
311412	Frozen Specialty Food Manufacturing		1,250
311421	Fruit and Vegetable Canning ³		1,000 ³
311422	Specialty Canning		1,250
311423	Dried and Dehydrated Food Manufacturing		750
311511	Fluid Milk Manufacturing		1,000
311512	Creamery Butter Manufacturing		750
311513	Cheese Manufacturing		1,250
311514	Dry, Condensed, and Evaporated Dairy Product Manufacturing		750
311520	Ice Cream and Frozen Dessert Manufacturing		1,000
311611	Animal (except Poultry) Slaughtering		1,000
311612	Meat Processed from Carcasses		1,000
311613	Rendering and Meat Byproduct Processing		750
311615	Poultry Processing		1,250
311710	Seafood Product Preparation and Packaging		750
311811	Retail Bakeries		500
311812	Commercial Bakeries		1,000
311813	Frozen Cakes, Pies, and Other Pastries Manufacturing		750
311821	Cookie and Cracker Manufacturing		1,250
311824	Dry Pasta, Dough, and Flour Mixes Manufacturing from Purchased Flour		750
311830	Tortilla Manufacturing		1,250
311911	Roasted Nuts and Peanut Butter Manufacturing		750
311919	Other Snack Food Manufacturing		1,250
311920	Coffee and Tea Manufacturing		750
311930	Flavoring Syrup and Concentrate Manufacturing		1,000
311941	Mayonnaise, Dressing, and Other Prepared Sauce Manufacturing		750
311942	Spice and Extract Manufacturing		500
311991	Perishable Prepared Food Manufacturing		500
311999	All Other Miscellaneous Food Manufacturing		500
Subsector 312—Beverage and Tobacco Product Manufacturing			
312111	Soft Drink Manufacturing		1,250
312112	Bottled Water Manufacturing		1,000
312113	Ice Manufacturing		750
312120	Breweries		1,250
312130	Wineries		1,000
312140	Distilleries		1,000
312230	Tobacco Manufacturing		1,500
Subsector 313—Textile Mills			
313110	Fiber, Yarn, and Thread Mills		1,250
313210	Broadwoven Fabric Mills		1,000
313220	Narrow Fabric Mills and Schiffli Machine Embroidery		500
313230	Nonwoven Fabric Mills		750
313240	Knit Fabric Mills		500
313310	Textile and Fabric Finishing Mills		1,000

SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
313320	Fabric Coating Mills		1,000
Subsector 314—Textile Product Mills			
314110	Carpet and Rug Mills		1,500
314120	Curtain and Linen Mills		750
314910	Textile Bag and Canvas Mills		500
314994	Rope, Cordage, Twine, Tire Cord, and Tire Fabric Mills		1,000
314999	All Other Miscellaneous Textile Product Mills		500
Subsector 315—Apparel Manufacturing			
315110	Hosiery and Sock Mills		750
315190	Other Apparel Knitting Mills		750
315210	Cut and Sew Apparel Contractors		750
315220	Men's and Boys' Cut and Sew Apparel Manufacturing		750
315240	Women's, Girls', and Infants' Cut and Sew Apparel Manufacturing		750
315280	Other Cut and Sew Apparel Manufacturing		750
315990	Apparel Accessories and Other Apparel Manufacturing		500
Subsector 316—Leather and Allied Product Manufacturing			
316110	Leather and Hide Tanning and Finishing		500
316210	Footwear Manufacturing		1,000
316992	Women's Handbag and Purse Manufacturing		750
316998	All Other Leather Good and Allied Product Manufacturing		500
Subsector 321—Wood Product Manufacturing			
321113	Sawmills		500
321114	Wood Preservation		500
321211	Hardwood Veneer and Plywood Manufacturing		500
321212	Softwood Veneer and Plywood Manufacturing		1,250
321213	Engineered Wood Member (except Truss) Manufacturing		750
321214	Truss Manufacturing		500
321219	Reconstituted Wood Product Manufacturing		750
321911	Wood Window and Door Manufacturing		1,000
321912	Cut Stock, Resawing Lumber, and Planing		500
321918	Other Millwork (including Flooring)		500
321920	Wood Container and Pallet Manufacturing		500
321991	Manufactured Home (Mobile Home) Manufacturing		1,250
321992	Prefabricated Wood Building Manufacturing		500
321999	All Other Miscellaneous Wood Product Manufacturing		500
Subsector 322—Paper Manufacturing			
322110	Pulp Mills		750
322121	Paper (except Newsprint) Mills		1,250
322122	Newsprint Mills		750
322130	Paperboard Mills		1,250
322211	Corrugated and Solid Fiber Box Manufacturing		1,250
322212	Folding Paperboard Box Manufacturing		750
322219	Other Paperboard Container Manufacturing		1,000
322220	Paper Bag and Coated and Treated Paper Manufacturing		750
322230	Stationery Product Manufacturing		750
322291	Sanitary Paper Product Manufacturing		1,500
322299	All Other Converted Paper Product Manufacturing		500
Subsector 323—Printing and Related Support Activities			
323111	Commercial Printing (except Screen and Books)		500
323113	Commercial Screen Printing		500
323117	Books Printing		1,250
323120	Support Activities for Printing		500
Subsector 324—Petroleum and Coal Products Manufacturing			
324110	Petroleum Refineries ⁴		1,500 ⁴
324121	Asphalt Paving Mixture and Block Manufacturing		500
324122	Asphalt Shingle and Coating Materials Manufacturing		750
324191	Petroleum Lubricating Oil and Grease Manufacturing		750

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SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
324199	All Other Petroleum and Coal Products Manufacturing		500
Subsector 325—Chemical Manufacturing			
325110	Petrochemical Manufacturing		1,000
325120	Industrial Gas Manufacturing		1,000
325130	Synthetic Dye and Pigment Manufacturing		1,000
325180	Other Basic Inorganic Chemical Manufacturing		1,000
325193	Ethyl Alcohol Manufacturing		1,000
325194	Cyclic Crude, Intermediate, and Gum and Wood Chemical Manufacturing		1,250
325199	All Other Basic Organic Chemical Manufacturing		1,250
325211	Plastics Material and Resin Manufacturing		1,250
325212	Synthetic Rubber Manufacturing		1,000
325220	Artificial and Synthetic Fibers and Filaments Manufacturing		1,000
325311	Nitrogenous Fertilizer Manufacturing		1,000
325312	Phosphatic Fertilizer Manufacturing		750
325314	Fertilizer (Mixing Only) Manufacturing		500
325320	Pesticide and Other Agricultural Chemical Manufacturing		1,000
325411	Medicinal and Botanical Manufacturing		1,000
325412	Pharmaceutical Preparation Manufacturing		1,250
325413	In-Vitro Diagnostic Substance Manufacturing		1,250
325414	Biological Product (except Diagnostic) Manufacturing		1,250
325510	Paint and Coating Manufacturing		1,000
325520	Adhesive Manufacturing		500
325611	Soap and Other Detergent Manufacturing		1,000
325612	Polish and Other Sanitation Good Manufacturing		750
325613	Surface Active Agent Manufacturing		750
325620	Toilet Preparation Manufacturing		1,250
325910	Printing Ink Manufacturing		500
325920	Explosives Manufacturing		750
325991	Custom Compounding of Purchased Resins		500
325992	Photographic Film, Paper, Plate, and Chemical Manufacturing		1,500
325998	All Other Miscellaneous Chemical Product and Preparation Manufacturing		500
Subsector 326—Plastics and Rubber Products Manufacturing			
326111	Plastics Bag and Pouch Manufacturing		750
326112	Plastics Packaging Film and Sheet (including Laminated) Manufacturing		1,000
326113	Unlaminated Plastics Film and Sheet (except Packaging) Manufacturing		750
326121	Unlaminated Plastics Profile Shape Manufacturing		500
326122	Plastics Pipe and Pipe Fitting Manufacturing		750
326130	Laminated Plastics Plate, Sheet (except Packaging), and Shape Manufacturing		500
326140	Polystyrene Foam Product Manufacturing		1,000
326150	Urethane and Other Foam Product (except Polystyrene) Manufacturing		750
326160	Plastics Bottle Manufacturing		1,250
326191	Plastics Plumbing Fixture Manufacturing		750
326199	All Other Plastics Product Manufacturing		750
326211	Tire Manufacturing (except Retreading) ⁵		1,500 ⁵
326212	Tire Retreading		500
326220	Rubber and Plastics Hoses and Belting Manufacturing		750
326291	Rubber Product Manufacturing for Mechanical Use		750
326299	All Other Rubber Product Manufacturing		500
Subsector 327—Nonmetallic Mineral Product Manufacturing			
327110	Pottery, Ceramics, and Plumbing Fixture Manufacturing		1,000
327120	Clay Building Material and Refractories Manufacturing		750
327211	Flat Glass Manufacturing		1,000
327212	Other Pressed and Blown Glass and Glassware Manufacturing		1,250
327213	Glass Container Manufacturing		1,250
327215	Glass Product Manufacturing Made of Purchased Glass		1,000
327310	Cement Manufacturing		1,000
327320	Ready-Mix Concrete Manufacturing		500
327331	Concrete Block and Brick Manufacturing		500
327332	Concrete Pipe Manufacturing		750
327390	Other Concrete Product Manufacturing		500
327410	Lime Manufacturing		750
327420	Gypsum Product Manufacturing		1,500
327910	Abrasive Product Manufacturing		750
327991	Cut Stone and Stone Product Manufacturing		500

SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
327992	Ground or Treated Mineral and Earth Manufacturing		500
327993	Mineral Wool Manufacturing		1,500
327999	All Other Miscellaneous Nonmetallic Mineral Product Manufacturing		500
Subsector 331—Primary Metal Manufacturing			
331110	Iron and Steel Mills and Ferroalloy Manufacturing		1,500
331210	Iron and Steel Pipe and Tube Manufacturing from Purchased Steel		1,000
331221	Rolled Steel Shape Manufacturing		1,000
331222	Steel Wire Drawing		1,000
331313	Alumina Refining and Primary Aluminum Production		1,000
331314	Secondary Smelting and Alloying of Aluminum		750
331315	Aluminum Sheet, Plate, and Foil Manufacturing		1,250
331318	Other Aluminum Rolling, Drawing, and Extruding		750
331410	Nonferrous Metal (except Aluminum) Smelting and Refining		1,000
331420	Copper Rolling, Drawing, Extruding, and Alloying		1,000
331491	Nonferrous Metal (except Copper and Aluminum) Rolling, Drawing and Extruding		750
331492	Secondary Smelting, Refining, and Alloying of Nonferrous Metal (except Copper and Aluminum)		750
331511	Iron Foundries		1,000
331512	Steel Investment Foundries		1,000
331513	Steel Foundries (except Investment)		500
331523	Nonferrous Metal Die-Casting Foundries		500
331524	Aluminum Foundries (except Die-Casting)		500
331529	Other Nonferrous Metal Foundries (except Die-Casting)		500
Subsector 332—Fabricated Metal Product Manufacturing			
332111	Iron and Steel Forging		750
332112	Nonferrous Forging		750
332114	Custom Roll Forming		500
332117	Powder Metallurgy Part Manufacturing		500
332119	Metal Crown, Closure, and Other Metal Stamping (except Automotive)		500
332215	Metal Kitchen Cookware, Utensil, Cutlery, and Flatware (except Precious Metal) Manufacturing		750
332216	Saw Blade and Handtool Manufacturing		750
332311	Prefabricated Metal Building and Component Manufacturing		750
332312	Fabricated Structural Metal Manufacturing		500
332313	Plate Work Manufacturing		750
332321	Metal Window and Door Manufacturing		750
332322	Sheet Metal Work Manufacturing		500
332323	Ornamental and Architectural Metal Work Manufacturing		500
332410	Power Boiler and Heat Exchanger Manufacturing		750
332420	Metal Tank (Heavy Gauge) Manufacturing		750
332431	Metal Can Manufacturing		1,500
332439	Other Metal Container Manufacturing		500
332510	Hardware Manufacturing		750
332613	Spring Manufacturing		500
332618	Other Fabricated Wire Product Manufacturing		500
332710	Machine Shops		500
332721	Precision Turned Product Manufacturing		500
332722	Bolt, Nut, Screw, Rivet and Washer Manufacturing		500
332811	Metal Heat Treating		750
332812	Metal Coating, Engraving (except Jewelry and Silverware), and Allied Services to Manufacturers		500
332813	Electroplating, Plating, Polishing, Anodizing and Coloring		500
332911	Industrial Valve Manufacturing		750
332912	Fluid Power Valve and Hose Fitting Manufacturing		1,000
332913	Plumbing Fixture Fitting and Trim Manufacturing		1,000
332919	Other Metal Valve and Pipe Fitting Manufacturing		750
332991	Ball and Roller Bearing Manufacturing		1,250
332992	Small Arms Ammunition Manufacturing		1,250
332993	Ammunition (except Small Arms) Manufacturing		1,500
332994	Small Arms, Ordnance, and Ordnance Accessories Manufacturing		1,000
332996	Fabricated Pipe and Pipe Fitting Manufacturing		500
332999	All Other Miscellaneous Fabricated Metal Product Manufacturing		750
Subsector 333—Machinery Manufacturing⁶			
333111	Farm Machinery and Equipment Manufacturing		1,250

SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
333112	Lawn and Garden Tractor and Home Lawn and Garden Equipment Manufacturing.		1,500
333120	Construction Machinery Manufacturing		1,250
333131	Mining Machinery and Equipment Manufacturing		500
333132	Oil and Gas Field Machinery and Equipment Manufacturing		1,250
333241	Food Product Machinery Manufacturing		500
333242	Semiconductor Machinery Manufacturing		1,500
333243	Sawmill, Woodworking, and Paper Machinery Manufacturing		500
333244	Printing Machinery and Equipment Manufacturing		750
333249	Other Industrial Machinery Manufacturing		500
333314	Optical Instrument and Lens Manufacturing		500
333316	Photographic and Photocopying Equipment Manufacturing		1,000
333318	Other Commercial and Service Industry Machinery Manufacturing		1,000
333413	Industrial and Commercial Fan and Blower and Air Purification Equipment Manufacturing.		500
333414	Heating Equipment (except Warm Air Furnaces) Manufacturing		500
333415	Air-Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment Manufacturing.		1,250
333511	Industrial Mold Manufacturing		500
333514	Special Die and Tool, Die Set, Jig and Fixture Manufacturing		500
333515	Cutting Tool and Machine Tool Accessory Manufacturing		500
333517	Machine Tool Manufacturing		500
333519	Rolling Mill and Other Metalworking Machinery Manufacturing		500
333611	Turbine and Turbine Generator Set Units Manufacturing		1,500
333612	Speed Changer, Industrial High-Speed Drive, and Gear Manufacturing		750
333613	Mechanical Power Transmission Equipment Manufacturing		750
333618	Other Engine Equipment Manufacturing		1,500
333912	Air and Gas Compressor Manufacturing		1,000
333914	Measuring, Dispensing, and Other Pumping Equipment Manufacturing		750
333921	Elevator and Moving Stairway Manufacturing		1,000
333922	Conveyor and Conveying Equipment Manufacturing		500
333923	Overhead Traveling Crane, Hoist, and Monorail System Manufacturing		1,250
333924	Industrial Truck, Tractor, Trailer and Stacker Machinery Manufacturing		750
333991	Power-Driven Hand Tool Manufacturing		500
333992	Welding and Soldering Equipment Manufacturing		1,250
333993	Packaging Machinery Manufacturing		500
333994	Industrial Process Furnace and Oven Manufacturing		500
333995	Fluid Power Cylinder and Actuator Manufacturing		750
333996	Fluid Power Pump and Motor Manufacturing		1,250
333997	Scale and Balance Manufacturing		500
333999	All Other Miscellaneous General Purpose Machinery Manufacturing		500

Subsector 334—Computer and Electronic Product Manufacturing⁶

334111	Electronic Computer Manufacturing		1,250
334112	Computer Storage Device Manufacturing		1,250
334118	Computer Terminal and Other Computer Peripheral Equipment Manufacturing.		1,000
334210	Telephone Apparatus Manufacturing		1,250
334220	Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing.		1,250
334290	Other Communications Equipment Manufacturing		750
334310	Audio and Video Equipment Manufacturing		750
334412	Bare Printed Circuit Board Manufacturing		750
334413	Semiconductor and Related Device Manufacturing		1,250
334416	Capacitor, Resistor, Coil, Transformer, and Other Inductor Manufacturing		500
334417	Electronic Connector Manufacturing		1,000
334418	Printed Circuit Assembly (Electronic Assembly) Manufacturing		750
334419	Other Electronic Component Manufacturing		750
334510	Electromedical and Electrotherapeutic Apparatus Manufacturing		1,250
334511	Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing.		1,250
334512	Automatic Environmental Control Manufacturing for Residential, Commercial and Appliance Use.		500
334513	Instruments and Related Products Manufacturing for Measuring, Displaying, and Controlling Industrial Process Variables.		750
334514	Totalizing Fluid Meter and Counting Device Manufacturing		750
334515	Instrument Manufacturing for Measuring and Testing Electricity and Electrical Signals.		750
334516	Analytical Laboratory Instrument Manufacturing		1,000

SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
334517	Irradiation Apparatus Manufacturing		1,000
334519	Other Measuring and Controlling Device Manufacturing		500
334613	Blank Magnetic and Optical Recording Media Manufacturing		1,000
334614	Software and Other Prerecorded Compact Disc, Tape, and Record Reproducing.		1,250
Subsector 335—Electrical Equipment, Appliance and Component Manufacturing⁶			
335110	Electric Lamp Bulb and Part Manufacturing		1,250
335121	Residential Electric Lighting Fixture Manufacturing		750
335122	Commercial, Industrial and Institutional Electric Lighting Fixture Manufacturing.		500
335129	Other Lighting Equipment Manufacturing		500
335210	Small Electrical Appliance Manufacturing		1,500
335220	Major Household Appliance Manufacturing		1,500
335311	Power, Distribution and Specialty Transformer Manufacturing		750
335312	Motor and Generator Manufacturing		1,250
335313	Switchgear and Switchboard Apparatus Manufacturing		1,250
335314	Relay and Industrial Control Manufacturing		750
335911	Storage Battery Manufacturing		1,250
335912	Primary Battery Manufacturing		1,000
335921	Fiber Optic Cable Manufacturing		1,000
335929	Other Communication and Energy Wire Manufacturing		1,000
335931	Current-Carrying Wiring Device Manufacturing		500
335932	Noncurrent-Carrying Wiring Device Manufacturing		1,000
335991	Carbon and Graphite Product Manufacturing		750
335999	All Other Miscellaneous Electrical Equipment and Component Manufacturing.		500
Subsector 336—Transportation Equipment Manufacturing⁶			
336111	Automobile Manufacturing		1,500
336112	Light Truck and Utility Vehicle Manufacturing		1,500
336120	Heavy Duty Truck Manufacturing		1,500
336211	Motor Vehicle Body Manufacturing		1,000
336212	Truck Trailer Manufacturing		1,000
336213	Motor Home Manufacturing		1,250
336214	Travel Trailer and Camper Manufacturing		1,000
336310	Motor Vehicle Gasoline Engine and Engine Parts Manufacturing		1,000
336320	Motor Vehicle Electrical and Electronic Equipment Manufacturing		1,000
336330	Motor Vehicle Steering and Suspension Components (except Spring) Manufacturing.		1,000
336340	Motor Vehicle Brake System Manufacturing		1,250
336350	Motor Vehicle Transmission and Power Train Parts Manufacturing		1,500
336360	Motor Vehicle Seating and Interior Trim Manufacturing		1,500
336370	Motor Vehicle Metal Stamping		1,000
336390	Other Motor Vehicle Parts Manufacturing		1,000
336411	Aircraft Manufacturing		1,500
336412	Aircraft Engine and Engine Parts Manufacturing		1,500
336413	Other Aircraft Parts and Auxiliary Equipment Manufacturing ⁷		1,250 ⁷
336414	Guided Missile and Space Vehicle Manufacturing		1,250
336415	Guided Missile and Space Vehicle Propulsion Unit and Propulsion Unit Parts Manufacturing.		1,250
336419	Other Guided Missile and Space Vehicle Parts and Auxiliary Equipment Manufacturing.		1,000
336510	Railroad Rolling Stock Manufacturing		1,500
336611	Ship Building and Repairing		1,250
336612	Boat Building		1,000
336991	Motorcycle, Bicycle, and Parts Manufacturing		1,000
336992	Military Armored Vehicle, Tank, and Tank Component Manufacturing		1,500
336999	All Other Transportation Equipment Manufacturing		1,000
Subsector 337—Furniture and Related Product Manufacturing			
337110	Wood Kitchen Cabinet and Countertop Manufacturing		750
337121	Upholstered Household Furniture Manufacturing		1,000
337122	Nonupholstered Wood Household Furniture Manufacturing		750
337124	Metal Household Furniture Manufacturing		750
337125	Household Furniture (except Wood and Metal) Manufacturing		750
337127	Institutional Furniture Manufacturing		500
337211	Wood Office Furniture Manufacturing		1,000

SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
337212	Custom Architectural Woodwork and Millwork Manufacturing		500
337214	Office Furniture (except Wood) Manufacturing		1,000
337215	Showcase, Partition, Shelving, and Locker Manufacturing		500
337910	Mattress Manufacturing		1,000
337920	Blind and Shade Manufacturing		1,000

Subsector 339—Miscellaneous Manufacturing

339112	Surgical and Medical Instrument Manufacturing		1,000
339113	Surgical Appliance and Supplies Manufacturing		750
339114	Dental Equipment and Supplies Manufacturing		750
339115	Ophthalmic Goods Manufacturing		1,000
339116	Dental Laboratories		500
339910	Jewelry and Silverware Manufacturing		500
339920	Sporting and Athletic Goods Manufacturing		750
339930	Doll, Toy, and Game Manufacturing		500
339940	Office Supplies (except Paper) Manufacturing		750
339950	Sign Manufacturing		500
339991	Gasket, Packing, and Sealing Device Manufacturing		500
339992	Musical Instrument Manufacturing		1,000
339993	Fastener, Button, Needle, and Pin Manufacturing		750
339994	Broom, Brush and Mop Manufacturing		500
339995	Burial Casket Manufacturing		1,000
339999	All Other Miscellaneous Manufacturing		500

Sector 42—Wholesale Trade

(These NAICS codes shall not be used to classify Government acquisitions for supplies. They also shall not be used by Federal Government contractors when subcontracting for the acquisition for supplies. The applicable manufacturing NAICS code shall be used to classify acquisitions for supplies. A Wholesale Trade or Retail Trade business concern submitting an offer or a quote on a supply acquisition is categorized as a nonmanufacturer and deemed small if it has 500 or fewer employees and meets the requirements of 13 CFR 121.406.)

Subsector 423—Merchant Wholesalers, Durable Goods

423110	Automobile and Other Motor Vehicle Merchant Wholesalers		250
423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers		200
423130	Tire and Tube Merchant Wholesalers		200
423140	Motor Vehicle Parts (Used) Merchant Wholesalers		100
423210	Furniture Merchant Wholesalers		100
423220	Home Furnishing Merchant Wholesalers		100
423310	Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers		150
423320	Brick, Stone, and Related Construction Material Merchant Wholesalers		150
423330	Roofing, Siding, and Insulation Material Merchant Wholesalers		200
423390	Other Construction Material Merchant Wholesalers		100
423410	Photographic Equipment and Supplies Merchant Wholesalers		200
423420	Office Equipment Merchant Wholesalers		200
423430	Computer and Computer Peripheral Equipment and Software Merchant Wholesalers		250
423440	Other Commercial Equipment Merchant Wholesalers		100
423450	Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers		200
423460	Ophthalmic Goods Merchant Wholesalers		150
423490	Other Professional Equipment and Supplies Merchant Wholesalers		150
423510	Metal Service Centers and Other Metal Merchant Wholesalers		200
423520	Coal and Other Mineral and Ore Merchant Wholesalers		100
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers		200
423620	Household Appliances, Electric Housewares, and Consumer Electronics Merchant Wholesalers		200
423690	Other Electronic Parts and Equipment Merchant Wholesalers		250
423710	Hardware Merchant Wholesalers		150
423720	Plumbing and Heating Equipment and Supplies (Hydronics) Merchant Wholesalers		200
423730	Warm Air Heating and Air-Conditioning Equipment and Supplies Merchant Wholesalers		150
423740	Refrigeration Equipment and Supplies Merchant Wholesalers		100
423810	Construction and Mining (except Oil Well) Machinery and Equipment Merchant Wholesalers		250
423820	Farm and Garden Machinery and Equipment Merchant Wholesalers		100
423830	Industrial Machinery and Equipment Merchant Wholesalers		100

SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
423840	Industrial Supplies Merchant Wholesalers		100
423850	Service Establishment Equipment and Supplies Merchant Wholesalers		100
423860	Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers		150
423910	Sporting and Recreational Goods and Supplies Merchant Wholesalers		100
423920	Toy and Hobby Goods and Supplies Merchant Wholesalers		150
423930	Recyclable Material Merchant Wholesalers		100
423940	Jewelry, Watch, Precious Stone, and Precious Metal Merchant Wholesalers		100
423990	Other Miscellaneous Durable Goods Merchant Wholesalers		100
Subsector 424—Merchant Wholesalers, Nondurable Goods			
424110	Printing and Writing Paper Merchant Wholesalers		200
424120	Stationery and Office Supplies Merchant Wholesalers		150
424130	Industrial and Personal Service Paper Merchant Wholesalers		150
424210	Drugs and Druggists' Sundries Merchant Wholesalers		250
424310	Piece Goods, Notions, and Other Dry Goods Merchant Wholesalers		100
424320	Men's and Boys' Clothing and Furnishings Merchant Wholesalers		150
424330	Women's, Children's, and Infants' Clothing and Accessories Merchant Wholesalers		100
424340	Footwear Merchant Wholesalers		200
424410	General Line Grocery Merchant Wholesalers		250
424420	Packaged Frozen Food Merchant Wholesalers		200
424430	Dairy Product (except Dried or Canned) Merchant Wholesalers		200
424440	Poultry and Poultry Product Merchant Wholesalers		150
424450	Confectionery Merchant Wholesalers		200
424460	Fish and Seafood Merchant Wholesalers		100
424470	Meat and Meat Product Merchant Wholesalers		150
424480	Fresh Fruit and Vegetable Merchant Wholesalers		100
424490	Other Grocery and Related Products Merchant Wholesalers		250
424510	Grain and Field Bean Merchant Wholesalers		200
424520	Livestock Merchant Wholesalers		100
424590	Other Farm Product Raw Material Merchant Wholesalers		100
424610	Plastics Materials and Basic Forms and Shapes Merchant Wholesalers		150
424690	Other Chemical and Allied Products Merchant Wholesalers		150
424710	Petroleum Bulk Stations and Terminals		200
424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)		200
424810	Beer and Ale Merchant Wholesalers		200
424820	Wine and Distilled Alcoholic Beverage Merchant Wholesalers		250
424910	Farm Supplies Merchant Wholesalers		200
424920	Book, Periodical, and Newspaper Merchant Wholesalers		200
424930	Flower, Nursery Stock, and Florists' Supplies Merchant Wholesalers		100
424940	Tobacco and Tobacco Product Merchant Wholesalers		250
424950	Paint, Varnish, and Supplies Merchant Wholesalers		150
424990	Other Miscellaneous Nondurable Goods Merchant Wholesalers		100
Subsector 425—Wholesale Electronic Markets and Agents and Brokers			
425110	Business to Business Electronic Markets		100
425120	Wholesale Trade Agents and Brokers		100
Sector 44—Retail Trade			
(These NAICS codes shall not be used to classify Government acquisitions for supplies. They also shall not be used by Federal Government contractors when subcontracting for the acquisition for supplies. The applicable manufacturing NAICS code shall be used to classify acquisitions for supplies. A Wholesale Trade or Retail Trade business concern submitting an offer or a quote on a supply acquisition is categorized as a nonmanufacturer and deemed small if it has 500 or fewer employees and meets the requirements of 13 CFR 121.406.)			
Subsector 441—Motor Vehicle and Parts Dealers			
441110	New Car Dealers		200
441120	Used Car Dealers	\$27.0	
441210	Recreational Vehicle Dealers	\$35.0	
441222	Boat Dealers	\$35.0	
441228	Motorcycle, ATV, and All Other Motor Vehicle Dealers	\$35.0	
441310	Automotive Parts and Accessories Stores	\$16.5	
441320	Tire Dealers	\$16.5	

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SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
Subsector 442—Furniture and Home Furnishings Stores			
442110	Furniture Stores	\$22.0	
442210	Floor Covering Stores	\$8.0	
442291	Window Treatment Stores	\$8.0	
442299	All Other Home Furnishings Stores	\$22.0	
Subsector 443—Electronics and Appliance Stores			
443141	Household Appliance Stores	\$12.0	
443142	Electronics Stores	\$35.0	
Subsector 444—Building Material and Garden Equipment and Supplies Dealers			
444110	Home Centers	\$41.5	
444120	Paint and Wallpaper Stores	\$30.0	
444130	Hardware Stores	\$8.0	
444190	Other Building Material Dealers	\$22.0	
444210	Outdoor Power Equipment Stores	\$8.0	
444220	Nursery and Garden Centers	\$12.0	
Subsector 445—Food and Beverage Stores			
445110	Supermarkets and Other Grocery (except Convenience) Stores	\$35.0	
445120	Convenience Stores	\$32.0	
445210	Meat Markets	\$8.0	
445220	Fish and Seafood Markets	\$8.0	
445230	Fruit and Vegetable Markets	\$8.0	
445291	Baked Goods Stores	\$8.0	
445292	Confectionery and Nut Stores	\$8.0	
445299	All Other Specialty Food Stores	\$8.0	
445310	Beer, Wine and Liquor Stores	\$8.0	
Subsector 446—Health and Personal Care Stores			
446110	Pharmacies and Drug Stores	\$30.0	
446120	Cosmetics, Beauty Supplies and Perfume Stores	\$30.0	
446130	Optical Goods Stores	\$22.0	
446191	Food (Health) Supplement Stores	\$16.5	
446199	All Other Health and Personal Care Stores	\$8.0	
Subsector 447—Gasoline Stations			
447110	Gasoline Stations with Convenience Stores	\$32.0	
447190	Other Gasoline Stations	\$16.5	
Subsector 448—Clothing and Clothing Accessories Stores			
448110	Men's Clothing Stores	\$12.0	
448120	Women's Clothing Stores	\$30.0	
448130	Children's and Infants' Clothing Stores	\$35.0	
448140	Family Clothing Stores	\$41.5	
448150	Clothing Accessories Stores	\$16.5	
448190	Other Clothing Stores	\$22.0	
448210	Shoe Stores	\$30.0	
448310	Jewelry Stores	\$16.5	
448320	Luggage and Leather Goods Stores	\$30.0	
Subsector 451—Sporting Good, Hobby, Book and Music Stores			
451110	Sporting Goods Stores	\$16.5	
451120	Hobby, Toy and Game Stores	\$30.0	
451130	Sewing, Needlework and Piece Goods Stores	\$30.0	
451140	Musical Instrument and Supplies Stores	\$12.0	
451211	Book Stores	\$30.0	
451212	News Dealers and Newsstands	\$8.0	
Subsector 452—General Merchandise Stores			
452210	Department Stores	\$35.0	
452311	Warehouse Clubs and Superstores	\$32.0	

SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
452319	All Other General Merchandise Stores	\$35.0	
Subsector 453—Miscellaneous Store Retailers			
453110	Florists	\$8.0	
453210	Office Supplies and Stationery Stores	\$35.0	
453220	Gift, Novelty and Souvenir Stores	\$8.0	
453310	Used Merchandise Stores	\$8.0	
453910	Pet and Pet Supplies Stores	\$22.0	
453920	Art Dealers	\$8.0	
453930	Manufactured (Mobile) Home Dealers	\$16.5	
453991	Tobacco Stores	\$8.0	
453998	All Other Miscellaneous Store Retailers (except Tobacco Stores)	\$8.0	
Subsector 454—Nonstore Retailers			
454110	Electronic Shopping and Mail-Order Houses	\$41.5	
454210	Vending Machine Operators	\$12.0	
454310	Fuel Dealers		100
454390	Other Direct Selling Establishments	\$8.0	
Sectors 48-49—Transportation and Warehousing			
Subsector 481—Air Transportation			
481111	Scheduled Passenger Air Transportation		1,500
481112	Scheduled Freight Air Transportation		1,500
481211	Nonscheduled Chartered Passenger Air Transportation		1,500
481212	Nonscheduled Chartered Freight Air Transportation		1,500
481219	Other Nonscheduled Air Transportation	\$16.5	
Subsector 482—Rail Transportation			
482111	Line-Haul Railroads		1,500
482112	Short Line Railroads		1,500
Subsector 483—Water Transportation			
483111	Deep Sea Freight Transportation		500
483112	Deep Sea Passenger Transportation		1,500
483113	Coastal and Great Lakes Freight Transportation		750
483114	Coastal and Great Lakes Passenger Transportation		500
483211	Inland Water Freight Transportation		750
483212	Inland Water Passenger Transportation		500
Subsector 484—Truck Transportation			
484110	General Freight Trucking, Local	\$30.0	
484121	General Freight Trucking, Long-Distance, Truckload	\$30.0	
484122	General Freight Trucking, Long-Distance, Less Than Truckload	\$30.0	
484210	Used Household and Office Goods Moving	\$30.0	
484220	Specialized Freight (except Used Goods) Trucking, Local	\$30.0	
484230	Specialized Freight (except Used Goods) Trucking, Long-Distance	\$30.0	
Subsector 485—Transit and Ground Passenger Transportation			
485111	Mixed Mode Transit Systems	\$16.5	
485112	Commuter Rail Systems	\$16.5	
485113	Bus and Other Motor Vehicle Transit Systems	\$16.5	
485119	Other Urban Transit Systems	\$16.5	
485210	Interurban and Rural Bus Transportation	\$16.5	
485310	Taxi Service	\$16.5	
485320	Limousine Service	\$16.5	
485410	School and Employee Bus Transportation	\$16.5	
485510	Charter Bus Industry	\$16.5	
485991	Special Needs Transportation	\$16.5	
485999	All Other Transit and Ground Passenger Transportation	\$16.5	
Subsector 486—Pipeline Transportation			
486110	Pipeline Transportation of Crude Oil		1,500

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SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees	
486210	Pipeline Transportation of Natural Gas	\$30.0	1,500	
486910	Pipeline Transportation of Refined Petroleum Products		
486990	All Other Pipeline Transportation	\$40.5		
Subsector 487—Scenic and Sightseeing Transportation				
487110	Scenic and Sightseeing Transportation, Land	\$8.0		
487210	Scenic and Sightseeing Transportation, Water	\$8.0		
487990	Scenic and Sightseeing Transportation, Other	\$8.0		
Subsector 488—Support Activities for Transportation				
488111	Air Traffic Control	\$35.0		
488119	Other Airport Operations	\$35.0		
488190	Other Support Activities for Air Transportation	\$35.0		
488210	Support Activities for Rail Transportation	\$16.5		
488310	Port and Harbor Operations	\$41.5		
488320	Marine Cargo Handling	\$41.5		
488330	Navigational Services to Shipping	\$41.5		
488390	Other Support Activities for Water Transportation	\$41.5		
488410	Motor Vehicle Towing	\$8.0		
488490	Other Support Activities for Road Transportation	\$8.0		
488510	Freight Transportation Arrangement ¹⁰	\$16.5 ¹⁰		
488510 (Excep- tion)	Non-Vessel Owning Common Carriers and Household Goods Forwarders	\$30.0		
488991	Packing and Crating	\$30.0		
488999	All Other Support Activities for Transportation	\$8.0		
Subsector 491—Postal Service				
491110	Postal Service	\$8.0		
Subsector 492—Couriers and Messengers				
492110	Couriers and Express Delivery Services	1,500	
492210	Local Messengers and Local Delivery	\$30.0		
Subsector 493—Warehousing and Storage				
493110	General Warehousing and Storage	\$30.0		
493120	Refrigerated Warehousing and Storage	\$30.0		
493130	Farm Product Warehousing and Storage	\$30.0		
493190	Other Warehousing and Storage	\$30.0		
Sector 51—Information				
Subsector 511—Publishing Industries (except Internet)				
511110	Newspaper Publishers	1,000	
511120	Periodical Publishers	1,000	
511130	Book Publishers	1,000	
511140	Directory and Mailing List Publishers	1,250	
511191	Greeting Card Publishers	1,500	
511199	All Other Publishers	500	
511210	Software Publishers ²⁰	\$41.5 ²⁰		
Subsector 512—Motion Picture and Sound Recording Industries				
512110	Motion Picture and Video Production	\$35.0		
512120	Motion Picture and Video Distribution	\$34.5		
512131	Motion Picture Theaters (except Drive-Ins)	\$41.5		
512132	Drive-In Motion Picture Theaters	\$8.0		
512191	Teleproduction and Other Postproduction Services	\$34.5		
512199	Other Motion Picture and Video Industries	\$22.0		
512230	Music Publishers		750
512240	Sound Recording Studios	\$8.0		
512250	Record Production and Distribution		250
512290	Other Sound Recording Industries	\$12.0		
Subsector 515—Broadcasting (except Internet)				
515111	Radio Networks	\$35.0		

SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
515112	Radio Stations	\$41.5	
515120	Television Broadcasting	\$41.5	
515210	Cable and Other Subscription Programming	\$41.5	
Subsector 517—Telecommunications			
517311	Wired Telecommunications Carriers		1,500
517312	Wireless Telecommunications Carriers (except Satellite)		1,500
517410	Satellite Telecommunications	\$35.0	
517911	Telecommunications Resellers		1,500
517919	All Other Telecommunications	\$35.0	
Subsector 518—Data Processing, Hosting, and Related Services			
518210	Data Processing, Hosting, and Related Services	\$35.0	
Subsector 519—Other Information Services			
519110	News Syndicates	\$30.0	
519120	Libraries and Archives	\$16.5	
519130	Internet Publishing and Broadcasting and Web Search Portals		1,000
519190	All Other Information Services	\$30.0	
Sector 52—Finance and Insurance			
Subsector 522—Credit Intermediation and Related Activities			
522110	Commercial Banking ^a	\$600 million in assets ^a	
522120	Savings Institutions ^a	\$600 million in assets ^a	
522130	Credit Unions ^a	\$600 million in assets ^a	
522190	Other Depository Credit Intermediation ^a	\$600 million in assets ^a	
522210	Credit Card Issuing ^a	\$600 million in assets ^a	
522220	Sales Financing	\$41.5	
522291	Consumer Lending	\$41.5	
522292	Real Estate Credit	\$41.5	
522293	International Trade Financing	\$41.5	
522294	Secondary Market Financing	\$41.5	
522298	All Other Nondepository Credit Intermediation	\$41.5	
522310	Mortgage and Nonmortgage Loan Brokers	\$8.0	
522320	Financial Transactions Processing, Reserve, and Clearinghouse Activities	\$41.5	
522390	Other Activities Related to Credit Intermediation	\$22.0	
Subsector 523—Securities, Commodity Contracts, and Other Financial Investments and Related Activities			
523110	Investment Banking and Securities Dealing	\$41.5	
523120	Securities Brokerage	\$41.5	
523130	Commodity Contracts Dealing	\$41.5	
523140	Commodity Contracts Brokerage	\$41.5	
523210	Securities and Commodity Exchanges	\$41.5	
523910	Miscellaneous Intermediation	\$41.5	
523920	Portfolio Management	\$41.5	
523930	Investment Advice	\$41.5	
523991	Trust, Fiduciary and Custody Activities	\$41.5	
523999	Miscellaneous Financial Investment Activities	\$41.5	
Subsector 524—Insurance Carriers and Related Activities			
524113	Direct Life Insurance Carriers	\$41.5	
524114	Direct Health and Medical Insurance Carriers	\$41.5	
524126	Direct Property and Casualty Insurance Carriers		1,500
524127	Direct Title Insurance Carriers	\$41.5	
524128	Other Direct Insurance (except Life, Health and Medical) Carriers	\$41.5	
524130	Reinsurance Carriers	\$41.5	
524210	Insurance Agencies and Brokerages	\$ 8.0	
524291	Claims Adjusting	\$22.0	
524292	Third Party Administration of Insurance and Pension Funds	\$35.0	

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SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
524298	All Other Insurance Related Activities	\$16.5	
Subsector 525—Funds, Trusts and Other Financial Vehicles			
525110	Pension Funds	\$35.0	
525120	Health and Welfare Funds	\$35.0	
525190	Other Insurance Funds	\$35.0	
525910	Open-End Investment Funds	\$35.0	
525920	Trusts, Estates, and Agency Accounts	\$35.0	
525990	Other Financial Vehicles	\$35.0	
Sector 53—Real Estate and Rental and Leasing			
Subsector 531—Real Estate			
531110	Lessors of Residential Buildings and Dwellings ⁹	\$30.0 ⁹	
531120	Lessors of Nonresidential Buildings (except Miniwarehouses) ⁹	\$30.0 ⁹	
531130	Lessors of Miniwarehouses and Self-Storage Units ⁹	\$30.0 ⁹	
531190	Lessors of Other Real Estate Property ⁹	\$30.0 ⁹	
531210	Offices of Real Estate Agents and Brokers ¹⁰	\$8.0 ¹⁰	
531311	Residential Property Managers	\$8.0	
531312	Nonresidential Property Managers	\$8.0	
531320	Offices of Real Estate Appraisers	\$8.0	
531390	Other Activities Related to Real Estate	\$8.0	
Subsector 532—Rental and Leasing Services			
532111	Passenger Car Rental	\$41.5	
532112	Passenger Car Leasing	\$41.5	
532120	Truck, Utility Trailer, and RV (Recreational Vehicle) Rental and Leasing	\$41.5	
532210	Consumer Electronics and Appliances Rental	\$41.5	
532281	Formal Wear and Costume Rental	\$22.0	
532282	Video Tape and Disc Rental	\$30.0	
532283	Home Health Equipment Rental	\$35.0	
532284	Recreational Goods Rental	\$8.0	
532289	All Other Consumer Goods Rental	\$8.0	
532310	General Rental Centers	\$8.0	
532411	Commercial Air, Rail, and Water Transportation Equipment Rental and Leasing	\$35.0	
532412	Construction, Mining and Forestry Machinery and Equipment Rental and Leasing	\$35.0	
532420	Office Machinery and Equipment Rental and Leasing	\$35.0	
532490	Other Commercial and Industrial Machinery and Equipment Rental and Leasing	\$35.0	
Subsector 533—Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)			
533110	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)	\$41.5	
Sector 54—Professional, Scientific and Technical Services			
Subsector 541—Professional, Scientific and Technical Services			
541110	Offices of Lawyers	\$12.0	
541191	Title Abstract and Settlement Offices	\$12.0	
541199	All Other Legal Services	\$12.0	
541211	Offices of Certified Public Accountants	\$22.0	
541213	Tax Preparation Services	\$22.0	
541214	Payroll Services	\$22.0	
541219	Other Accounting Services	\$22.0	
541310	Architectural Services	\$8.0	
541320	Landscape Architectural Services	\$8.0	
541330	Engineering Services	\$16.5	
541330 (Exception 1)	Military and Aerospace Equipment and Military Weapons	\$41.5	
541330 (Exception 2)	Contracts and Subcontracts for Engineering Services Awarded Under the National Energy Policy Act of 1992	\$41.5	
541330 (Exception 3)	Marine Engineering and Naval Architecture	\$41.5	
541340	Drafting Services	\$8.0	
541350	Building Inspection Services	\$8.0	

SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
541360	Geophysical Surveying and Mapping Services	\$16.5	
541370	Surveying and Mapping (except Geophysical) Services	\$16.5	
541380	Testing Laboratories	\$16.5	
541410	Interior Design Services	\$8.0	
541420	Industrial Design Services	\$8.0	
541430	Graphic Design Services	\$8.0	
541490	Other Specialized Design Services	\$8.0	
541511	Custom Computer Programming Services	\$30.0	
541512	Computer Systems Design Services	\$30.0	
541513	Computer Facilities Management Services	\$30.0	
541519	Other Computer Related Services	\$30.0	
541519 (Exception)	Information Technology Value Added Resellers ¹⁸		150 ¹⁸
541611	Administrative Management and General Management Consulting Services	\$16.5	
541612	Human Resources Consulting Services	\$16.5	
541613	Marketing Consulting Services	\$16.5	
541614	Process, Physical Distribution and Logistics Consulting Services	\$16.5	
541618	Other Management Consulting Services	\$16.5	
541620	Environmental Consulting Services	\$16.5	
541690	Other Scientific and Technical Consulting Services	\$16.5	
541713	Research and Technology in Nanotechnology ¹¹		1,000 ¹¹
541714	Research and Technology in Biotechnology (except Nanobiotechnology) ¹¹		1,000 ¹¹
541715	Research and Development in the Physical, Engineering, and Life Sciences (except Nanotechnology and Biotechnology) ¹¹		1,000 ¹¹
Except	Aircraft, Aircraft Engine and Engine Parts ¹¹		1,500 ¹¹
Except	Other Aircraft Parts and Auxiliary Equipment ¹¹		1,250 ¹¹
Except	Guided Missiles and Space Vehicles, Their Propulsion Units and Propulsion Parts ¹¹		1,250 ¹¹
541720	Research and Development in the Social Sciences and Humanities	\$22.0	
541810	Advertising Agencies ¹⁰	\$16.5 ¹⁰	
541820	Public Relations Agencies	\$16.5	
541830	Media Buying Agencies	\$16.5	
541840	Media Representatives	\$16.5	
541850	Outdoor Advertising	\$16.5	
541860	Direct Mail Advertising	\$16.5	
541870	Advertising Material Distribution Services	\$16.5	
541890	Other Services Related to Advertising	\$16.5	
541910	Marketing Research and Public Opinion Polling	\$16.5	
541921	Photography Studios, Portrait	\$8.0	
541922	Commercial Photography	\$8.0	
541930	Translation and Interpretation Services	\$8.0	
541940	Veterinary Services	\$8.0	
541990	All Other Professional, Scientific and Technical Services	\$16.5	
Sector 55—Management of Companies and Enterprises			
Subsector 551—Management of Companies and Enterprises			
551111	Offices of Bank Holding Companies	\$22.0	
551112	Offices of Other Holding Companies	\$22.0	
Sector 56—Administrative and Support, Waste Management and Remediation Services			
Subsector 561—Administrative and Support Services			
561110	Office Administrative Services	\$8.0	
561210	Facilities Support Services ¹²	\$41.5 ¹²	
561311	Employment Placement Agencies	\$30.0	
561312	Executive Search Services	\$30.0	
561320	Temporary Help Services	\$30.0	
561330	Professional Employer Organizations	\$30.0	
561410	Document Preparation Services	\$16.5	
561421	Telephone Answering Services	\$16.5	
561422	Telemarketing Bureaus and Other Contact Centers	\$16.5	
561431	Private Mail Centers	\$16.5	
561439	Other Business Service Centers (including Copy Shops)	\$16.5	
561440	Collection Agencies	\$16.5	
561450	Credit Bureaus	\$16.5	
561491	Repossession Services	\$16.5	
561492	Court Reporting and Stenotype Services	\$16.5	
561499	All Other Business Support Services	\$16.5	

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SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
561510	Travel Agencies ¹⁰	\$22.0 ¹⁰	
561520	Tour Operators ¹⁰	\$22.0 ¹⁰	
561591	Convention and Visitors Bureaus	\$22.0	
561599	All Other Travel Arrangement and Reservation Services	\$22.0	
561611	Investigation Services	\$22.0	
561612	Security Guards and Patrol Services	\$22.0	
561613	Armored Car Services	\$22.0	
561621	Security Systems Services (except Locksmiths)	\$22.0	
561622	Locksmiths	\$22.0	
561710	Exterminating and Pest Control Services	\$12.0	
561720	Janitorial Services	\$19.5	
561730	Landscaping Services	\$8.0	
561740	Carpet and Upholstery Cleaning Services	\$6.0	
561790	Other Services to Buildings and Dwellings	\$8.0	
561910	Packaging and Labeling Services	\$12.0	
561920	Convention and Trade Show Organizers ¹⁰	\$12.0 ¹⁰	
561990	All Other Support Services	\$12.0	
Subsector 562—Waste Management and Remediation Services			
562111	Solid Waste Collection	\$41.5	
562112	Hazardous Waste Collection	\$41.5	
562119	Other Waste Collection	\$41.5	
562211	Hazardous Waste Treatment and Disposal	\$41.5	
562212	Solid Waste Landfill	\$41.5	
562213	Solid Waste Combustors and Incinerators	\$41.5	
562219	Other Nonhazardous Waste Treatment and Disposal	\$41.5	
562910	Remediation Services	\$22.0	
562910 (Exception)	Environmental Remediation Services ¹⁴		750 ¹⁴
562920	Materials Recovery Facilities	\$22.0	
562991	Septic Tank and Related Services	\$8.0	
562998	All Other Miscellaneous Waste Management Services	\$8.0	
Sector 61—Educational Services			
Subsector 611—Educational Services			
611110	Elementary and Secondary Schools	\$12.0	
611210	Junior Colleges	\$22.0	
611310	Colleges, Universities and Professional Schools	\$30.0	
611410	Business and Secretarial Schools	\$8.0	
611420	Computer Training	\$12.0	
611430	Professional and Management Development Training	\$12.0	
611511	Cosmetology and Barber Schools	\$8.0	
611512	Flight Training	\$30.0	
611513	Apprenticeship Training	\$8.0	
611519	Other Technical and Trade Schools	\$16.5	
611519 (Exception)	Job Corps Centers ¹⁰	\$41.5 ¹⁰	
611610	Fine Arts Schools	\$8.0	
611620	Sports and Recreation Instruction	\$8.0	
611630	Language Schools	\$12.0	
611691	Exam Preparation and Tutoring	\$8.0	
611692	Automobile Driving Schools	\$8.0	
611699	All Other Miscellaneous Schools and Instruction	\$12.0	
611710	Educational Support Services	\$16.5	
Sector 62—Health Care and Social Assistance			
Subsector 621—Ambulatory Health Care Services			
621111	Offices of Physicians (except Mental Health Specialists)	\$12.0	
621112	Offices of Physicians, Mental Health Specialists	\$12.0	
621210	Offices of Dentists	\$8.0	
621310	Offices of Chiropractors	\$8.0	
621320	Offices of Optometrists	\$8.0	
621330	Offices of Mental Health Practitioners (except Physicians)	\$8.0	
621340	Offices of Physical, Occupational and Speech Therapists and Audiologists	\$8.0	
621391	Offices of Podiatrists	\$8.0	
621399	Offices of All Other Miscellaneous Health Practitioners	\$8.0	
621410	Family Planning Centers	\$12.0	

SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
621420	Outpatient Mental Health and Substance Abuse Centers	\$16.5	
621491	HMO Medical Centers	\$35.0	
621492	Kidney Dialysis Centers	\$41.5	
621493	Freestanding Ambulatory Surgical and Emergency Centers	\$16.5	
621498	All Other Outpatient Care Centers	\$22.0	
621511	Medical Laboratories	\$35.0	
621512	Diagnostic Imaging Centers	\$16.5	
621610	Home Health Care Services	\$16.5	
621910	Ambulance Services	\$16.5	
621991	Blood and Organ Banks	\$35.0	
621999	All Other Miscellaneous Ambulatory Health Care Services	\$16.5	
Subsector 622—Hospitals			
622110	General Medical and Surgical Hospitals	\$41.5	
622210	Psychiatric and Substance Abuse Hospitals	\$41.5	
622310	Specialty (except Psychiatric and Substance Abuse) Hospitals	\$41.5	
Subsector 623—Nursing and Residential Care Facilities			
623110	Nursing Care Facilities (Skilled Nursing Facilities)	\$30.0	
623210	Residential Intellectual and Developmental Disability Facilities	\$16.5	
623220	Residential Mental Health and Substance Abuse Facilities	\$16.5	
623311	Continuing Care Retirement Communities	\$30.0	
623312	Assisted Living Facilities for the Elderly	\$12.0	
623990	Other Residential Care Facilities	\$12.0	
Subsector 624—Social Assistance			
624110	Child and Youth Services	\$12.0	
624120	Services for the Elderly and Persons with Disabilities	\$12.0	
624190	Other Individual and Family Services	\$12.0	
624210	Community Food Services	\$12.0	
624221	Temporary Shelters	\$12.0	
624229	Other Community Housing Services	\$16.5	
624230	Emergency and Other Relief Services	\$35.0	
624310	Vocational Rehabilitation Services	\$12.0	
624410	Child Day Care Services	\$8.0	
Sector 71—Arts, Entertainment and Recreation			
Subsector 711—Performing Arts, Spectator Sports and Related Industries			
711110	Theater Companies and Dinner Theaters	\$22.0	
711120	Dance Companies	\$12.0	
711130	Musical Groups and Artists	\$12.0	
711190	Other Performing Arts Companies	\$30.0	
711211	Sports Teams and Clubs	\$41.5	
711212	Racetracks	\$41.5	
711219	Other Spectator Sports	\$12.0	
711310	Promoters of Performing Arts, Sports and Similar Events with Facilities	\$35.0	
711320	Promoters of Performing Arts, Sports and Similar Events without Facilities	\$16.5	
711410	Agents and Managers for Artists, Athletes, Entertainers and Other Public Figures	\$12.0	
711510	Independent Artists, Writers, and Performers	\$8.0	
Subsector 712—Museums, Historical Sites and Similar Institutions			
712110	Museums	\$30.0	
712120	Historical Sites	\$8.0	
712130	Zoos and Botanical Gardens	\$30.0	
712190	Nature Parks and Other Similar Institutions	\$8.0	
Subsector 713—Amusement, Gambling and Recreation Industries			
713110	Amusement and Theme Parks	\$41.5	
713120	Amusement Arcades	\$8.0	
713210	Casinos (except Casino Hotels)	\$30.0	
713290	Other Gambling Industries	\$35.0	
713910	Golf Courses and Country Clubs	\$16.5	
713920	Skiing Facilities	\$30.0	
713930	Marinas	\$8.0	

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SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
713940	Fitness and Recreational Sports Centers	\$8.0	
713950	Bowling Centers	\$8.0	
713990	All Other Amusement and Recreation Industries	\$8.0	
Sector 72—Accommodation and Food Services			
Subsector 721—Accommodation			
721110	Hotels (except Casino Hotels) and Motels	\$35.0	
721120	Casino Hotels	\$35.0	
721191	Bed-and-Breakfast Inns	\$8.0	
721199	All Other Traveler Accommodation	\$8.0	
721211	RV (Recreational Vehicle) Parks and Campgrounds	\$8.0	
721214	Recreational and Vacation Camps (except Campgrounds)	\$8.0	
721310	Rooming and Boarding Houses, Dormitories, and Workers' Camps	\$8.0	
Subsector 722—Food Services and Drinking Places			
722310	Food Service Contractors	\$41.5	
722320	Caterers	\$8.0	
722330	Mobile Food Services	\$8.0	
722410	Drinking Places (Alcoholic Beverages)	\$8.0	
722511	Full-Service Restaurants	\$8.0	
722513	Limited-Service Restaurants	\$12.0	
722514	Cafeterias, Grill Buffets, and Buffets	\$30.0	
722515	Snack and Nonalcoholic Beverage Bars	\$8.0	
Sector 81—Other Services (Except Public Administration)			
Subsector 811—Repair and Maintenance			
811111	General Automotive Repair	\$8.0	
811112	Automotive Exhaust System Repair	\$8.0	
811113	Automotive Transmission Repair	\$8.0	
811118	Other Automotive Mechanical and Electrical Repair and Maintenance	\$8.0	
811121	Automotive Body, Paint and Interior Repair and Maintenance	\$8.0	
811122	Automotive Glass Replacement Shops	\$12.0	
811191	Automotive Oil Change and Lubrication Shops	\$8.0	
811192	Car Washes	\$8.0	
811198	All Other Automotive Repair and Maintenance	\$8.0	
811211	Consumer Electronics Repair and Maintenance	\$8.0	
811212	Computer and Office Machine Repair and Maintenance	\$30.0	
811213	Communication Equipment Repair and Maintenance	\$12.0	
811219	Other Electronic and Precision Equipment Repair and Maintenance	\$22.0	
811310	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	\$8.0	
811411	Home and Garden Equipment Repair and Maintenance	\$8.0	
811412	Appliance Repair and Maintenance	\$16.5	
811420	Reupholstery and Furniture Repair	\$8.0	
811430	Footwear and Leather Goods Repair	\$8.0	
811490	Other Personal and Household Goods Repair and Maintenance	\$8.0	
Subsector 812—Personal and Laundry Services			
812111	Barber Shops	\$8.0	
812112	Beauty Salons	\$8.0	
812113	Nail Salons	\$8.0	
812191	Diet and Weight Reducing Centers	\$22.0	
812199	Other Personal Care Services	\$8.0	
812210	Funeral Homes and Funeral Services	\$8.0	
812220	Cemeteries and Crematories	\$22.0	
812310	Coin-Operated Laundries and Drycleaners	\$8.0	
812320	Drycleaning and Laundry Services (except Coin-Operated)	\$6.0	
812331	Linen Supply	\$35.0	
812332	Industrial Launderers	\$41.5	
812910	Pet Care (except Veterinary) Services	\$8.0	
812921	Photofinishing Laboratories (except One-Hour)	\$22.0	
812922	One-Hour Photofinishing	\$16.5	
812930	Parking Lots and Garages	\$41.5	
812990	All Other Personal Services	\$8.0	

SMALL BUSINESS SIZE STANDARDS BY NAICS INDUSTRY—Continued

NAICS codes	NAICS U.S. industry title	Size standards in millions of dollars	Size standards in number of employees
Subsector 813—Religious, Grantmaking, Civic, Professional and Similar Organizations			
813110	Religious Organizations	\$8.0	
813211	Grantmaking Foundations	\$35.0	
813212	Voluntary Health Organizations	\$30.0	
813219	Other Grantmaking and Giving Services	\$41.5	
813311	Human Rights Organizations	\$30.0	
813312	Environment, Conservation and Wildlife Organizations	\$16.5	
813319	Other Social Advocacy Organizations	\$8.0	
813410	Civic and Social Organizations	\$8.0	
813910	Business Associations	\$8.0	
813920	Professional Organizations	\$16.5	
813930	Labor Unions and Similar Labor Organizations	\$8.0	
813940	Political Organizations	\$8.0	
813990	Other Similar Organizations (except Business, Professional, Labor, and Political Organizations)	\$8.0	
Sector 92—Public Administration¹⁹			

(Small business size standards are not established for this sector. Establishments in the Public Administration sector are Federal, state, and local government agencies which administer and oversee government programs and activities that are not performed by private establishments.)

Footnotes

1. [Reserved]
2. *NAICS code 237990—Dredging:* To be considered small for purposes of Government procurement, a firm must perform at least 40 percent of the volume dredged with its own equipment or equipment owned by another small dredging concern.
3. *NAICS code 311421—*For purposes of Government procurement for food canning and preserving, the standard of 1,000 employees excludes agricultural labor as defined in 3306(k) of the Internal Revenue Code, 26 U.S.C. 3306(k).
4. *NAICS code 324110—*To qualify as small for purposes of Government procurement, the petroleum refiner, including its affiliates, must be a concern that has either no more than 1,500 employees or no more than 200,000 barrels per calendar day total Operable Atmospheric Crude Oil Distillation capacity. Capacity includes all domestic and foreign affiliates, all owned or leased facilities, and all facilities under a processing agreement or an arrangement such as an exchange agreement or a throughput. To qualify under the capacity size standard, the firm, together with its affiliates, must be primarily engaged in refining crude petroleum into refined petroleum products. A firm's "primary industry" is determined in accordance with 13 CFR 121.107.
5. *NAICS code 326211—*For Government procurement, a firm is small for bidding on a contract for pneumatic tires within Census NAICS Product Classification codes 3262111 and 3262113, provided that:
 - (a) The value of tires within Census NAICS Product Classification codes 3262111 and

- 3262113 that it manufactured in the United States during the previous calendar year is more than 50 percent of the value of its total worldwide manufacture,
- (b) The value of pneumatic tires within Census NAICS Product Classification codes 3262111 and 3262113 comprising its total worldwide manufacture during the preceding calendar year was less than 5 percent of the value of all such tires manufactured in the United States during that period, and
- (c) The value of the principal product that it manufactured, produced, or sold worldwide during the preceding calendar year is less than 10 percent of the total value of such products manufactured or otherwise produced or sold in the United States during that period.
6. *NAICS Subsectors 333, 334, 335 and 336—*For rebuilding machinery or equipment on a factory basis, or equivalent, use the NAICS code for a newly manufactured product. Concerns performing major rebuilding or overhaul activities do not necessarily have to meet the criteria for being a "manufacturer" although the activities may be classified under a manufacturing NAICS code. Ordinary repair services or preservation are not considered rebuilding.
7. *NAICS code 336413—*Contracts for the rebuilding or overhaul of aircraft ground support equipment on a contract basis are classified under NAICS code 336413.
8. *NAICS Codes 522110, 522120, 522130, 522190, and 522210—*A financial institution's assets are determined by averaging the assets reported on its four quarterly financial statements for the preceding year. "Assets" for the purposes of this size standard means the

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assets defined according to the Federal Financial Institutions Examination Council 041 call report form for NAICS codes 522110, 522120, 522190, and 522210 and the National Credit Union Administration 5300 call report form for NAICS code 522130.

9. *NAICS codes 531110, 531120, 531130, and 531190*—Leasing of Building Space to the Federal Government by Owners: For Government procurement, a size standard of \$41.5 million in gross receipts applies to the owners of building space leased to the Federal Government. The standard does not apply to an agent.

10. *NAICS codes 488510 (part) 531210, 541810, 561510, 561520, and 561920*—As measured by total revenues, but excluding funds received in trust for an unaffiliated third party, such as bookings or sales subject to commissions. The commissions received are included as revenues.

11. *NAICS code 541713, 541714, and 541715*—

(a) "Research and Development" means laboratory or other physical research and development. It does not include economic, educational, engineering, operations, systems, or other nonphysical research; or computer programming, data processing, commercial and/or medical laboratory testing.

(b) For research and development contracts requiring the delivery of a manufactured product, the appropriate size standard is that of the manufacturing industry.

(c) For purposes of the Small Business Innovation Research (SBIR) and Small Business Transfer Technology (STTR) programs, the term "research" or "research and development" means any activity which is (A) a systematic, intensive study directed toward greater knowledge or understanding of the subject studied; (B) a systematic study directed specifically toward applying new knowledge to meet a recognized need; or (C) a systematic application of knowledge toward the production of useful materials, devices, and systems or methods, including design, development, and improvement of prototypes and new processes to meet specific requirements. See 15 U.S.C. 638(e)(5) and section 3 of the SBIR and STTR policy directives available at www.sbir.gov. For size eligibility requirements for the SBIR and STTR programs, see § 121.702 of this part.

(d) "Research and Development" for guided missiles and space vehicles includes evaluations and simulation, and other services requiring thorough knowledge of complete missiles and spacecraft.

12. *NAICS code 561210*—Facilities Support Services:

(a) If one or more activities of Facilities Support Services as defined in paragraph (b) (below in this footnote) can be identified with a specific industry and that industry accounts for 50 percent or more of the value of an entire procurement, then the proper classification of the procurement is that of

the specific industry, not Facilities Support Services.

(b) "Facilities Support Services" requires the performance of three or more separate activities in the areas of services or specialty trade contractors industries. If services are performed, these service activities must each be in a separate NAICS industry. If the procurement requires the use of specialty trade contractors (plumbing, painting, plastering, carpentry, etc.), all such specialty trade contractors activities are considered a single activity and classified as "Building and Property Specialty Trade Services." Since "Building and Property Specialty Trade Services" is only one activity, two additional activities of separate NAICS industries are required for a procurement to be classified as "Facilities Support Services."

13. *NAICS code 238990*—Building and Property Specialty Trade Services: If a procurement requires the use of multiple specialty trade contractors (i.e., plumbing, painting, plastering, carpentry, etc.), and no specialty trade accounts for 50 percent or more of the value of the procurement, all such specialty trade contractors activities are considered a single activity and classified as Building and Property Specialty Trade Services.

14. *NAICS 562910*—Environmental Remediation Services:

(a) For SBA assistance as a small business concern in the industry of Environmental Remediation Services, other than for Government procurement, a concern must be engaged primarily in furnishing a range of services for the remediation of a contaminated environment to an acceptable condition including, but not limited to, preliminary assessment, site inspection, testing, remedial investigation, feasibility studies, remedial design, containment, remedial action, removal of contaminated materials, storage of contaminated materials and security and site closeouts. If one of such activities accounts for 50 percent or more of a concern's total revenues, employees, or other related factors, the concern's primary industry is that of the particular industry and not the Environmental Remediation Services Industry.

(b) For purposes of classifying a Government procurement as Environmental Remediation Services, the general purpose of the procurement must be to restore or directly support the restoration of a contaminated environment (such as, preliminary assessment, site inspection, testing, remedial investigation, feasibility studies, remedial design, remediation services, containment, removal of contaminated materials, storage of contaminated materials or security and site closeouts), although the general purpose of the procurement need not necessarily include remedial actions. Also, the procurement must be composed of activities in three

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or more separate industries with separate NAICS codes or, in some instances (e.g., engineering), smaller sub-components of NAICS codes with separate, distinct size standards. These activities may include, but are not limited to, separate activities in industries such as: Heavy Construction; Specialty Trade Contractors; Engineering Services; Architectural Services; Management Consulting Services; Hazardous and Other Waste Collection; Remediation Services, Testing Laboratories; and Research and Development in the Physical, Engineering and Life Sciences. If any activity in the procurement can be identified with a separate NAICS code, or component of a code with a separate distinct size standard, and that industry accounts for 50 percent or more of the value of the entire procurement, then the proper size standard is the one for that particular industry, and not the Environmental Remediation Service size standard.

15. [Reserved]

16. *NAICS code 611519—Job Corps Centers.* For classifying a Federal procurement, the purpose of the solicitation must be for the management and operation of a U.S. Department of Labor Job Corps Center. The activities involved include admissions activities, life skills training, educational activities, comprehensive career preparation activities, career development activities, career transition activities, as well as the management and support functions and services needed to operate and maintain the facility. For SBA assistance as a small business concern, other than for Federal Government procurements, a concern must be primarily engaged in providing the services to operate and maintain Federal Job Corps Centers.

17. *NAICS code 115310 (Support Activities for Forestry)—Forest Fire Suppression and Fuels Management Services* are two components of Support Activities for Forestry. Forest Fire Suppression includes establishments which provide services to fight forest fires. These firms usually have fire-fighting crews and equipment. Fuels Management Services firms provide services to clear land of hazardous materials that would fuel forest fires. The treatments used by these firms may include prescribed fire, mechanical removal, establishing fuel breaks, thinning, pruning, and piling.

18. *NAICS code 541519—An Information Technology Value Added Reseller (ITVAR)* provides a total solution to information technology acquisitions by providing multi-vendor hardware and software along with significant value added services. Significant value added services consist of, but are not limited to, configuration consulting and design, systems integration, installation of multi-vendor computer equipment, customization of hardware or software, training, product technical support, maintenance, and end user support. For purposes of

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Government procurement, an information technology procurement classified under this exception and 150-employee size standard must consist of at least 15% and not more than 50% of value added services, as measured by the total contract price. In addition, the offeror must comply with the manufacturing performance requirements, or comply with the non-manufacturer rule by supplying the products of small business concerns, unless SBA has issued a class or contract specific waiver of the non-manufacturer rule. If the contract consists of less than 15% of value added services, then it must be classified under a NAICS manufacturing industry. If the contract consists of more than 50% of value added services, then it must be classified under the NAICS industry that best describes the predominate service of the procurement.

19. *NAICS Sector 92—Small business size standards* are not established for this sector. Establishments in the Public Administration sector are Federal, State, and local government agencies which administer and oversee government programs and activities that are not performed by private establishments. Concerns performing operational services for the administration of a government program are classified under the NAICS private sector industry based on the activities performed. Similarly, procurements for these types of services are classified under the NAICS private sector industry that best describes the activities to be performed. For example, if a government agency issues a procurement for law enforcement services, the requirement would be classified using one of the NAICS industry codes under 56161, Investigation, Guard, and Armored Car Services.

20. *NAICS code 511210—For purposes of Government procurement, the purchase of software subject to potential waiver of the non-manufacturer rule pursuant to § 121.1203(d)* should be classified under this NAICS code.

[65 FR 30840, May 15, 2000]

EDITORIAL NOTES: 1. For FEDERAL REGISTER citations affecting § 121.201, see the List of CFR Sections Affected, which appears in the Finding Aids section of the printed volume and at www.govinfo.gov.

2. At 73 FR 12870, Mar. 11, 2008, § 121.201 was amended; however, several amendments could not be incorporated due to inaccurate amendatory instruction.

SIZE ELIGIBILITY REQUIREMENTS FOR SBA FINANCIAL ASSISTANCE

§ 121.301 What size standards and affiliation principles are applicable to financial assistance programs?

(a) For Business Loans (other than for 7(a) Business Loans for the period beginning May 5, 2009 and ending on