



# Sales and Use Tax Exclusion (STE) Program Application – Part A

Updated: December 13, 2024

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## I. Applicant Information

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**A. Legal Name of Applicant:**

**B. Name of Applicant's Senior Official:**

\_\_\_\_\_  
Senior Official with authority to sign and obligate the Applicant to a Regulatory Agreement should the Applicant receive an award.

**Senior Official Job Title:**

\_\_\_\_\_  
**Phone Number:**

\_\_\_\_\_  
**Email Address:**

**C. Manufacturer Type:**

Advanced Manufacturing  
Alternative Source  
Advanced Transportation  
Recycled Feedstock

**D. Number of Years in Business:**

**E. Product(s) Produced:**

**F. Facility Location(s):**

**G. Please describe any unique technological or environmental characteristics of the business or products:**

**H. Eligibility to use the exemptions established pursuant to Section 6377.1 of the Revenue and Taxation Code (RTC):** Is the Applicant a “qualified person” pursuant to [Section 1525.4\(b\)\(10\) of Article 3 of Chapter 4 of Division 2 of Title 18 of the California Code of Regulations found here on the CDTFA website](#)? Also see [the partial tax exemption qualifications provided by the Revenue and Taxation Code \(R&TC\) section 6377.1 found here.](#)

1. The Applicant is primarily engaged in the line of business described in the North American Industry Classification System (NAICS) Code \_\_\_\_\_.
2. Is the Applicant an apportioning trade or business, other than an agricultural trade or business described in subdivision (c)(1) of RTC section 25128, that is required to apportion its business income pursuant to subdivision (b) of [RTC section 25128](#)?  
YES  
NO
3. Is the Applicant a trade or business conducted wholly within this state, other than an agricultural trade or business described in subdivision (c)(1) of RTC section 25128, that would be required to apportion its business income pursuant to subdivision (b) of [RTC section 25128](#) if it were subject to apportionment pursuant to [RTC section 25101](#).  
YES  
NO

*(Application continues on following page)*

- I. **Emerging Strategic Industry:** Is the Project listed on CAEATFA's Emerging Strategic Industry Designation List as shown below?

Industry	NAICS
Lithium compounds	325180
Geothermal steam	221330
Batteries for electric vehicles, home and commercial energy storage, or grid scale energy storage	335911
Batteries for electric vehicles, home and commercial energy storage, or grid scale energy storage	335912
Leading-edge, current-generation, or mature-node semiconductors or components used in the semiconductor supply chain	334413
Semiconductor manufacturing equipment	333242
R&D in NanoTech	541713

Product Produced: \_\_\_\_\_

Project NAICS Code: \_\_\_\_\_

## II. Sales and Use Tax Exclusion (STE) Request

Please choose the Applicant category and provide the total estimated cost of Qualified Property requested. Applicant may only choose one category.

**Small Project Pool Applicants** – Defined as \$2M in STE or less (available through September)

Total Estimated Cost of Qualified Property<sup>1</sup>: \_\_\_\_\_

**General Project Pool Applicants** – Defined as \$2,000,001 to the \$10M in STE

Total Estimated Cost of Qualified Property<sup>2</sup>: \_\_\_\_\_

**General/Large Project Pool Applicants** – Defined as \$10,000,001 to \$20M in STE (only available during the first application period of the year)

Total Estimated Cost of Qualified Property<sup>3</sup>: \_\_\_\_\_

<sup>1</sup> \$20M in STE available to award to Applicants requesting \$2M or less in STE through September of each year. Based on the current statewide average sales tax rate of 8.48%, the cost of Qualified Property shall not exceed \$23,584,905.66. For more info, see STE Program Regulations Sections 10031(ac) and 10032(a)(4).

<sup>2</sup> Applicants are limited to \$10M in STE per year. Based on the current average sales tax rate of 8.48%, the cost of Qualified Property shall not exceed \$117,924,528.30. For more info, see STE Program Regulations Section 10032(a)(5).

<sup>3</sup> In the first application round, \$15 million in STE will be available to award to Applicants on a competitive basis, in addition to the \$10 million cap, up to \$10 million in STE for a potential total award of \$20 million in STE. Based on the current average sales tax rate of 8.48%, the cost of Qualified Property shall not exceed \$235,849,056.60. For more info, see STE Program Regulations Section 10032(a)(5)(B).

Should there be any remaining STEs at the end of the year after all Applications submitted have been considered, would the Applicant like to be considered for additional STEs?<sup>4</sup>

YES

NO

Is the Applicant submitting more than one Application or does the Applicant have a parent company with an ownership interest greater than 50% that is submitting more than one Application?<sup>5</sup>

YES

NO

### III. Project Narrative

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Each Applicant is required to submit a Project Narrative addressing the following questions. **Alternatively, the Applicant may choose to attach a separate document as the Project Narrative while ensuring all questions are addressed.** If a question is not applicable to your manufacturing category, please state "Not Applicable". Failure to provide all information will delay the review of your Application and may result in the Applicant's disqualification.

#### A. PROJECT DESCRIPTION

##### 1. Application Eligibility

##### **Advanced Transportation Technology and Alternative Source Applicants –**

Provide a description of the Advanced Transportation Technology or Alternative Source product, component, or system to be produced.<sup>6</sup>

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<sup>4</sup> The Executive Director will announce end-of-the year availability of STEs no later than 28 days prior to the last Authority Board meeting of the calendar year. For more info, see STE Program Regulations Section 10032(a)(5)(A).

<sup>5</sup> Applicants which have 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. For more info, see Program Regulations Section 10032(a)(5).

<sup>6</sup> 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.

**Advanced Manufacturing Applicants** – Provide a detailed explanation of how the Project meets the statutory definition of Advanced Manufacturing set out in Public Resources Code Section 26003(a)(1) and the eligibility requirements established by Program regulations.

Please note that the Project Description for Advanced Manufacturing Applicants must directly address items “a–d” below and explicitly describe how the manufacturing process meets the requirements of “a.i–a.iv,” and uses at least one of the technology areas listed in item b.

- a. How the manufacturing process improves existing or creates entirely new materials, products, and processes through the use of:
  - i. Science, engineering, or information technologies; and
  - ii. High-precision tools and methods; and
  - iii. A high performance workforce, and
  - iv. Innovative business or organizational models.

- b. How the manufacturing process uses one or more of the following technology areas:
  - i. Micro- and nanoelectronics, including semiconductors.
  - ii. Advanced materials.
  - iii. Integrated computational materials engineering.
  - iv. Nanotechnology.
  - v. Additive manufacturing.
  - vi. Industrial biotechnology.
  
- c. How the manufacturing system results in a substantive advancement, whether incremental or breakthrough, beyond the current industry standard, in the production of materials and products (these advancements include improvements in manufacturing processes and systems that are often referred to as “smart” or “intelligent” manufacturing systems, which integrate computational predictability and operational efficiency).

- d. How the proposed Project is a sustainable manufacturing system that minimizes the use of resources while maintaining or improving cost and performance. (See “Environmental Benefits Information” tab in Application Part B.)

**Recycling Applicants** – Provide a description of how the Project processes Recycled Feedstock that is intended to be reused in the production of another product or is using Recycled Feedstock in the production of another product or soil amendment. Public Resources Code Section 26011.8(b)(2) defines Recycled Feedstock as materials that would otherwise be destined for disposal, having completed their intended end use and product lifecycle. Identify the Recycled Feedstock that is processed, and the product or soil amendment produced utilizing Recycled Feedstock, if applicable.

2. **Facility Status/Timeline:** Provide a description of the 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. Additional facility milestones can be included, as well.
3. **Required Permits/Timeline:** Provide a description of the needed permits and their current status, including expected dates permits will be received.
4. **Financing Sources/Timeline:** Provide a description of the status of funding sources and additional financing necessary for Facility completion. Include information for any sources of government financing, 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.



5. **Wage Information:** Provide the wage information requested below 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 | • 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.

If a wage category is not applicable, please state “Not Applicable”.

- a. Average wage of each classification of full-time employees proposed to be hired (for example, if the company will be employing engineers and the average wage for this classification is \$88,000, then the company would select the \$80,001–\$90,000 wage band).
- b. Minimum wage of each classification of full-time employees proposed to be hired.
- c. Average wage of each classification of full-time employees proposed not to be retained.

- e. Minimum wage of each classification of full-time employees proposed not to be retained.
  
  
  
  
  
  
  
  
  
  
- f. If any classification is being eliminated, provide an explanation of why the classification is being eliminated and if any existing employees in the classification will be retrained or reclassified.

(Application continues the following page)

## IV. Legal Status Questionnaire

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Legal Name of Applicant: \_\_\_\_\_

### 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

Please 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

(Application continues the following page)

## V. Trade Secrets and Confidential Information

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If elements of this Application (Part A and Part B) contain information the Applicant considers to be trade secret, confidential, privileged or otherwise exempt from disclosure under the Public Records Act (California Government Code Section 7920.000, et seq.), the Applicant shall assert a claim of exemption at the time of Application by identifying in an accompanying letter each of the items to be restricted.

The asserted claim shall indicate the specific information within the Application to which the claim is made (e.g., Box C4 of Part B, etc.). Upon receipt of a Public Records Act request for documents that may include information the Applicant has identified as trade secret; the Authority shall provide notice to the Applicant and provide the Applicant with three business days to provide the Authority with an explanation as to why the information is not subject to disclosure pursuant to the Public Records Act. The Authority shall consider the claim and the basis for the claim, however, retains the authority to make the final determination as to what information will be released under the Public Records Act. Applicants will be notified by the Authority prior to release of any such information.

If the Applicant chooses to assert such a claim, attach the claim to the Application.

Claim Attached  
None Claimed

(Application continues the following page)

## VI. Survey Questions

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To assist CAEATFA in better understanding the STE Program reach and impact, please answer the following (this information is not used in the scoring or evaluation process):

1. **How did the Applicant learn about the Sales and Use Tax Exclusion Program?**
  
2. **Did the Applicant meet at least one of the following size requirements, on average, over the past three years (check all that apply):**
  - a. 100 or fewer employees, including affiliates
  - b. Annual revenues of less than \$15 million, including affiliates
  - 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)
  - d. None apply

## VII. Demographic Survey

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This survey is strictly VOLUNTARY and will **not** be used in the scoring of the Application.

Pursuant to California Constitution, Article 1, Section 31, the State shall not discriminate against or grant preferential treatment to any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.

### **Minority<sup>7</sup>-Owned**

A business is considered "Minority-Owned" if at least 51% is owned by one or more minority individuals, and whose management and daily operations are controlled by one or more minority individuals.

Is the Applicant considered a "Minority-owned" business?

YES  
NO

### **Women-Owned**

A business is considered "Women-owned" business if at least 51% is owned by one or more women, and whose management and daily business operations are controlled by one or more women.

Is the Applicant considered a "Women-owned" business?

YES  
NO

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<sup>7</sup>Minority as defined in California Code of Regulations, Title 22, Division 1.8, Chapter 2, Section 7130

## VIII. Applicant Certification

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We, the undersigned, hereby submit an Application to the California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA” or the “Authority”) for the purpose of securing a sales and use tax exclusion as described herein and have reviewed the CAEATFA Act and submit this Application in compliance with the Act and the implementing regulations.

We agree it is our responsibility to e-mail an electronic version of a complete, signed Application to the email address indicated on the cover sheet, accompanied by one check payable to CAEATFA in the amount per the Application Fee calculation indicated in the regulations within five (5) business days of submitting the electronic Application. We understand that thorough and complete answers and accurate data and information are required. We understand that if additional space is required, each additional page will be clearly labeled.

We understand that CAEATFA may verify the information provided, analyze materials submitted, and request Application-related documentation as well as conduct its own investigation to evaluate the Application. We understand that we have a continuing duty to inform CAEATFA when any information in the Application or supplemental materials is no longer accurate and will immediately supply CAEATFA with updated information.

We have read and understand all Public Resource Code sections relevant to the CAEATFA Sales and Use Tax Exclusion Program. We acknowledge that CAEATFA suggests that we seek advice from legal counsel on matters related to taxation. We acknowledge that all materials and requirements are subject to change by enactment of State legislation.

We agree that if this Application for sales and use tax exclusion is approved by the Authority, the Applicant will enter into a Regulatory Agreement with the Authority. In carrying out the development and operation of the proposed Project, we agree to comply with and will remain in compliance with all applicable State laws and will abide by all CAEATFA Program and regulatory requirements during the term of the Regulatory Agreement. We 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.

We understand that at the time of the Authority’s approval of the Application, additional fees may be owed to CAEATFA. We represent that we have read the Program regulations regarding fees and all other Program requirements.

We agree to hold the Authority and its members, officers, agents, and employees harmless from any and all matters arising out of or related to our participation in the Sales and Use Tax Exclusion Program, including any action that ultimately results in the required payment of sales and use tax.

We acknowledge that the granting of a sales and use tax exclusion shall not be used by us as evidence of the opinion of, or approval by the Authority or any of its members, officers, agents or employees as to the financial or technical feasibility of the Project or Facility nor of the capabilities of the Applicant, any of its officers, members, agents or employees to finance, construct and operate the Project.

We declare under penalty of perjury that the information contained in the Application, exhibits, and attachments is true and correct to the best of the undersigned's knowledge and belief. We understand that misrepresentation may result in the rescission of the Authority's approval of the Application, and other actions, which the Authority is authorized to take. We understand that any further or supplemental information or documentation required to be provided shall be accompanied by a declaration under penalty of perjury that the supplemental information or documentation is true and correct to the best of the Applicant's knowledge and belief.

We acknowledge that we have a continuing duty to inform CAEATFA when any information in the Application or supplemental material is no longer accurate and immediately supply CAEATFA with updated information.

We acknowledge that any materials provided to CAEATFA may be considered public records subject to disclosure pursuant to the California Public Records Act (Government Code Sections 7920.000, et seq.).

We acknowledge that State Treasurer's Office (STO) and CAEATFA protocol requires Applicants (and their agents) refrain from advocating or inquiring about the evaluation process unless contacted by either agency. Please direct any necessary contact with the STO or CAEATFA exclusively to Program Manager, Xee Moua, at (916) 653-3303 or via email at [xmoua@sto.ca.gov](mailto:xmoua@sto.ca.gov), unless instructed otherwise by a member of STO or CAEATFA. Failure to adhere to this protocol may result in disqualification.

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Signature of Applicant's Senior Official

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Print or Type Name

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Title

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Date