



California State Treasurer Fiona Ma, CPA

# Press Release

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## Treasurer Ma Announces Sales Tax Exclusions to Retain and Create Jobs, Spur Growth, Fight Climate Change

**Sacramento** – State Treasurer Fiona Ma announced the approval of \$92 million in sales tax exclusions to companies that recycle plastic, generate biogas, produce renewable diesel fuel, make medical devices, create electric vehicle batteries and manufacture other products. The awards were approved Tuesday by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA), chaired by Treasurer Ma.

Of the sales tax exclusions awarded, \$87 million are for new projects, while approximately \$6 million went to a company that did not receive its full award last year. The new projects are estimated to create \$175 million in net fiscal and economic benefits, support 22,642 jobs and create 855 jobs. The economic benefits include generating additional taxes, while the environmental benefits come from reducing air pollutants and conserving energy and other natural resources.

With these awards, companies can buy the specific manufacturing equipment they need to launch, upgrade or expand their manufacturing capacity without paying sales tax on that equipment. To win this tax benefit, each project has to demonstrate that the anticipated fiscal and environmental benefits are greater than the foregone sales tax.

“This program rewards innovative manufacturers that retain and create jobs, generate taxes, and save energy in their own processes and, in many cases produce environmentally friendly products,” said Treasurer Ma. “It’s a highly effective economic development tool that gives incentives for companies to stay in California and also to do their part to fight climate change by reducing the emission of greenhouse gases.”

Below are several companies that received sales tax benefits:

**Aemetis Biogas** received an estimated \$1.15 million sales tax exclusion to use when it purchases up to \$13.5 million of equipment to add 15 additional dairies to its cluster of dairy biogas production facilities in Stanislaus County. Biogas will be captured, transmitted and turned into renewable natural gas. The natural gas will be sold as transportation fuel or injected into the Pacific Gas and Electric natural gas pipeline.

The estimated net benefit from the project is \$6.3 million. The project will support 5 production jobs and 26 construction jobs.

More information: <https://www.treasurer.ca.gov/caeatfa/meeting/2021/20210316/staff/4.G.8.pdf>

**QuantumScape Corporation** was awarded a sales tax exclusion of \$1.7 million to purchase up to \$20 million in equipment to expand its electric vehicle battery manufacturing facility in San Jose. According to the company, it will produce batteries that are capable of storing more energy per unit than the industry standard and can be produced using fewer raw materials, tools, energy and solvents.

The estimated net benefit from the project is \$340,145. The project will support 445 production jobs, create 37 production jobs, and support 20 construction jobs.

More information:

<https://www.treasurer.ca.gov/caeatfa/meeting/2021/20210316/staff/4.G.10.pdf>

**EDCO Disposal Corporation** has received a sales tax exclusion of \$1.2 million for the purchase of \$14.6 million of equipment to expand and improve its Lemon Grove materials recovery facility in San Diego County. New technologies in the expansion will provide more accurate sorting and screening to separate recyclable glass, aluminum and other plastics.

The estimated net benefit from the project is \$1.17 million. The project will support 89 production jobs, create 8 production jobs, and support 15 construction jobs.

More information: <https://www.treasurer.ca.gov/caeatfa/meeting/2021/20210316/staff/4.G.2.pdf>

For staff reports on the other projects that received sales tax exclusions:

<https://www.treasurer.ca.gov/caeatfa/meeting/2021/20210316/staff/index.asp>

CAEATFA was established to provide an alternative method of financing to reduce greenhouse gas emissions, encourage renewable energy, and create and retain jobs. The Sales and Use Tax Exclusion program was created by Senate Bill 71, sponsored by then State Senator Alex Padilla, which was approved by the Legislature in 2010.

Once approved, applicants have three years to purchase the approved equipment.

<https://www.treasurer.ca.gov/caeatfa/ste/index.asp>

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*Fiona Ma is California's 34th State Treasurer. She was elected on November 6, 2018 with more votes (7,825,587) than any other candidate for treasurer in the state's history. She is the first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer's Office was created in the California Constitution in 1849. It provides financing for schools, roads, housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world's fifth-largest economy and Treasurer Ma is the state's primary banker.*

*Her office processes more than \$2 trillion in payments within a typical year. She provides transparency and oversight for the government's investment portfolio and accounts, as well as for the state's surplus funds. Treasurer Ma oversees an investment portfolio of about \$125.4 billion, \$34.6 billion of which are local government funds. She serves as agent for sale for all State bonds, and is trustee on outstanding debt of \$93 billion.*

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