



# California State Treasurer's Office **NEWS RELEASE**

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## **State Treasurer Fiona Ma Announces Changes to Boost California's Semiconductor and Energy Storage Industries**

**SACRAMENTO** – State Treasurer Fiona Ma this week announced changes to California's Sales and Use Tax Exclusion (STE) program that will work to boost the state's development of the semiconductor and energy storage industries. The California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA), which Ma chairs as treasurer, modified its Emerging Strategic Industry (ESI) list to expand the parameters of two currently listed categories and add three new categories. This will support manufacturers that further California's advancement in meeting its economic and climate goals, along with assisting manufacturers to leverage other sources of state and federal funding.

CAEATFA administers the STE program, with goals of adding manufacturing jobs, creating technological innovations, and reducing the use of fossil fuels and greenhouse gas emissions as California transitions to zero-emission electricity generation.

"Expanding California's manufacturing base is more than just an investment in job creation—it's a commitment to building a resilient, forward-thinking economy that benefits all," said Treasurer Ma. "By fostering the growth of these critical industries, we position California as a trailblazer for the rest of the nation, showcasing how economic development and environmental responsibility can go hand in hand. This bold approach not only strengthens our state's competitiveness on the global stage but also accelerates our progress toward achieving our ambitious climate goals, creating a sustainable future for generations to come."

California companies may apply to CAEATFA to be exempt from paying sales and use taxes on the purchase of qualified tangible equipment to develop an innovative process, technology or product. Inclusion on the ESI list provides an STE applicant additional points in the primary and competitive scoring rounds.

The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. The current ESI list includes manufacturers of lithium compounds, geothermal steam, and lithium batteries. The list, which will be effective for the 2025 STE application, now includes NAICS codes for semiconductors, energy storage, and nanotechnology:

- Semiconductors – The State of California has supported the domestic semiconductor industry, and has awarded several CalCompetes income tax credit awards to semiconductor manufacturers.
- Electric Vehicle, Utility-Scale, and Home Energy Storage Technologies and Products – The development of EV batteries and stationary energy storage products provides California an opportunity to establish a domestic supply chain to produce batteries on a global scale. Energy storage is a key component of California’s goal to reach 100% renewable and zero-carbon energy for electric retail sales to end-use consumers and state agencies, with interim targets for zero-emission heavy-duty, medium-duty, and passenger vehicles.
- Leading-edge, current-generation, or mature-node semiconductors or components used in the semiconductor supply chain – The Biden-Harris Administration’s CHIPS for America funding opportunity offers \$50 billion nationally to revitalize the semiconductor industry. California was chosen to operate one of the country's three research & development facilities that will serve as the National Semiconductor Technology Center’s headquarters.

For the 2025 calendar year, CAEATFA is statutorily authorized \$100 million in STE to award to Recycled Resource Extraction, Advanced Transportation Technology, Alternative Source, and Advanced Manufacturing projects. The STE application for the 2025 awards is expected to be released on Friday, December 13, 2024, with a first-round application due date of Thursday, January 30, 2025.

More information regarding the STE application may be found at [www.treasurer.ca.gov/caeatfa/ste/application/index.asp](http://www.treasurer.ca.gov/caeatfa/ste/application/index.asp).

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*Fiona Ma is California’s 34th State Treasurer. She is the first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer’s Office provides financing for schools, roads, housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. Treasurer Ma serves as the state’s primary banker. Her office processes more than \$3 trillion in banking transactions annually, manages an investment portfolio that*

*currently averages over \$200 billion, and serves as agent of sale for all state bonds and is trustee of billions of dollars of state indebtedness.*

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