

California Partial Sales Tax Exemption for Construction and Tenant Improvements

Businesses engaged in manufacturing or R&D may also take a partial sales tax exemption when doing tenant or infrastructure improvements where the resulting improvement to real property is an integral part of the manufacturing, research process, or storage facility for use in connection with manufacturing processes. Firms will be charged the reduced sales tax rate of 5.5625% at the time of purchase.

SCV Manufacturers will use BOE FORM 230-MC when working with Contractors or construction personnel to document sales tax exemption.

