

California Partial Sales & Use Tax (1525.4) Exemption

Eligibility Matrix

Item	Eligible	Not Eligible
Stand-alone equipment and machinery that has an acquisition cost of \$5,000 or more ¹ to be used more than 50% of the time for research and development in biotechnology or in the physical, engineering and life sciences.	✓	
Fabricated components of equipment or machinery ² to be used more than 50% of the time for research and development in biotechnology or in the physical, engineering and life sciences.	✓	
Equipment or devices used to operate or maintain the equipment and machinery. ³	✓	
Other tangible goods that do not meet Caltech's definition of equipment or equipment fabrication.		✓
P-Card purchases.		✓
Any form of services.		✓
Supplies (general office, general laboratory, or shop equipment, anything not specifically purchased for the exemption purpose).		✓
Consumables with a useful life of less than one year.		✓
Property used primarily in administration, general management, or marketing.		✓
Property that will be removed from California within one year of the date of purchase or lease.		✓
Any property converted or used in a manner that does not qualify for the exemption.		✓

¹ Caltech's equipment and machinery policy:

<https://finance.caltech.edu/PropertyServices/PolicesandProcedures/EquipmentThreshold>

² Caltech's equipment fabrication policy:

http://finance.caltech.edu/documents/435-equipment_fabrication_policy_final_feb_17_2016.pdf

³ Equipment and devices (including, but not limited to, computers, data processing equipment and computer software) must be used more than 50% of the time for research and development in biotechnology or in the physical, engineering and life sciences. Must also meet Caltech's definition of equipment or be included in an equipment fabrication.