

California Incentives for the Life Sciences Sector

The Governor's Office of Business and Economic Development (GO-Biz) serves as California's leader for job growth and economic development efforts. GO-Biz created the California Business Portal [LINK](#) listing a variety of incentive and financing programs to encourage business development in California. Incentives available to Biotech and Advanced Manufactures are listed below.

Sales and Use Tax Exemption for Manufacturing [LINK](#)

The California Department of Tax and Fee Administration administers a partial exemption of sales and use tax on certain manufacturing and research and development equipment purchases and leases.

California Competes Tax Credit [LINK](#)

The California Competes Tax Credit is an income tax credit available to businesses that want to come to California or stay and grow in California. Tax credit agreements are negotiated by GO-Biz and approved by a statutorily created "California Competes Tax Credit Committee," consisting of the State Treasurer, the Director of the Department of Finance, the Director of GO-Biz, and one appointee each by the Speaker of the Assembly and Senate Committee on Rules.

CAL ETP (California Employee Training Panel) [LINK](#)

ETP is a business and labor supported state agency that funds the costs of vocational training. ETP is governed by an 8 member Panel. ETP is funded by a tax on employers, collected alongside the Unemployment Insurance tax. ETP receives no General Fund support.

Research & Development Tax Credit [LINK](#)

A business may qualify for an income tax credit if it paid for or incurred qualified research expenses while conducting qualified research activity in California. Qualified research expenses include wages, supplies, and contract research costs.

Advanced Transportation and Manufacturing Sales and Use Tax Exemption [LINK](#)

The California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) offers a full-sales and use tax exclusion to advanced manufacturers that promote alternative energy and advanced transportation. This sales tax exclusion would replace the partial exemption listed above.

California Sustainable Energy Entrepreneur Development (CalSEED) Initiative [LINK](#)

Provides small grant funding for entrepreneurs and researchers to demonstrate concept feasibility of their new clean energy technology ideas.

California Infrastructure and Economic Development Bank (IBank) CLEEN Center [LINK](#)

The IBank established the California Lending for Energy and Environmental Needs (CLEEN) Center to offer financing to public agencies and non-profit corporations to help achieve the State's greenhouse gas reduction goals and increase market confidence in green investing.

California New Employment Credit [LINK](#)

The New Employment Credit (NEC) is a California income tax credit. To obtain a credit a qualified taxpayer must hire a qualified full-time employee on or after January 1, 2014 and pay qualified wages attributable to work performed by the qualified full-time employee in a Designated Geographic Area (DGA), and receive a Tentative Credit Reservation (TCR) from the Franchise Tax Board (within 30 days of complying with the EDD new hire reporting requirement) for that qualified full-time employee.

Links to City Incentives for Biotech Industry/Manufacturers

- [South San Francisco](#)
- [San Francisco](#)
- [San Diego](#)
- [Los Angeles](#)
- [Irvine](#)
- [Sacramento](#)
- [Vacaville](#)

Interested in learning more? Contact Manny Heer on CLSA's Advocacy Team: mheer@califsciences.org.



California Life Sciences Association (CLSA) is the trade association representing California's life sciences industry. CLSA advances California's world-leading life sciences innovation ecosystem by advocating for effective national, state and local public policies and supporting entrepreneurs and life sciences businesses. califsciences.org | @CALifeSciences