

# THE USE TAX INCENTIVE PROGRAM

#whysj

PROGRAM MANAGER

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/ The Use Tax Incentive Program allows companies to receive a rebate on a portion of Use Tax applicable to out-of-state taxable transactions destined for use in the City of San Jose. The California State Board of Equalization allocates Use Tax from out-of-state purchases into tax pools rather than to the City where the purchase will reside. Working in partnership with the City, participating companies can allocate these purchases and the associated Use Tax directly to San Jose and then receive a 20–30% cash rebate by the City.



## 20–30% Use Tax Rebate

through innovative Use Tax share program benefits companies and the City

### Use Tax Incentive Program

- / Reduces a company's tax liability in terms of allocation errors from third party vendors.
- / Supports City services without increasing additional tax liabilities to companies.
- / Provides opportunities for companies to be recognized for contributions to San Jose.

### Program Process

- / Company enrolls in program before purchase of subject equipment or machinery.
- / Company remits Use Tax to the State of California through Direct Pay Permit or Sub-Seller's Permit with assistance from the City of San Jose.
- / City rebates 45 days after the close of the reporting quarter once verification of the Use Tax has been reported to California State Board of Equalization.

