

## PROGRAM BENEFITS

- Your liability in terms of allocation errors from 3rd party vendors is reduced.
- You enhance City of Stockton revenues without additional tax liabilities.
- You are compensated for undertaking the application process.
- Provides you the opportunity to publicly recognize the important contributions you make to the Stockton community.

For more information and to obtain an application, contact:

**City of Stockton**  
**Economic Development Department**  
425 N. El Dorado Street, 3rd Floor  
Stockton, CA 95202

Phone: (209) 937-8539 • Fax: (209) 937-5099  
economic.development@stocktongov.com

For assistance locating available properties visit:  
[www.AdvantageStockton.com](http://www.AdvantageStockton.com)



[www.stocktongov.com](http://www.stocktongov.com)



Use Tax  
Business Incentive  
Rebate Program

## PROGRAM

**The Use Tax Business Incentive Program** provides a rebate to Stockton businesses that purchase equipment, materials, and fixtures from outside of California. When necessary forms and program requirements are met, the business can receive a rebate of up to 25% of Net New Use Tax received by the City of Stockton.

## ELIGIBILITY REQUIREMENTS

- Any person doing business within Stockton city limits.
- Purchases made outside of California that exceed \$500,000 or construction projects over \$5 million.
- Person/Business submits application to the City of Stockton's Economic Development Department.
- Person/Business obtains a State of California Use Tax Direct Payment Permit or a Sub Sellers Permit.
- The City of Stockton is identified in the Permit as the jurisdiction in which the item(s) will have their first functional use or where they will be consumed or stored.

This rebate program is designed to reward Stockton businesses with incentive rebates, as well as allocate additional funding from Use Tax to the City of Stockton, both of which stimulate our local economy. There is no cost to participate in the program nor will a business pay more tax than they would normally.

The City will determine a baseline of use tax received from a business by the selecting the highest amount of use tax received from that taxpayer over a three-year period from the time of application submittal. The rebate will be paid to the business bi-annually based on 15% of the net new use tax received up to \$200,000. The City will adjust the rebate percentage after four consecutive quarters, if warranted.

## REBATE EXAMPLE

Purchase Price of "Widget"	\$5,000,000
City of Stockton's share (1% tax)	\$50,000
Amount rebated to Company Based on a 15% rebate (see chart below)	\$7,500

Participating businesses are to submit an application to the City of Stockton 45 days after close of the State's reporting quarter. City staff will verify the claim to ensure the California State Board of Equalization has received the use tax allocation. Upon verification, the City will process the appropriate rebate to the business based on the following tiers:

Net New Use Tax Received by the City of Stockton (based on 4 consecutive quarters)	Rebate Percentage
Tier 1: \$0 - \$200,000	15%
Tier 2: \$200,001 - \$500,000	20%
Tier 3: \$500,001 and greater	25%

