



City of Glendora | City Hall

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August 29, 2022

Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

**SUBJECT: ASSEMBLY BILL 1951 (GRAYSON) – SALES AND USE TAX: EXEMPTIONS:
MANUFACTURING – VETO REQUEST (AS AMENDED AUGUST 1, 2022)**

Dear Governor Newsom:

The City of Glendora respectfully requests your veto of Assembly Bill (AB) 1951 (Grayson) which provides manufacturing companies a full sales tax exemption on new equipment for the next five years, including any local voter-approved transaction and use taxes. This measure cuts local budgets by over \$2 billion, including direct cuts to behavioral health programs in the middle of a behavioral health and homelessness crisis.

Under existing law, manufacturers may receive an exemption for the state share of the sales tax, so they already pay less sales tax than other businesses. Manufacturers can also receive full exemptions for equipment that does not replace jobs and helps build California's green economy, through the state's California Alternative Energy and Advanced Transportation Financing Authority.

While we support California's manufacturing industry, the City of Glendora can ill-afford any additional erosion of its sales and use tax revenues in the short or long-term. This bill will impact Glendora's ability to support unhoused residents and improve housing affordability, transportation, and public safety.

For these reasons, the City of Glendora respectfully requests your veto of AB 1951.

Sincerely,

Karen Davis
Mayor

cc: Honorable Timothy S. Grayson, Assemblymember
Honorable Anthony Portantino, Senator
Honorable Blanca Rubio Assemblymember
Angela Pontes, Deputy Legislative Secretary, Office of Governor Newsom
Ronda Paschal, Deputy Legislative Secretary, Office of Governor Newsom
Glendora City Council