



California Metals Coalition

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To: State Senator Elaine Alquist (D)
Fax Number: 916-324-0283

To: Assemblymember Anna Caballero
Fax Number: 916-319-2128

RE: Support AB 829 & SB 699; Sales and Use Tax Exemption for Manufacturers

The **California Metals Coalition (CMC)** was established in 1972 and today represents over 200 metalworking corporations and 7 regional metalworking trade organizations—employing over 25,000 Californians with living-wage manufacturing jobs and benefits.

California's metalworking industry is arguably the world's leader for **efficient, clean, and safe metal manufacturing**. When compared to manufacturing facilities around the world, California is often the place to find the most technologically advanced, and environmentally conscious metal manufacturers.

The metalworking industry is the **world's oldest and largest recyclers**. California metalworking companies recycle millions of tons of metal that would otherwise end up in landfills. Instead, metals are recycled and manufactured into the components that fly our planes, housings that spin renewable-energy windmills, medical devices that keep our families safe, and defense items that guard our troops.

CMC strongly supports AB 829 (Caballero) and SB 699 (Alquist), which is intended to exempt California taxpayers from the state portion of the sales tax on purchases of qualified manufacturing, and research & development equipment. A healthy and stable economy for California is one that relies on production rather than just services and consumption occurring in the state. A new and improved tax treatment for manufacturing and R&D investments will send a strong message that California is able to maintain fair and stable tax policies and to make the state more business-friendly even during difficult economic times.

Metalworking businesses are under extreme pressure from customers to keep our prices low. AB 829 and SB 699 not only incentivize companies to invest, but also allow them to stay cost competitive in an ever-increasing global market. Thank you for introducing this important legislation and you have CMC's support.

Most Sincerely,


James Simonelli
Executive Director