



Sales and Use Tax Exclusion (STE) Program Emerging Strategic Industries List¹

Updated: April 3, 2026

Product ²	NAICS	Effective Date
Lithium compounds	325180	January 1, 2022
Geothermal steam	221330	January 1, 2022
Batteries for electric vehicles, home and commercial energy storage, or grid scale energy storage ³	335911, 335912	January 1, 2025
Leading-edge, current-generation, or mature-node semiconductors or components used in the semiconductor supply chain ⁴	334413	January 1, 2025
Semiconductor manufacturing equipment	333242	January 1, 2025
Medical devices and instrumentation	325413, 334510, 334516, 334517, 339112	April 1, 2026
Pharmaceuticals and biotechnology products	325412, 325414	April 1, 2026
Components or subsystems for low or zero-emission maritime propulsion or other energy efficiency related systems	336611	April 1, 2026

*Please note that Applicants must also meet the basic eligibility requirements outlined for Alternative Source, Advanced Transportation, Recycled Feedstock, or Advanced Manufacturing **and** meet the minimum points threshold as outlined here in [the California Code of Regulations Title 4, Division 13. Article 2.](#)

¹ California Code of Regulations Title 4, Division 13, Section 10031(m)

² **Not all facilities with a corresponding NAICS codes may be eligible. For example, battery makers for consumer electronics that do not reduce greenhouse gas emissions, or medical technology companies whose products are not considered cutting-edge or emerging, will not qualify. An Emerging Strategic Industry is one identified by the Executive Director as having potential significant impact on the State's environmental goals or economy and advancing the purposes of the STE Program.**

³ Could include technologies to store heat to offset use of fossil fuels, convert heat stored in batteries to electricity (e.g. thermophotovoltaics) and EV, hybrid and plug-in hybrid vehicles, and stationary batteries, including lithium, sodium-ion, iron-air, or other emerging battery technologies.

⁴ Semiconductor means an integrated electronic device or system most commonly manufactured using materials such as, but not limited to, silicon, silicon carbide, or III-V compounds, and processes such as, but not limited to, lithography, deposition, and etching.