

Aerospace Industry B&O Tax Credits for Aerospace Product Development Expenditures

Effective December 1, 2003, there is a B&O tax credit equal to 1.5% of qualified aerospace product development expenditures used in the manufacturing of commercial airplanes or component parts of commercial airplanes by manufacturers and processors for hire of commercial airplanes or component parts of commercial airplanes.

- This credit can accrue for expenditures made on and after January 1, 2008, through December 31, 2008.
- When filing your December 2008 excise tax return, you must complete this form using the actual amounts of expenditures, tax, and credits.
- The credit should be reported under the Credits section of the excise tax return for periods starting January 1, 2008.
- The credit cannot exceed B&O taxes due for any reporting period.
- Unused credit accrued from January 1, 2008, through December 31, 2008, may not be carried forward.

New Credit: Effective July 1, 2008, there is a B&O tax credit equal to 1.5% of qualified aerospace product development expenditures incurred by tooling manufacturers that manufacture and sell tooling specifically designed for use in manufacturing commercial airplanes and component parts of commercial airplanes. This form must be completed each time the credit is taken. The form can be found within E-file on the “credits” page. Any unused credit accrued after July 1, 2008, cannot be carried over beyond the calendar year in which the qualifying expenditures are incurred.

- Credit may not be claimed for expenditures for which a credit is claimed under RCW 82.04.4452 (High Technology Research and Development B&O Tax).
- Pre-approval is not required from the Department of Revenue to use the credit, but this form must be filed when the credit is taken.
 - E-filers: Mail your signed form to:

Taxpayer Account Administration
PO Box 47476
Olympia, WA 98504-7476
 - Paper Filers: Attach this form to your Department of Revenue Combined Excise Tax Return. Don't forget to make a copy for your records.
- You must also file an annual report by March 31 of the following year.

For tax assistance, visit dor.wa.gov or call (360) 902-7175. To inquire about the availability of this form in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.