



## **Aerospace Industry B&O Tax Credits for Preproduction Development Expenditures**

Effective December 1, 2003, there is a B&O tax credit equal to 1.5% of qualified preproduction 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 December 1, 2003, through June 30, 2005.
- The credit should be reported under the Credits section of the Excise Tax Return for periods starting July 1, 2005.
- The credit cannot exceed B&O taxes due for any reporting period.
- Unused credit accrued from December 1, 2003, through June 30, 2005, may be carried forward until used.
- 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 affidavit must be filed when credit is taken.
  - E-filers: Mail your signed affidavit to:  
Taxpayer Account Administration  
PO Box 47476  
Olympia, WA 98504-7476
  - Paper filers: Attach this affidavit to your Department of revenue Excise Tax Return. Don't forget to make a copy for your records.
- You must also file an annual report.