

2005 Annual Survey for Tax Deferral Program for High Technology Businesses, Tax Deferral Program for Investment Projects in Rural Counties, and Fresh Fruit and Vegetable Processors

Department of Revenue Taxpayer Reporting Account Number _____ - _____ - _____			
Name of Business as Registered		Contact Person	
Mailing Address – Street	City	State	Zip Code
Phone Number ()	Employment Security Reference Number (s)		
UBI Number used with Department of Employment Security (if differs from DOR Taxpayer Reporting Account Number) _____ - _____ - _____	Tax Incentive taken (check all boxes that apply): <input type="checkbox"/> High-Tech Deferral (Chapter 82.63 RCW) <input type="checkbox"/> Rural Deferral (Chapter 82.60 RCW) <input type="checkbox"/> Fruit and Vegetable Processors		

You must file this survey with the Department of Revenue by **March 31, 2006**.

If a person has taken the High Technology B&O Tax Credit, the person must file their annual survey electronically. The survey is not filed until received by the department in an electronic format.

If a deferral recipient fails to file a survey by March 31, 2006, the Department must, pursuant to law, declare 12.5% of the total deferred taxes to be immediately due and payable.

A person taking the Tax Exemption for Fruit and Vegetable Processors for the first time must submit two annual surveys. One survey covers calendar year 2004 and the second survey covers calendar year 2005. If a person fails to submit both annual surveys by March 31st, the department must, pursuant to law, declare the amount of taxes exempted for the previous calendar year to be immediately due and payable. The amount of taxes due shall be calculated using a rate of 0.138 percent.

If you have any questions on completion of this survey, or for help with electronic filing, please call the Special Programs division at (360) 570-3265 and press 6, then 3.

You are required to make a good faith effort to substantially respond to all survey questions. If a question does not apply to your business, answer the question using zero (0). Please do not use "various" or "please contact for further information" to respond to questions.

This survey is confidential under provisions of RCW 82.32.330. However, information on the amount of tax incentive taken is not subject to the confidentiality provisions of RCW 82.32.330 and may be disclosed to the public upon request.

Questions About Amount of Tax Incentive Taken

1a. High Technology Business and Occupation Tax Credit (RCW 82.04.4452):
\$ _____ amount of credit claimed for calendar year 2005
If this credit is assigned, who is it assigned from? Company name _____
Assignor's Tax Reporting Account Number _____

1b. Tax Deferrals for Investment Projects in Rural Counties (Chapter 82.60 RCW):
\$ _____ amount of tax deferral taken for the investment project
If you are a lessee, who is your lessor? Company name _____
Lessor's Tax Reporting Account Number _____

1c. Tax Deferrals for High Technology Businesses (Chapter 82.63 RCW):
\$ _____ amount of tax deferral taken for the investment project
If you are a lessee, who is your lessor? Company name _____
Lessor's Tax Reporting Account Number _____

1d. B&O tax exemption for persons engaged in the business of canning, preserving, freezing, processing, or dehydrating fresh fruits and vegetables (RCW 82.04.4266):
\$ _____ amount of exempted B&O tax
\$ _____ amount of B&O tax paid at the rate of .00138

2. For persons taking the High Technology Business and Occupation Tax Credit:

2a. What was the amount of qualified research and development expenditures during calendar year 2005
\$ _____

2b. What was the total B&O taxable amount (gross B&O amount minus deductions) reported on the person's Excise Tax Return(s) during the year in which the High Technology B&O Tax Credit is claimed, less any taxable amount for which a credit is allowed under the Multiple Activities Tax Credit (MATC):?
\$ _____

Questions About Employment

3. What was the total number of employment positions in Washington State on December 31, 2005? _____
Of the total number of employment positions, what percentage are:
Full-time: _____ %
Part-time: _____ %
Temporary: _____ %

4. Complete the following table to reflect the total number of employment positions in Washington State on December 31, 2005 and the number of those employment positions that have employer-provided medical, dental and retirement benefits on December 31, 2005 by wage band:

WAGE BANDS	Total Number of Employment Positions	Total Enrolled in Medical Plan(s)	Total Enrolled in Dental Plan(s)	Total Enrolled in Retirement Plan(s)
Less than \$30,000				
\$30,000 - \$59,999				
\$60,000 or more				

5. What was the total number of persons obtained through temporary staffing firms? _____
6. Of the total in question 5, what were the top 3 occupations hired? _____
7. What was the average duration of temporary employees reported in question 5?
 0 - 30 days 31 - 60 days 61 - 90 days 91 days - 1 year over 1 year
8. What was the total number of people employed by your company worldwide, on December 31, 2005 (including Washington State employment)? _____
9. What percent of your total employment was in research and development (R&D) on December 31, 2005?
 _____ % of total employment working in research and development in Washington State
 _____ % of total employment working in research and development worldwide (including Washington)
10. How many new employment positions were created in your firm in Washington State during calendar year 2005?
 _____ Number of new positions created last year in Washington State
11. What percent of the new Washington employment positions created during calendar year 2005 were filled, at the time of hire, by residents of Washington State?
 _____ % of all new positions filled by Washington residents
12. Has your firm moved any activity from out of state into Washington State, or expanded or built a new facility in Washington State, during calendar year 2005?
 _____ YES, moved an activity from out of state
 _____ YES, expanded a facility
 _____ YES, built a new facility
 If NO, **SKIP TO QUESTION 15**
13. How many employees did your firm add to these activities or facilities? (If none, write in "0".)
 Moved _____ Number of research employees moved into Washington State
 _____ Number of manufacturing employees moved into Washington State
 _____ Number of distribution employees moved into Washington State
 _____ Number of administrative employees moved into Washington State

Expanded _____ Number of research employees added in expansion in Washington State
 _____ Number of manufacturing employees added in expansion in Washington State
 _____ Number of distribution employees added in expansion in Washington State
 _____ Number of administrative employees added in expansion in Washington State

New _____ Number of research employees for new facility in Washington State
 _____ Number of manufacturing employees for new facility in Washington State
 _____ Number of distribution employees for new facility in Washington State
 _____ Number of administrative employees for new facility in Washington State

14. What percent of the employees from question 13 were residents of Washington State at the time of hiring?
 _____ % employees who were Washington residents

15. Has your firm moved any Washington activities out of Washington State during calendar year 2005?
 _____ YES, moved activities to an out of state location
 If NO, **SKIP TO QUESTION 17**

16. How many employment positions were moved out of Washington State?
 _____ Number of research employees moved out of Washington State
 _____ Number of manufacturing employees moved out of Washington State
 _____ Number of distribution employees moved out of Washington State
 _____ Number of administrative employees moved out of Washington State

17. If you received a deferral for an investment project, state the total number of employment positions located at the investment project by deferral certificate number. Include only operationally complete projects that still have part of their eight year use requirements left. (If necessary, attach an additional page to respond to this question)

Certificate number _____ Total number of employment positions _____
 Certificate number _____ Total number of employment positions _____
 Certificate number _____ Total number of employment positions _____
 Certificate number _____ Total number of employment positions _____

18. For persons taking the B&O tax exemption for canning, preserving, freezing, processing, or dehydrating fresh fruits and vegetables complete the following chart:

	ESD Q1 Report	ESD Q2 Report	ESD Q3 Report	ESD Q4 Report
Total Employment				
Average Hourly Wage Paid to Season/Temporary Employees				

Questions About Patents, Trademarks and Copyrights

19. What was the number of United States patents your firm received during calendar year 2005 associated with new (or potential) products that resulted from research and development for which you received a tax credit or deferral (at any time)?

- _____ Advanced Computing
- _____ Advanced Materials
- _____ Biotechnology
- _____ Electronic Device Technology
- _____ Environmental Technology
- _____ Other areas (describe) _____

20. List the United States patent registration numbers for patents received in calendar year 2005. (If necessary, attach an additional page to respond to this question)

_____	_____
_____	_____
_____	_____

21. How many United States trademarks were registered by your firm during calendar year 2005 by category?

- _____ Advanced Computing
- _____ Advanced Materials
- _____ Biotechnology
- _____ Electronic Device Technology
- _____ Environmental Technology
- _____ Other areas (describe) _____

22. What was the number of United States copyrights that were issued to your firm during calendar year 2005 by category?

- _____ Advanced Computing
- _____ Advanced Materials
- _____ Biotechnology
- _____ Electronic Device Technology
- _____ Environmental Technology
- _____ Other areas (describe) _____

23. Of United States copyrights reported in question 22, which Federal Copyright classifications were they in?

- _____ Literary works
- _____ Visual Arts
- _____ Performing Arts
- _____ Sound Recording
- _____ Mask Works
- _____ Serials & Periodicals
- _____ Other areas (describe) _____

Questions About Your Business Activities

24. For persons taking the High Technology B&O Tax Credit or the Tax Deferral for High Technology Business, what percentage of your research and development performed in this state during calendar year 2005 were in the following areas:

- _____ % Advanced Computing
- _____ % Advanced Materials
- _____ % Biotechnology
- _____ % Electronic Device Technology
- _____ % Environmental Technology
- _____ Other areas (describe) _____

25. For persons taking the Tax Deferral for Investment Projects in Rural Counties describe the products manufactured at the investment project site during calendar year 2005:

26. For persons taking the B&O tax exemption for canning, preserving, freezing, processing, or dehydrating fresh fruits and vegetables, describe the products sold for which the exemption was claimed during calendar year 2005.

27. Did the research and development for which your firm received (at any time) a tax credit or a deferral result in a new product, new service, new process, new project or support an on-going project during calendar year 2005? If yes, how many?

CLASSIFICATION	New Products	New Services	New Processes	New Projects	On-going Projects
Advanced Computing					
Advanced Materials					
Biotechnology					
Electronic Device Technology					
Environmental Technology					
Other area (describe)					

28. What percentage of all numbers reported in question 27 were produced or distributed during 2005 by your firm's Washington State based employees?

_____ %

If 100% SKIP TO QUESTION 30.

29. What percent of all numbers reported in question 27 were produced or distributed during 2005 by other firms in Washington State?

_____ % contracted work done in Washington State

30. Since your firm first became involved in the High Technology Research and Development Business and Occupation (B&O) Tax Credit (RCW 82.04.4452), Deferral Programs (Chapters 82.60 and 82.63 RCW), or Fruit & Vegetable Processing B&O tax exemption (RCW 82.04.4466) has your firm ever purchased manufacturing machinery and equipment tax exempt under the Manufacturing Machinery and Equipment Exemption (RCW 82.08.02565 and 82.12.02565)?

_____ If YES, please answer questions 31 and 32.

_____ **If NO, SKIP TO QUESTION 33**

31. During calendar year 2005, what would you estimate is the retail value of the machinery and equipment that your firm did not pay sales or use tax on because of this exemption?

\$ _____ retail value

32. Approximately what percent of the exempt equipment acquired during calendar year 2005 was used more than half the time for research and development?

_____ % used for research and development

33. For persons taking the High Technology B&O Tax Credit or Tax Deferrals for High Technology, what would you estimate to be the retail value of sales made during calendar year 2005 of all new products, services, or processes that resulted from the credit or deferral programs, since you began using the credit or deferral, including sales made by your firm and through other firms? _____

34. Has your firm acquired or merged with another company during calendar year 2005 that previously claimed the High Technology Tax Credit or received a tax deferral? Has your company reorganized during calendar year 2005? If you answer yes to either question, please provide the company name(s) and taxpayer reporting account number(s). (If necessary, attach an additional page to respond to this question).

a. Company Name _____

Taxpayer Reporting Account Number _____

b. Company Name _____

Taxpayer Reporting Account Number _____

c. Company Name _____

Taxpayer Reporting Account Number _____

d. Company Name _____

Taxpayer Reporting Account Number _____

e. Company Name _____

Taxpayer Reporting Account Number _____

Comments:

Instructions for Filing Report

An annual survey must be completed and filed by March 31, 2006 by each person who participated in the following programs during calendar year 2005:

Rural County Sales & Use Tax Deferral/Waiver program	Chapter 82.60 RCW
High Technology Sales & Use Tax Deferral/Waiver program	Chapter 82.63 RCW
Tax Exemptions for Fruit and Vegetable Businesses	RCW 82.04.4266

A person is participating in a deferral program if the investment project is operationally complete and person has any deferred taxes yet to be waived. If the economic benefits of a deferral are passed to a lessee, the lessee must complete the annual survey and the lessor is not required to complete the annual survey.

If a deferral recipient fails to file a survey by March 31, the Department must, pursuant to law, declare 12.5% of the total deferred taxes to be immediately due and payable.

A person taking the Tax Exemption for Fruit and Vegetable Processors for the first time must submit two annual surveys. One survey covers calendar year 2004, and the second survey covers calendar year 2005. If a person fails to submit both annual surveys by March 31st, the department must, pursuant to law, declare the amount of taxes exempted for the previous calendar year to be immediately due and payable. The amount of taxes due shall be calculated using a rate of 0.138 percent.

If you are not filing the report electronically, you must either mail or fax reports to the Special Programs Division at the address or fax number shown below:

Department of Revenue
Special Programs Division
Post Office Box 47477
Olympia, WA 98504-7477
Fax: 360-586-2163

Instructions for Completing Report

Company Information

It is important that you state all of the company information requested at the beginning of the report.

Department of Revenue Taxpayer Reporting Account Number: State the company's Department of Revenue Taxpayer Reporting Account Number. This number is available from your Excise Tax Return.

Name of Business as Registered /Contact Person: State the name of the business as registered with the Department of Revenue and the name of a person we may contact if we have any questions.

Mailing Address. State the mailing address we should mail this form to each year.

Phone Number. State the phone number of the contact person named above.

Employment Security Department Reference Number: State all Employment Security Department (ESD) Reference numbers used on ESD Quarterly Tax Reports you use to report unemployment insurance taxes. This number can be found on line 6 of the ESD Quarterly Tax Report (Form 5208A).

Employment Security Department UBI Number: State the company's Employment Security Department Unified Business Identifier (UBI) number. If you do not have a Washington State Employment Security UBI number you should write N/A on this line.

Tax Incentive Taken. Check the applicable box(es).

Questions About Amount of Tax Incentive Taken

- 1a.** State the total amount of the High Technology B&O Tax Credit claimed on your Excise Tax Return(s) during calendar year 2005. If a credit was assigned, in whole or part, from another taxpayer, state the taxpayer's name and tax reporting account number (TRA) as registered with DOR.
- 1b.** State the total amount of tax deferred for all investment projects in rural counties that have not met all program requirements, and currently have deferred tax yet to be waived. Do not include tax deferrals that have been completely waived because all program requirements have been met. If you are a lessee who has received the benefit of a tax deferral from a lessor, state the lessor's name and tax reporting account number as registered with the DOR.

- 1c.** State the total amount of tax deferred for all investment projects for high technology businesses that have not met all program requirements, and currently have deferred tax yet to be waived. Do not include tax deferrals that have been completely waived because all program requirements have been met. If you are a lessee who has received the benefit of a tax deferral from a lessor, state the lessor's name and tax reporting account number (TRA) as registered with the DOR.
- 1d.** For persons claiming the Fruit and Vegetable Processing Tax Exemption filling out the 2005 survey, state the total amount of tax exempted for July 1 through December 31 that you would have otherwise had to pay in the first blank. (Gross income from fruit and vegetable processing for July 1 through December 31, 2005 x .00138.) Then, fill out the total amount of B&O tax paid from January 1 through June 30, 2005 in the second blank. (Gross income from fruit and vegetable processing for January 1 through June 30, 2005 x .00138.) For the 2004 survey, enter "0" for the first blank, then state the total amount of B&O tax paid in 2004 in the second blank. (Gross income from fruit and vegetable processing for January 1 through December 31, 2004 x .00138.)
- 2a.** For persons who have claimed the High Technology B&O Tax Credit, state the total amount of research and development spending for the calendar year. This includes operating expenses such as wages and benefits, supplies, and computer expenses directly incurred in qualified research and development. Do not include capital costs and overhead.
- 2b.** Persons who have claimed the High Technology B&O Tax Credit need to report the gross income and value of products subject to B&O tax reported on the Excise Tax Return during the 2005 calendar year, excluding any credit taken for the Multiple Activities Tax Credit (MATC).

Questions About Employment

- 3.** State the total number of employees employed by your company in Washington State on December 31, 2005.
A person may use their fourth quarter wage and hour report filed with the Employment Security Department to complete the questions regarding employment.
State the percentage of those employees that are employed in full-time, part-time, and temporary employment positions. In order for a position to be treated as full-time or part-time, the employer must intend for the position to be filled for at least 52 consecutive weeks or 12 consecutive months, excluding any leaves of absence. A full-time position is a position that requires the employee to work, excluding overtime hours, 35 hours per week for 52 consecutive weeks, 455 hours a quarter, or 1,820 hours during a period of 12 consecutive months. A part-time position is a position in which the employee may work less than the hours required for a full-time position. A temporary position is a position that is intended to be filled for period of less than 52 consecutive weeks or 12 consecutive months. Positions in seasonal employment are temporary positions.
- 4.** Of the total number of employment positions stated in question **3**, state the total number of employees enrolled in medical plans, dental plans, and retirement plans provided by your company according to three wage bands (less than \$30,000, \$30,000 to \$59,999, \$60,000 or more). Wages means compensation paid to an individual for personal services, whether denominated as wages, salary, commission, or otherwise as reported on the W-2 forms of employees. Stock options granted as compensation to employees are wages to the extent they are reported on the W-2 forms of the employees and are taken as a deduction for federal income tax purposes by the employer
- 5.** Report persons working for your firm that you obtained through temporary staffing firms for the year ending December 31, 2005.
- 6.** Report the top 3 occupations you hired from temporary staffing firms.
- 7.** For the persons obtained through temporary staffing firms reported in question 5, report the average duration of their employment at your business for the year ending December 31, 2005. If the duration exceeds one year, chose the box title "over 1 year"
- 8.** How many people are employed worldwide, including Washington State employees.
- 9.** Of the total number of employees stated in question **8**, what percentage work in research and development in Washington State and what percentage work in research and development worldwide (including Washington State employees).
- 10.** State the total number of new employment positions that were created in Washington State during calendar year 2005.
- 11.** Of the total number of new employment positions stated in question **10**, what percentage were Washington State residents.
- 12.** Has your firm moved any activities into Washington State, or expanded or built a new facility in Washington State during calendar year 2005? Answer all statements that apply.
- 13.** State the number of employees in each category for each statement checked "yes" in question **12**.

14. State the percentage of all employees in question 13 that were Washington State residents.
15. Did your firm move any activities out of Washington State during calendar year 2005? Check the statement if the answer is yes.
16. If you reported that you moved any activities out of Washington State in question 15, state the number of employees in each category that relocated out of the state because the activity moved.
17. If you were approved for a deferral that is operationally complete, state the deferral certificate number(s) and total number of employees associated with each certificate.
18. If you are claiming the Tax Exemption for Fruit and Vegetable Processing, state the number of employees reported in your firm's quarterly wage and hour reports to the Employment Security Department and the average wage paid to temporary and seasonal employees per quarter.

Questions About Patents, Trademarks, and Copyrights

19. State the number of United States patents, for which your business received during calendar year 2005 that were associated with new or potential products resulting from research and development, for which a deferral or credit was received at any time. See RCW 82.63.010 for definitions of the various categories.
20. List the United States patent registration numbers for the patents received in 2005.
21. State the number of United States trademarks issued to your firm during calendar year 2005 by category.
22. State the number of United States copyrights issued to your firm during calendar year 2005 by category.
23. State how the Federal Copyrights, from question 22, were classified.
24. If you are taking the High Technology B&O Tax Credit or the Tax Deferral for High Technology Businesses, state the percentage of activity performed in any of the research and development activities.
25. If you are taking the Tax Deferral for Investment Projects in Rural Counties, describe the products manufactured at any sites in Washington that received a tax deferral for investments in rural counties.
26. If you are claiming the Tax Exemption for Fruit and Vegetable Processing, describe the products sold for which the exemption was claimed during 2005.
27. Did the research and development for which your firm received a tax credit result in a new product, service, new process, project, or support on-going research? If yes, state the number of new products, services, processes, projects, and on-going research projects by classification in the matrix. If "no," enter zero.
28. State the percentage of new products, processes, services, or projects that resulted from the credit or deferral programs that were produced or distributed by your firm's Washington State employees (from question 27).
29. State the percentage of new products, processes, services, or projects that were produced or distributed by other firms within Washington State.
30. Mark "yes" if you ever used the Manufacturer's Sales and Use Tax Exemption Certificate for machinery and equipment used in manufacturing, research and development, or a testing operation, to purchase machinery and equipment. If "no," skip to question 33.
31. If you used the Manufacturer's Sales and Use Tax Exemption Certificate for machinery and equipment used in manufacturing during calendar year 2005, estimate the retail value of all machinery and equipment purchased.
32. State the percentage of machinery and equipment purchased during calendar year 2005 (from question 31) that was used for more than half the time in research and development.
33. State the estimated retail value of sales made during calendar year 2005 of all new products, services or processes that resulted from the credit or deferral programs, since you began using the credit or deferral. The estimated dollar value should include sales made by your firm and through other firms. For example, if you receive royalties for a product, what would you consider the retail value of that product to be (you receive 10% on each product sold and have been paid \$1,000,000 through 2005 the value would be $\$1,000,000 / .10 = \$10,000,000$). If you are only claiming the Tax Deferral for Rural Counties or the Tax Exemption for Fruit and Vegetable Processors, skip to question 34.
34. Has your firm acquired or merged with another company during calendar year 2005 that previously claimed the High Technology Tax Credit, received a tax deferral, or taken the Tax Exemption for Fruit and Vegetable Processors? Has your company reorganized during calendar year 2005? If you can answer yes to either question, please state the company name and taxpayer reporting account number for the acquired, merged, or predecessor company? (If necessary, attach an additional page to respond to this question).