

AEROSPACE MANUFACTURING

Aerospace Business and Occupation (B&O) Rate

INCENTIVE:

B&O tax rate decrease to .004235, effective October 1, 2005

AVAILABLE TO:

Manufacturers and processors for hire of commercial airplanes or component parts of commercial airplanes

QUALIFYING ACTIVITY:

Manufacture and sales, by the manufacturer, of commercial airplanes or component parts of commercial airplanes

REPORTING/DOCUMENTATION:

Report under the Aerospace B&O tax classification(s) by E-filing

Annual Report must be completed and filed by March 31 of the following year

SPECIAL NOTICE:

Aerospace Industry Manufacturer Tax Incentives, January 15, 2004

Aerospace Preproduction Development Expenditures

INCENTIVE:

B&O credit for preproduction development expenditures

AVAILABLE TO:

Manufacturers and processors for hire of commercial airplanes and component parts of commercial airplanes

QUALIFYING ACTIVITY:

Expenditures for aerospace preproduction development

REPORTING/DOCUMENTATION:

Affidavit required
Annual Report must be completed and filed by March 31 of the following year

SPECIAL NOTICE:

Aerospace Industry B&O Tax Credit for Preproduction Development Expenditures, June 1, 2004

Land, Buildings and Equipment

INCENTIVE:

B&O credit for property taxes

AVAILABLE TO:

Manufacturers of commercial airplanes or component parts of commercial airplanes

QUALIFYING ACTIVITY:

Payment of property taxes on new buildings, land upon which the new buildings are located and increased value or renovated buildings and equipment eligible for the machinery and equipment (M&E) exemption

REPORTING/DOCUMENTATION:

Credit on excise tax return after property taxes have been paid
Annual Report must be completed and filed by March 31 of the following year

SPECIAL NOTICE:

Aerospace Industry B&O Tax Credit for Property Taxes Paid, May 12, 2004

Computer Hardware/ Software/Peripherals

INCENTIVE:

Sales/use tax exemption

AVAILABLE TO:

Manufacturers and processors for hire of commercial airplanes or component parts of commercial airplanes

QUALIFYING ACTIVITY:

Purchases of computer hardware, software and computer peripherals, and charges for labor and services related to the installation of such equipment

REPORTING/DOCUMENTATION:

Completion of Buyers' Retail Sales Tax Exemption Certificate

SPECIAL NOTICE:

Aerospace Industry Sales and Use Tax Exemption for Computer Hardware, Software and Peripherals, March 22, 2004

GENERAL MANUFACTURING

Machinery and Equipment Exemption

INCENTIVE:

Machinery and equipment sales/use tax exemption

AVAILABLE TO:

Manufacturers, processors for hire, manufacturers performing research and development (R&D), testing operations

QUALIFYING ACTIVITY:

Purchase of qualifying machinery and equipment (M&E) used directly for manufacturing or research

REPORTING/DOCUMENTATION:

Completion of Buyers' Retail Sales Tax Exemption Certificate or Manufacturers' Sales and Use Tax Exemption Certificate

Development in Rural Counties/ Community Empowerment Zones (CEZ)

INCENTIVE:

Sales/use tax deferral may be waived when certain program requirements are met and verified

AVAILABLE TO:

Manufacturing, computer-related businesses, R&D laboratories and commercial testing facilities located in rural counties, CEZ or county with a CEZ

QUALIFYING ACTIVITY:

Certain construction and equipment purchases

REPORTING/DOCUMENTATION:

Application required before construction begins
Annual Survey must be filed by March 31 of the following year

SPECIAL NOTICE:

Rural County Tax Incentives: Deferral/Waiver Program Extended and Revised – Software Manufacturing, Programming and Help Desk B&O Tax Credits Reestablished, May 19, 2004

Manufacturing in Rural Counties/CEZ

INCENTIVE:

Credit against B&O taxes of either \$2,000 or \$4,000 for each new employment position

AVAILABLE TO:

Manufacturing, R&D or computer-related service businesses expanding in eligible areas

REPORTING/DOCUMENTATION:

Application required before filling a position

WHOLESALE/WAREHOUSING

INCENTIVE:

Exemption from the state portion of sales/use tax paid on warehouse construction and warehousing equipment

AVAILABLE TO:

Wholesalers, retail distribution centers and third party warehouse businesses

REPORTING/DOCUMENTATION:

After payment of sales tax, file an Application of Remittance with the Department

SPECIAL NOTICE:

Warehouse Sales Tax Exemption, April 2002

AGRICULTURE/FOOD PROCESSING

Fruit and Vegetable Processors

INCENTIVE:
B&O tax exemption

AVAILABLE TO:
Fresh fruit and vegetable processors

QUALIFYING ACTIVITY:
Wholesale sales transported outside the state by the purchasers

REPORTING/DOCUMENTATION:
Annual Survey must be completed and filed by March 31 of the following year

SPECIAL NOTICE:
Fruit and Vegetable Processors Tax Exemption, June 13, 2005

Farmers

INCENTIVE:
Sales/use tax exemption for certain equipment and construction of hay sheds

AVAILABLE TO:
Farmers who have more than 50 percent of his or her tillable acres in cereal grains and/or field and turf grass grown for seed in qualifying counties

QUALIFYING ACTIVITY:
Purchase and use of equipment or construction of hay sheds that reduce agricultural burning

REPORTING/DOCUMENTATION:
Farmers' Retail Sales Tax Exemption Certificate given to vendor

SPECIAL NOTICE:
Tax Incentives to Reduce Agricultural Burning to Change, June 29, 2005

Grain Elevators

INCENTIVE:
Exemption from the state portion of sales/use tax paid on grain elevator construction and related equipment

AVAILABLE TO:
Wholesalers and third party warehouse owners who own or operate grain elevators

QUALIFYING ACTIVITY:
Grain elevator operations

REPORTING/DOCUMENTATION:
After payment of sales tax, file an Application of Remittance with the Department

SPECIAL NOTICE:
Warehouse (Grain Elevator Operators) Sales Tax Exemption, April 2002

Fresh Fruit and Vegetable Processing and Wholesaling for Transport Outside State

INCENTIVE:
Sales/use tax deferral that can become an exemption with continual use of facilities for eligible purposes (effective July 1, 2007)

AVAILABLE TO:
Manufacturers of fresh fruit and vegetables by canning, freezing, processing, dehydrating and selling at wholesale for transport out-of-state

QUALIFYING ACTIVITY:
Manufacturing and wholesale sales of fresh fruit and vegetables for transport outside of state

REPORTING/DOCUMENTATION:
Applications for deferral will be accepted until June 30, 2012

Annual Survey must be completed and filed by March 31 of the following year

HIGH TECHNOLOGY

High Tech R&D

INCENTIVE:
B&O tax credit for R&D

AVAILABLE TO:
Businesses performing R&D in one of five areas

QUALIFYING ACTIVITY:
Research and development

REPORTING/DOCUMENTATION:
Declaration R&D form Annual Survey must be completed and filed by March 31 of the following year

Third Party Help Desk Services in Rural Counties

INCENTIVE:
B&O tax credit for up to 100 percent of B&O tax due for such services

AVAILABLE TO:
Businesses in rural counties that provide information technology help desk services to third parties

QUALIFYING ACTIVITY:
Providing help desk services

REPORTING/DOCUMENTATION:
A report in letter form must be completed and filed by January 30 of the following year

Software Programming and Manufacturing in Rural Counties

INCENTIVE:
B&O tax credit of \$1,000 for each new qualified employment position

AVAILABLE TO:
Businesses that manufacture computer software or provide programming services

QUALIFYING ACTIVITY:
Creating new positions

REPORTING/DOCUMENTATION:
A report in letter form must be completed and filed by January 30 of the following year

Research and Development

INCENTIVE:
Sales/use tax deferral/exemption for capital expenditures related to R&D or pilot scale manufacturing facilities

AVAILABLE TO:
Businesses performing R&D in one of five areas

QUALIFYING ACTIVITY:
Research and development

REPORTING/DOCUMENTATION:
Application prior to purchases Annual Survey must be completed and filed by March 31 of the following year

ENERGY MANUFACTURING

Solar Systems Manufacturing

INCENTIVE:
Reduced B&O rate at .002904

AVAILABLE TO:
Manufacturers of solar energy systems using photo voltaic modules or silicon components or wholesalers of such systems

QUALIFYING ACTIVITY:
Manufacturing solar energy systems

REPORTING/DOCUMENTATION:
Annual Report must be completed and filed by March 31 of the following year

Biodiesel/Alcohol Fuel Manufacturing

INCENTIVE:
Reduced B&O rate at .00138 Property and leasehold excise tax exemptions

AVAILABLE TO:
Manufacturers of biodiesel fuel, biodiesel feedstock and wood biomass fuel

QUALIFYING ACTIVITY:
Manufacturing qualifying fuel products

REPORTING/DOCUMENTATION:
Certification that the biodiesel meets the ASTM standard Application for property tax exemption is made through the local county assessor

Application for leasehold excise tax exemption is made through the Department of Revenue

SPECIAL NOTICE:
Biofuel Manufacturers, June 24, 2003

Biofuel Selling and Distribution

INCENTIVE:
B&O tax deduction for retail sales or distribution of biofuels Sales/use tax exemption for machinery, equipment and construction of facilities for the retail sale of biofuels, and vehicles used to deliver biofuels

AVAILABLE TO:
Retail sellers and distributors of biofuels

QUALIFYING ACTIVITY:
Retail sales and distribution of biofuels

REPORTING/DOCUMENTATION:
Buyers' Retail Sales Tax Certificate to document the tax exempt nature of the sale Taxpayers must maintain certification that the biofuel meets the ASTM standard

SPECIAL NOTICE:
Biofuel Sellers, June 24, 2003

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