

## Requirement List for High Technology Deferral with Multiple Qualified Buildings

### Building requirements

All buildings included must meet the following requirements:

- Leased to the same person.
- Located within a five-mile radius.
- Initiation of construction of each building begins within a 60 month period.

### Lessor responsibilities

- Lessor for each project must submit a High Tech Deferral application for each investment project/building.

### Lessee responsibilities

- Lessee must make a preliminary election to treat the multiple qualified buildings as a single investment project before a temporary certificate of occupancy, or its equivalent, is issued for any of the multiple qualified buildings. (See attached Preliminary Election Form)
- Before making final election, lessee may remove one or more of the buildings indicated in the preliminary election. (See attached Final Election Form)
- All buildings included in the final election must have received a temporary certificate of occupancy or its equivalent.
- Lessee must make a final election whether or not to treat the multiple qualified buildings as a single investment project by the date that is the earlier of either:
  - 60 months following the date that the lessee made the preliminary election.
  - 30 days after the issuance of the temporary certificate of occupancy, or its equivalent, for the last building to be completed.
- Lessee must furnish the department with a bond, letter of credit, or other security in an amount equal to the repayment obligation before the project can be certified as operationally complete.
  - A letter of credit may also be provided, and the value increased according to the value of the repayment obligation of the buildings, as each building is completed. This is acceptable. The total amount will still be equal to the repayment obligation before the project can be certified as operationally complete.
  - Proof of bond, letter of credit, or other security received by Department of Revenue. (Attach to file.)

## Legal References

### 82.63.010 Definitions

- (11) "Multiple qualified buildings" means qualified buildings leased to the same person when such structures: (a) Are located within a five-mile radius; and (b) the initiation of construction of each building begins within a sixty-month period.

#### 82.63.010 Multiple qualified buildings

- (1) In the case of multiple qualified buildings, if the lessee who will conduct the qualified research and development or pilot scale manufacturing within the multiple qualified buildings desires to treat the multiple qualified buildings as a single investment project, the lessee must make a preliminary election to treat the multiple qualified buildings as a single investment project. The lessee must make the preliminary election before a temporary certificate of occupancy, or its equivalent, is issued for any of the multiple qualified buildings.
- (2) (a) A final election whether or not to treat the multiple qualified buildings as a single investment project must be made by the date that is the earlier of:
- (i) Sixty months following the date that the lessee made the preliminary election under subsection (1) of this section; or
  - (ii) Thirty days after the issuance of the temporary certificate of occupancy, or its equivalent, for the last qualified building to be completed and that will be included in the final election.
- (b) All buildings included in a final election to treat multiple qualified buildings as a single investment project must have been issued a temporary certificate of occupancy or its equivalent.
- (c) Before the final election is made, the lessee may remove one or more of the qualified buildings included in the preliminary election from the investment project.
- (d) When a qualified building for which a preliminary election has been made under subsection (1) of this section is, for any reason, not included in a final election to treat the multiple qualified buildings as a single investment project, the qualified building will be treated as an individual investment project under the original application for that building.
- (e) If a final election is made not to treat the multiple qualified buildings as a single investment project or a final election is not made by the deadline in (a) of this subsection, the qualified buildings will each be treated as individual investment projects under the original applications for those buildings.
- (3) When a final election is made to treat multiple qualified buildings as a single investment project, the department must review the investment project to determine whether to certify the investment project as being operationally complete. If the department certifies that an investment project is operationally complete, the certification is deemed to have occurred in the calendar year in which the final election is made.
- (4) The department may not certify as operationally complete an investment project consisting of multiple qualifying buildings unless the lessee furnishes the department with a bond, letter of credit, or other security acceptable to the department in an amount equal to the repayment obligation as determined by the department. The department may decrease the secured amount each year as the repayment obligation decreases under the provisions of RCW 82.63.045. If the lessee does not furnish the department with a bond, letter of credit, or other security acceptable to the department equal to the amount of deferred tax, the qualified buildings will each be treated as individual investment projects under the original applications for those buildings.
- (5) The preliminary election and final election must be made in a form and manner prescribed by the department.

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