



Corporate Headquarters Application for Sales and Use Tax Deferral for Lessor 82.82 RCW

THIS LAW IS EFFECTIVE 7/1/09

Use this application if:

- You are the business that is paying for the eligible investment project, or
- there is a lessor and lessee with 100% same ownership **and** the lessor is paying for the same investment project, or
- you are the lessee and will be paying for the building improvements and/or machinery and equipment

General Instructions

Filing: This application can be made at any time prior to completion of construction of a qualified building or buildings, but tax liability incurred prior to the department's receipt of an application may not be deferred.

Corporate Headquarters means a facility or facilities where corporate staff employees are physically employed, and where the majority of the company's management services are handles either on a regional or a national basis. Company management services may include: Accounts receivable and payable, accounting, data processing, distribution management, employee benefit plan, financial and securities accounting, information technology, insurance, legal, merchandising, payroll, personnel, purchasing procurement, planning, reporting and compliance, research and development, tax, treasury, or other headquarter-related services. "Corporate headquarters" does not include a facility or facilities used for manufacturing, wholesaling, or warehousing.

Qualified Building or Buildings means construction of a new structure or structures or expansion of an existing structure or structures to be used for corporate headquarters. If a building is used partly for corporate headquarters and partly for other purposes, the applicable tax deferral is determined by apportionment of the costs of construction under rules adopted by the department.

Investment Project means a capital investment of at least thirty million dollars in a qualified building or buildings including tangible personal property and fixtures that will be incorporated as an ingredient or component of such buildings during the course of their construction, and including labor and services rendered in the planning, installation, and construction of the project.

Eligible Investment Project means an investment project in a qualified building or buildings in an eligible area which will have employment at the qualified building or buildings of at least three hundred employees in qualified employment positions, each of whom must earn for the year reported at least the average annual wage for the state for that year as determined by the employment security department.

Eligible Area means a designated community empowerment zone approved under RCW 43.31C.020.

Use Requirements: All businesses must maintain a qualified activity at the site of the investment project for the year in which the investment project is certified operationally complete, by the Department of Revenue, plus seven additional years. An annual tax performance report due May 31 is also required for every year during the eight-year period.

Waiver of Taxes: If all program requirements are met, the deferred sales/use tax is waived by the Department of Revenue.

Business Name, Address, and Telephone Number
Telephone _____

Contact Person <i>(All correspondence will be directed to this person)</i>
Name _____
Address _____
Telephone _____
Fax _____
Email _____

Department of Revenue Tax Reporting Number

The business is: (check one)
New to Washington State <input type="checkbox"/>
Expanding <input type="checkbox"/>

Location of Investment Project
County _____
Address _____ Street Address
_____ City, State and Zip Code
Parcel No. _____
Site Description (i.e. new structure, expanding 1 st floor, etc): _____

Business Activity to be Conducted at this Facility		
<i>If additional space is needed to answer questions 1 and 2, please attach additional pages.</i>		
1. Describe the nature of your activity at this facility.		
	<u>Yes</u>	<u>No</u>
2. Is the investment project located in a Community Empowerment Zone (CEZ) as defined in RCW 43.31C.020?	<input type="checkbox"/>	<input type="checkbox"/>
3. Will you have 300 or more employees at this facility?	<input type="checkbox"/>	<input type="checkbox"/>

Apportionment of Structure	
4. Percentage of facility devoted to:	
Accounting/Payroll	_____ %
Administration	_____ %
Cafeteria	_____ %
Common Areas	_____ %
Conference & Training Rooms	_____ %
Customer Service	_____ %
Manufacturing	_____ %
Packing or Packaging	_____ %
Plant offices used by direct line supervisors or other managers who oversee the manufacturing process	_____ %
Processing	_____ %
Reception Area	_____ %
Research & Development	_____ %
Sales & Marketing	_____ %
Warehouse	_____ %
Other (please describe)	_____ %
Total	100 %

Estimated Investment Project Costs	
5. Structure:	
Date construction/expansion to start	_____
Construction of new structure(s)	_____
Leasehold improvements paid for by applicant	_____
Expansion or renovation to expand floor space or production capacity	_____
Total Structure Costs	_____
6. Estimated completion date	_____

Employment Information	
7. Lessee's average number of full time equivalents (FTEs) for previous calendar year. (1820 annualized hours worked = 1 FTE): Lessee's entire business:	_____
At this facility:	_____
8. Estimated number of new FTEs as a result of this project.	_____
9. Estimated average annual wage per employee filling new positions:	_____

Lessee information	
10. Name of Lessee:	_____
11. Mailing Address:	_____
12. Contact Person:	_____
13. Phone Number:	_____
14. Department of Revenue Tax Reporting Account Number:	_____
	<u>Yes</u> <u>No</u>
15. Do the lessee and lessor have 100% same ownership?	<input type="checkbox"/> <input type="checkbox"/>
16. If the answer to question 15 is "Yes", please provide documentation to substantiate the relationship.	
17. If the answer to question 15 is "No", has the lessor agreed by written contract to pass the economic benefit of the deferral to the lessee?	<input type="checkbox"/> <input type="checkbox"/>
18. If the answer to question 17 is "Yes", is the economic benefit of the deferral passed to the lessee no less than the amount of the tax deferred by the lessor and evidenced by written documentation of the type of payment, credit, or other financial arrangement between the lessor or owner of the qualified building and the lessee AND has the lessee signed the statement below agreeing to complete the annual tax performance report required by RCW 82.82.020?	<input type="checkbox"/> <input type="checkbox"/>
Please have the lessee sign the following statement. Failure to do so will prevent approval of the application.	
I agree to file an annual tax performance report with the Department of Revenue each May 31 st for eight years, beginning with the first calendar year after the calendar year in which the investment project is certified by the department as operationally complete.	
Name	_____
Signature	_____
Title	_____
Date	_____
<i>(Please attach a completed Lessee's Application, if applicable, a copy of the lease agreement and other written documentation in support of your answers to question 17 and 18, if applicable)</i>	

Use of Facility

All businesses must maintain a qualified activity at the site of the investment project for the year in which the investment project is certified as operationally complete (by Revenue), plus seven additional years.

Yes No

19. Do you plan to operate this investment project in a qualified manner for 8 years from the time the project is certified as complete?
20. If the answer is "no", how long does the lessee plan to operate this investment project with qualified use? _____

If the qualifying activity is not maintained, all or a portion of the deferred taxes outstanding for this investment will be immediately due. The department will assess interest at the rate provided for delinquent excise taxes, but not penalties, retroactive to the date of the deferral.

Print Name _____

Title _____ Date _____

Applicant's Signature _____

Questions: Call (360) 534-1503 option 6
Mail or Fax To: Department of Revenue
Special Programs Division
PO Box 47477
Olympia, WA 98504-7477
FAX: (360) 586-2163

Audit Records Location

If your application is approved, a deferral certificate will be issued using the estimates from your application. Upon completion of the project, an auditor will verify qualified activities at this facility. The auditor may adjust the allowable deferral based on the audit findings.

To minimize inconvenience and the time it takes to complete an audit, please have the following records for the audit period available for your meeting with the auditor:

- Purchase invoices (i.e., accounts payable, receipts)
- Supporting documentation for the construction, such as construction contracts
- Original Sales and Use Tax Deferral Certificate

Although most audits can be completed with the above records, additional documents may be required during the audit.