



**Biotechnology Products and Medical
Device Application for
Lessor for Sales and Use Tax Deferral
82.75 RCW**

General Instructions

Name, Address, and Phone Number of Business
Telephone No. () _____

Name, Address, and Phone Number of Contact Person
<i>(All correspondence will be directed to this person)</i>
Telephone No. () _____
Email Address: _____

Department of Revenue Tax Reporting Number
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Check One:
<p align="center">Business is New <input type="checkbox"/></p> <p align="center">Business is Expanding <input type="checkbox"/></p>

Location of Investment Project
County _____
Address _____ <i>Street Address</i>

<i>City, State and Zip Code</i>

Filing: This application must be mailed or faxed to the Washington State Department of Revenue *and approved* prior to initiation of construction and/or possession of machinery and equipment within Washington State.

Initiation of Construction is defined for this deferral program as the date that a building permit is issued.

Biotechnology means a technology based on the science of biology, microbiology, molecular biology, cellular biology, biochemistry, biophysics, or any combination of these, and includes, but is not limited to, recombinant DNA techniques, genetics and genetic engineering, cell fusion techniques, and new bioprocesses using living organisms or parts of living organisms.

Biotechnology product means any virus, therapeutic serum, antibody, protein, toxin, antitoxin, vaccine, blood, blood component or derivative, allergenic product, or analogous product produced through the application of biotechnology that is used in the prevention, treatment, or cure of diseases or injuries to humans.

Medical device means an instrument, apparatus, implement, machine, contrivance, implant, in vitro reagent, or other similar or related article, including any component, part, or accessory, that is designed or developed and:

- a) Recognized in the national formulary, or the United States pharmacopoeia, or any supplement to them;
- b) Intended for use in the diagnosis of disease, or in the cure, mitigation, treatment, or prevention of disease or other conditions in human beings or other animals; or
- c) Intended to affect the structure or any function of the body of man or other animals, and which does not achieve any of its primary intended purposes through chemical action within or on the body of man or other animals and which is not dependent upon being metabolized for the achievement of any of its principal intended purposes.

Qualified Building means construction of new structures and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity used for biotechnology product manufacturing or medical device manufacturing activities.

Qualified Machinery and Equipment means all new industrial and research fixtures, equipment, and support facilities that are an integral and necessary part of a biotechnology product manufacturing or medical device manufacturing operation.

Use Requirements: All businesses must maintain qualified activity at the site of the investment project for the year in which the investment project is certified as operationally complete plus seven additional calendar years. An annual employee survey due March 31 annually is also required 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.

Mail or Fax To: Department of Revenue
Special Programs Division
PO Box 47477
Olympia WA 98504-7477
FAX: (360) 586-2163

Lessee information

- 1. Name of Lessee: _____
- 2. Mailing Address: _____
- 3. Contact Person: _____
- 4. Phone Number: _____
- 5. Department of Revenue Tax Reporting Number

Yes No

6. Do the lessee and lessor have 100% same ownership?

7. If the answer to question 6 is "Yes", please provide documentation to substantiate the relationship.

8. If the answer to question 6 is "No", has the lessor agreed by written contract to pass the economic benefit of the deferral to the lessee?

9. If the answer to question 8 is "Yes", is the economic burden of the deferral passed to the lessee no less than the amount of 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 survey required by RCW 82.32.645?

Please have the lessee sign the following statement. Failure to do so will prevent approval of the application.

I agree to file an annual survey with the department of revenue each March 31 following for eight years, beginning with March 31 following the calendar year in which the investment project is certified by the department as operationally complete.

Name _____ Date _____
Title _____

(Please attach a completed Lessee's Application, if applicable, a copy of the signed lease agreement, and other written documentation in support of your answers to question 8 and 9, if applicable.)

Estimated Investment Project Costs

Include only those costs that will be paid for by the applicant.

10. Structure:
- Date building permit will be issued / /
- Construction of new structure(s) \$ _____
- Leasehold improvements paid for by applicant \$ _____
- Expansion or renovation to expand floor space or production capacity \$ _____
- Construction of cogeneration facility \$ _____

(continued next column)

Total Structure Costs \$ _____

11. Machinery & Equipment:

Date equipment is to be installed _____

Purchase Price \$ _____

Lease Contract Price \$ _____

Fair market value of previously owned machinery and equipment that is new to the State of Washington \$ _____

Total Machinery & Equipment Costs \$ _____

12. Total Costs \$ _____

13. Estimated Completion Date: / /

Business Activity to be Conducted at this Facility

If additional space is needed to answer question 14, please attach additional pages.

14. Describe the nature of lessee's manufacturing activity at this facility: _____

Biotechnology Product

15. Check the product(s) produced through the application of biotechnology used in the prevention, treatment, or cure of diseases or injuries to humans.
- Virus.....
 - Therapeutic Serum
 - Antibody
 - Protein
 - Toxin
 - Antitoxin
 - Vaccine
 - Blood.....
 - Blood Component or Derivative
 - Allergenic Product
 - Analogous Product.....

- Yes No
16. Are you currently paying manufacturing or processor for hire business and occupation tax on the above described activity?
17. If the answer to question 16 is "No" is this a new manufacturing activity for your business?

Medical Devices at this Facility

18. What type of medical device will be designed or developed including any component, part, or accessory? Check all that apply.

Instrument

Apparatus

Implement

Machine.....

Contrivance

Implant

In Vitro Reagent.....

Other Similar or Related Article

Explain _____

	Yes	No
19. Is the medical device recognized in the national formulary, United States pharmacopoeia, or any supplement to them?	<input type="checkbox"/>	<input type="checkbox"/>
20. Is the medical device intended for use in the diagnosis of disease, or in the cure, mitigation, treatment, or prevention of disease or other conditions in human beings or animals?	<input type="checkbox"/>	<input type="checkbox"/>
21. Is the medical device intended to affect the structure of any function of the body of human beings or other animals, which cannot be achieved through chemical action and which cannot be achieved by metabolizing?	<input type="checkbox"/>	<input type="checkbox"/>
22. Are you currently paying manufacturing or processor for hire business and occupation tax on the above described activity?	<input type="checkbox"/>	<input type="checkbox"/>
23. If the answer to question 22 is "No," is this a new manufacturing activity for your business?	<input type="checkbox"/>	<input type="checkbox"/>

Reception Area	_____ %
Research & Development	_____ %
Sales & Marketing	_____ %
Warehouse	_____ %
Other (please describe)	_____ %
Total	100 %

Lessee Employment Information

25. Average Number of Full Time Equivalents (FTEs) for Previous Calendar Year.
 (1820 annualized hours worked = 1 FTE):

Entire Business: _____

At This Facility: _____

26. Estimated or actual number of new FTEs as a result of this project: _____

27. Estimated or actual wages of FTE's related to this project: _____

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, plus seven additional years.

	Yes	No
28. Do you plan to operate this investment project in a qualified manner for 8 years from the time the project is complete?	<input type="checkbox"/>	<input type="checkbox"/>
29. If the answer to question 28 is "No", how long do you plan to operate this investment project with qualified use? _____		

If the manufacturing or research and development 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, retroactively to the date of the deferral.

Apportionment of Structure

If the facility is used partly for research and development and partly for other purposes, the applicable tax deferral shall be determined by apportioning the costs of construction.

24. Percentage of facility devoted to:

Accounting/Payroll	_____ %
Administration	_____ %
Cafeteria	_____ %
Common Areas	_____ %
Conference & Training Rooms	_____ %
Customer Service	_____ %
Manufacturing	_____ %
Pilot Scale Manufacturing	_____ %

(continued next column)

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 that you are performing qualified activities at this facility. They will also verify that the approved percentage of your structure and 100% of the machinery and equipment are eligible for the deferral. The auditor may adjust the allowable deferral based on his or her 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:

(continued next page)

- 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.

Please complete the following information about the contact person and audit records location if this information is currently available:

30. Contact person:

31. Phone number of contact person:

32. Location of audit records

Applicant's Signature

Date

Title

For tax assistance, visit <http://dor.wa.gov> or call 1-800-647-7706.
To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715.
Teletype (TTY) users please call 1-800-451-7985.