



Fruit and Vegetable/Seafood/Dairy/Cold Storage Application for Sales and Use Tax Deferral for Lessor 82.74 RCW

Name, Address, and Phone Number of Business

Telephone No. ()

Name, Address, and Phone Number of Contact Person

(All correspondence will be directed to this person)

Telephone No. ()

Department of Revenue Tax Reporting Number

- -

Check One:

Lessee's Business is New

Lessee's Business is Expanding

Location of Investment Project

County _____

Address _____
Street Address

City, State and Zip Code

Mail or Fax To:

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

General Instructions

Filing: This application must be mailed or faxed to the Washington State Department of Revenue prior to initiation of construction and/or taking possession of machinery and equipment within Washington State. "Initiation of Construction" is defined for purposes of this deferral program as the date that a building permit is issued under the building code adopted under RCW 19.27.031.

Qualified Activities: Includes fresh fruit and vegetable processing, dairy product manufacturing, seafood product manufacturing, and cold storage warehousing, or research and development.

Eligible Investment Projects: Investment in qualified buildings or qualified machinery and equipment, including labor and services rendered in the planning, installation, and construction of the project. The lessor or owner of a qualified building is not eligible for a deferral unless (a) the underlying ownership of the buildings, machinery and equipment vests exclusively in the same person; or (b)(i) the lessor by written contract agrees to pass the economic benefit of the deferral to the lessee in the form of reduced rent payments, and (ii) the lessee that receives the benefit of the deferral agrees in writing with the department to complete the annual survey. The economic benefit may be evidenced by any type of payment, credit, or any other financial arrangement between the lessor or owner and the lessee.

Qualified Building: Construction of new structures, and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity used for fresh fruit and vegetable processing, dairy product manufacturing, seafood product manufacturing, and cold storage warehousing, or research and development activities including plant offices and warehouses or other facilities for the storage of finished goods if such facilities are an essential or an integral part of a factory, plant, or laboratory used for fresh fruit and vegetable processing, dairy product manufacturing, seafood product manufacturing, cold storage warehousing, or research and development.

Qualified Machinery and Equipment: All industrial and research fixtures, equipment, and support facilities that are an integral and necessary part of a fresh fruit and vegetable processing, dairy product manufacturing, seafood product manufacturing, cold storage warehouse, or research and development operation.

Use/Survey Requirements: All businesses must maintain a qualified manufacturing activity at the site of the investment project and complete an annual survey for the year in which the investment project is certified operationally complete plus seven additional years.

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

Lessee information

1. Name of Lessee: _____
 2. Mailing Address: _____
 3. Contact Person: _____
 4. Phone Number: _____
 5. Department of Revenue Tax Reporting Account Number: _____
- | | | |
|---|--------------------------|--------------------------|
| | <u>Yes</u> | <u>No</u> |
| 6. Do the lessee and lessor have 100% same ownership? | <input type="checkbox"/> | <input type="checkbox"/> |
| 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? | <input type="checkbox"/> | <input type="checkbox"/> |

(Please attach a completed Lessee's Application, if applicable, and a copy of the lease agreement reflecting the economic benefit of the deferred tax is passed onto the lessee by any type of payment, credit, or other financial arrangement between the lessor and qualified lessee.)

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 31st 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 _____ Date _____
Signature _____ Title _____

Apportionment of Structure

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

9. Percentage of facility devoted to:

Accounting/Payroll	_____ %
Administration	_____ %
Cafeteria	_____ %
Common Areas	_____ %
Conference & Training Rooms	_____ %
Customer Service	_____ %
Manufacturing	_____ %
Plant offices used by direct line supervisors or other managers who oversee the manufacturing process	_____ %
Reception Area	_____ %
Research & Development	_____ %
Sales & Marketing	_____ %
Warehouse	_____ %
Other (please describe)	_____ %
Total	100 %

Estimated Investment Project Costs

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

10. 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	\$ _____
Construction of cogeneration facility	\$ _____
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 questions 14 and 15, please attach additional pages.

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

15. Describe the nature of lessee's research and development activities at this facility, if applicable: _____

Employment Information

16. 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: _____
17. Estimated Number of New FTEs as a result of this project: _____

Use of Facility	
<p><i>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.</i></p>	
	<p><u>Yes</u> <u>No</u></p>
18. Does the lessee plan to operate this investment project in a qualified manner for 8 years from the time the project is complete?	<p><input type="checkbox"/> <input type="checkbox"/></p>
19. If the answer to question 18 is "No", how long does the lessee plan to operate this investment project with qualified use?	<p>_____</p>
<p>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.</p>	

Audit Records Location
<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> • Purchase invoices (i.e., accounts payable, receipts) • Supporting documentation for the construction, such as construction contracts • Original Sales and Use Tax Deferral Certificate <p>Although most audits can be completed with the above records, additional documents may be required during the audit.</p> <p>Please complete the following information about the contact person and audit records location if this information is currently available:</p>
20. Contact person:

21. Phone number of contact person:

22. 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 may call 1-800-451-7985.