

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

Use this application if:

- You are the business that is paying for the 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 must be mailed or faxed to the Washington State Department of Revenue prior to initiation of construction and/or 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.

Qualified Buildings means 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, cold storage warehousing, and research and development activities, including plant offices and warehouses or other facilities for the storage of raw material or 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.

Eligible Investment Projects means an investment in qualified buildings or qualified machinery and equipment, including labor and services rendered in the planning, installation, and construction of the project.

Fresh Fruit and Vegetable Processing means manufacturing as defined in RCW 82.04.120 which consists of the canning, preserving, freezing, processing, or dehydrating fresh fruits and/or vegetables. Does not include packing or packaging.

Seafood and Dairy Manufacturing/Producer means manufacturers as defined in RCW 82.04.120.

Cold Storage Warehouse means a storage warehouse owned or operated by a wholesaler or third-party warehouse as those terms are defined in RCW 82.08.820 to store fresh and/or frozen perishable fruits or vegetables, dairy products, seafood products, or any combination thereof, at a desired temperature to maintain the quality of the product for orderly marketing. This deferral does not apply to any farmer that sells any agricultural product at wholesale.

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 incentive survey due March 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 Phone Number
<div style="border-bottom: 1px solid black; margin-bottom: 5px;">Phone _____</div>

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

Department of Revenue Tax Reporting Number

<p>The business is: (check one)</p> <p style="text-align: center;">New to Washington State <input type="checkbox"/></p> <p style="text-align: center;">Expanding <input type="checkbox"/></p>

Location of Investment Project
County _____
Address _____
Street Address

City, State and Zip Code

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 cold storage warehouse owned or operated by a wholesaler or a third party warehouse?	<input type="checkbox"/>	<input type="checkbox"/>
If a wholesaler, are you storing your own product?	<input type="checkbox"/>	<input type="checkbox"/>
3. Describe the nature of your research and development activities at this facility, if applicable.		
4. Are you currently paying manufacturing or processor for hire business & occupation tax on the above described activity?	<input type="checkbox"/>	<input type="checkbox"/>
5. If the answer to question 3 is "No", is this a new manufacturing activity for your business?	<input type="checkbox"/>	<input type="checkbox"/>

Estimated Investment Project Costs	
6. 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	<input type="text"/>
7. Machinery & Equipment:	
Date equipment is to be installed	_____
Purchase Price	_____
Less Contract Price	_____
Fair market value of previously owned machinery and equipment that is new to the State of Washington	_____
Machinery & Equipment Costs +	<input type="text"/>
Structure Costs	= <input type="text"/>

Total Costs	
8. Total cost (Structure, machinery, and equipment)	\$ _____
9. Estimated completion date	_____

Apportionment of Structure	
(A facility is used partly for manufacturing and partly for other purposes; the applicable tax deferral shall be determined by apportioning the costs of construction.)	
10. 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	<input type="text" value="100"/> %

Employment Information	
11. Average Number of Full Time Equivalents (FTEs) for Previous Calendar Year. (1820 annualized hours worked = 1 FTE):	
Entire Business:	_____
At This Facility:	_____
12. Estimated Number of New FTEs as a result of this project:	

Lessee/Lessor Information (if applicable)	
	<u>Yes</u> <u>No</u>
13. Will the facility housing the operation be leased by the applicant to a qualified lessee?	<input type="checkbox"/> <input type="checkbox"/>
14. Name of business or entity that is paying for the construction of the building or improvements. _____	
15. Name of the individual or entity that will be manufacturing at this location: _____	
16. Department of Revenue Tax Reporting Number of business in #15. _____	
17. Do the lessee and lessor have 100% same ownership? <input type="checkbox"/> <input type="checkbox"/>	
<ul style="list-style-type: none"> • If yes, please provide official documentation to substantiate the relationship. (For example: Articles of Incorporation) • If the answer is "no", complete a Fruit and Vegetable application for Sales and Use Tax Deferral for Lessor and attach 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. (The lessee that receives the economic benefit must agree in writing to complete the annual survey. (Attach Copy)) 	

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.	
	<u>Yes</u> <u>No</u>
18. Do you plan to operate this investment project in a qualified manner for 8 years from the time the project is certified as complete?	<input type="checkbox"/> <input type="checkbox"/>
<ul style="list-style-type: none"> • If the answer to question 18 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.	

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

Print Name _____
Title _____ Date _____
Applicant's Signature _____

Questions: Call (360) 570 3265 option 6

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

For tax assistance, visit 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) 705-6717. Teletype (TTY) users please call 1-800-451-7985.