

## AEROSPACE MANUFACTURING

## Aerospace Business and Occupation (B&amp;O) Rate

**INCENTIVE:**

B&O tax rate decrease to .004235, effective October 1, 2005

**AVAILABLE TO:**

Manufacturers and processors for hire of commercial airplanes or component parts of commercial airplanes

**QUALIFYING ACTIVITY:**

Manufacture and sales, by the manufacturer, of commercial airplanes or component parts of commercial airplanes

**REPORTING/DOCUMENTATION:**

Report under the Aerospace B&O tax classification(s) by E-filing

Annual Report must be completed and filed by March 31 of the following year

**SPECIAL NOTICE:**

Aerospace Industry Manufacturer Tax Incentives, January 15, 2004

## Aerospace Preproduction Development Expenditures

**INCENTIVE:**

B&O credit for preproduction development expenditures

**AVAILABLE TO:**

Manufacturers and processors for hire of commercial airplanes and component parts of commercial airplanes

**QUALIFYING ACTIVITY:**

Expenditures for aerospace preproduction development

**REPORTING/DOCUMENTATION:**

Affidavit required  
Annual Report must be completed and filed by March 31 of the following year

**SPECIAL NOTICE:**

Aerospace Industry B&O Tax Credit for Preproduction Development Expenditures, June 1, 2004

## Land, Buildings and Equipment

**INCENTIVE:**

B&O credit for property taxes

**AVAILABLE TO:**

Manufacturers of commercial airplanes or component parts of commercial airplanes

**QUALIFYING ACTIVITY:**

Payment of property taxes on new buildings, land upon which the new buildings are located and increased value or renovated buildings and equipment eligible for the machinery and equipment (M&E) exemption

**REPORTING/DOCUMENTATION:**

Credit on excise tax return after property taxes have been paid  
Annual Report must be completed and filed by March 31 of the following year

**SPECIAL NOTICE:**

Aerospace Industry B&O Tax Credit for Property Taxes Paid, May 12, 2004

## Computer Hardware/ Software/Peripherals

**INCENTIVE:**

Sales/use tax exemption

**AVAILABLE TO:**

Manufacturers and processors for hire of commercial airplanes or component parts of commercial airplanes

**QUALIFYING ACTIVITY:**

Purchases of computer hardware, software and computer peripherals, and charges for labor and services related to the installation of such equipment

**REPORTING/DOCUMENTATION:**

Completion of Buyers' Retail Sales Tax Exemption Certificate

**SPECIAL NOTICE:**

Aerospace Industry Sales and Use Tax Exemption for Computer Hardware, Software and Peripherals, March 22, 2004

## GENERAL MANUFACTURING

## Machinery and Equipment Exemption

**INCENTIVE:**

Machinery and equipment sales/use tax exemption

**AVAILABLE TO:**

Manufacturers, processors for hire, manufacturers performing research and development (R&D), testing operations

**QUALIFYING ACTIVITY:**

Purchase of qualifying machinery and equipment (M&E) used directly for manufacturing or research

**REPORTING/DOCUMENTATION:**

Completion of Buyers' Retail Sales Tax Exemption Certificate or Manufacturers' Sales and Use Tax Exemption Certificate

## Development in Rural Counties/ Community Empowerment Zones (CEZ)

**INCENTIVE:**

Sales/use tax deferral may be waived when certain program requirements are met and verified

**AVAILABLE TO:**

Manufacturing, computer-related businesses, R&D laboratories and commercial testing facilities located in rural counties, CEZ or county with a CEZ

**QUALIFYING ACTIVITY:**

Certain construction and equipment purchases

**REPORTING/DOCUMENTATION:**

Application required before construction begins  
Annual Survey must be filed by March 31 of the following year

**SPECIAL NOTICE:**

Rural County Tax Incentives: Deferral/Waiver Program Extended and Revised – Software Manufacturing, Programming and Help Desk B&O Tax Credits Reestablished, May 19, 2004

## Manufacturing in Rural Counties/CEZ

**INCENTIVE:**

Credit against B&O taxes of either \$2,000 or \$4,000 for each new employment position

**AVAILABLE TO:**

Manufacturing, R&D or computer-related service businesses expanding in eligible areas

**REPORTING/DOCUMENTATION:**

Application required before filling a position

## WHOLESALE/WAREHOUSING

**INCENTIVE:**

Exemption from the state portion of sales/use tax paid on warehouse construction and warehousing equipment

**AVAILABLE TO:**

Wholesalers, retail distribution centers and third party warehouse businesses

**REPORTING/DOCUMENTATION:**

After payment of sales tax, file an Application of Remittance with the Department

**SPECIAL NOTICE:**

Warehouse Sales Tax Exemption, April 2002

## AGRICULTURE/FOOD PROCESSING

### Fruit and Vegetable Processors

**INCENTIVE:**  
B&O tax exemption

**AVAILABLE TO:**  
Fresh fruit and vegetable processors

**QUALIFYING ACTIVITY:**  
Wholesale sales transported outside the state by the purchasers

**REPORTING/DOCUMENTATION:**  
Annual Survey must be completed and filed by March 31 of the following year

**SPECIAL NOTICE:**  
Fruit and Vegetable Processors Tax Exemption, June 13, 2005

### Farmers

**INCENTIVE:**  
Sales/use tax exemption for certain equipment and construction of hay sheds

**AVAILABLE TO:**  
Farmers who have more than 50 percent of his or her tillable acres in cereal grains and/or field and turf grass grown for seed in qualifying counties

**QUALIFYING ACTIVITY:**  
Purchase and use of equipment or construction of hay sheds that reduce agricultural burning

**REPORTING/DOCUMENTATION:**  
Farmers' Retail Sales Tax Exemption Certificate given to vendor

**SPECIAL NOTICE:**  
Tax Incentives to Reduce Agricultural Burning to Change, June 29, 2005

### Grain Elevators

**INCENTIVE:**  
Exemption from the state portion of sales/use tax paid on grain elevator construction and related equipment

**AVAILABLE TO:**  
Wholesalers and third party warehouse operators who own or operate grain elevators

**QUALIFYING ACTIVITY:**  
Grain elevator operations

**REPORTING/DOCUMENTATION:**  
After payment of sales tax, file an Application of Remittance with the Department

**SPECIAL NOTICE:**  
Warehouse (Grain Elevator Operators) Sales Tax Exemption, April 2002

### Fresh Fruit and Vegetable Processing and Wholesaling for Transport Outside State

**INCENTIVE:**  
Sales/use tax deferral that can become an exemption with continual use of facilities for eligible purposes (effective July 1, 2007)

**AVAILABLE TO:**  
Manufacturers of fresh fruit and vegetables by canning, freezing, processing, dehydrating and selling at wholesale for transport out-of-state

**QUALIFYING ACTIVITY:**  
Manufacturing and wholesale sales of fresh fruit and vegetables for transport outside of state

**REPORTING/DOCUMENTATION:**  
Applications for deferral will be accepted until June 30, 2012

Annual Survey must be completed and filed by March 31 of the following year

## HIGH TECHNOLOGY

### High Tech R&D

**INCENTIVE:**  
B&O tax credit for R&D

**AVAILABLE TO:**  
Businesses performing R&D in one of five areas

**QUALIFYING ACTIVITY:**  
Research and development

**REPORTING/DOCUMENTATION:**  
Declaration R&D form Annual Survey must be completed and filed by March 31 of the following year

### Third Party Help Desk Services in Rural Counties

**INCENTIVE:**  
B&O tax credit for up to 100 percent of B&O tax due for such services

**AVAILABLE TO:**  
Businesses in rural counties that provide information technology help desk services to third parties

**QUALIFYING ACTIVITY:**  
Providing help desk services

**REPORTING/DOCUMENTATION:**  
A report in letter form must be completed and filed by January 30 of the following year

### Software Programming and Manufacturing in Rural Counties

**INCENTIVE:**  
B&O tax credit of \$1,000 for each new qualified employment position

**AVAILABLE TO:**  
Businesses that manufacture computer software or provide programming services

**QUALIFYING ACTIVITY:**  
Creating new positions

**REPORTING/DOCUMENTATION:**  
A report in letter form must be completed and filed by January 30 of the following year

### Research and Development

**INCENTIVE:**  
Sales/use tax deferral/exemption for capital expenditures related to R&D or pilot scale manufacturing facilities

**AVAILABLE TO:**  
Businesses performing R&D in one of five areas

**QUALIFYING ACTIVITY:**  
Research and development

**REPORTING/DOCUMENTATION:**  
Application prior to purchases Annual Survey must be completed and filed by March 31 of the following year

## ENERGY MANUFACTURING

### Solar Systems Manufacturing

**INCENTIVE:**  
Reduced B&O rate at .002904

**AVAILABLE TO:**  
Manufacturers of solar energy systems using photo voltaic modules or silicon components or wholesalers of such systems

**QUALIFYING ACTIVITY:**  
Manufacturing solar energy systems

**REPORTING/DOCUMENTATION:**  
Annual Report must be completed and filed by March 31 of the following year

### Biodiesel/Alcohol Fuel Manufacturing

**INCENTIVE:**  
Reduced B&O rate at .00138 Property and leasehold excise tax exemptions

**AVAILABLE TO:**  
Manufacturers of biodiesel fuel, biodiesel feedstock and wood biomass fuel

**QUALIFYING ACTIVITY:**  
Manufacturing qualifying fuel products

**REPORTING/DOCUMENTATION:**  
Certification that the biodiesel meets the ASTM standard Application for property tax exemption is made through the local county assessor

Application for leasehold excise tax exemption is made through the Department of Revenue

**SPECIAL NOTICE:**  
Biofuel Manufacturers, June 24, 2003

### Biofuel Selling and Distribution

**INCENTIVE:**  
B&O tax deduction for retail sales or distribution of biofuels Sales/use tax exemption for machinery, equipment and construction of facilities for the retail sale of biofuels, and vehicles used to deliver biofuels

**AVAILABLE TO:**  
Retail sellers and distributors of biofuels

**QUALIFYING ACTIVITY:**  
Retail sales and distribution of biofuels

**REPORTING/DOCUMENTATION:**  
Buyers' Retail Sales Tax Certificate to document the tax exempt nature of the sale Taxpayers must maintain certification that the biofuel meets the ASTM standard

**SPECIAL NOTICE:**  
Biofuel Sellers, June 24, 2003

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