

EXEMPTION APPLICATION FOR MANUFACTURING AND RESEARCH & DEVELOPMENT



Due Date: **September 1** or within 6 months after the date of the first assessment for the taxable year that includes the manufacturing/research & development property

Business Name: _____ Department D#: _____

Contact Name: _____ Phone No.: _____

Preparer's Signature _____ Date: _____

1. Exact address of the Manufacturing/R&D operation. If more than one, please supply a separate listing of all locations.

Street _____
City _____ County _____ Zip Code _____

2. Date Manufacturing/R&D operation began in Maryland. _____

3. Attach a detailed description of the business' Manufacturing/R&D operation **in Maryland**. For manufacturers this description must include: raw materials used, step-by-step processes, products produced, packaging and shipping information. For R&D the description should concentrate on the R&D activity being conducted.

4. What is the total number of employees used for:

Manufacturing/R&D

Full Time _____
Part Time _____
Total _____

Administration/Other

Full Time _____
Part Time _____
Total _____

5. Is any portion of the production contracted out to another party? **Yes ___ No ___**
If yes, what does that business produce? _____

6. Supply a legible detailed depreciation schedule for assets claimed under this exemption. The schedule must include a listing of original cost and year of acquisition for each item. Descriptions such as Equipment, Various, or Miscellaneous are not sufficient. Each asset should be labeled by one of the following identifiers. Please use the applicable abbreviation(s) next to each asset on the schedule. For each type of assets, please describe how the property is used in the operation.

Manufacturing (MFG)
Quality Control (QC)

Research/Development (R/D)
Finished Product Testing (FPT)

7. Does the business conduct research on any finished product? **Yes**___ **No**___
If yes, please describe the finished product and the nature of research being conducted.

8. Does the business lease Manufacturing/R&D equipment? **Yes** ___ **No** ___
If yes, please complete Attachment 1.

9. Please provide the Form 1120 Schedule L or balance sheet as filed with the IRS.

Questions 10 -14 Apply to Non-R&D Exemption Requests Only

10. Please supply an explanation describing how raw materials are substantially transformed into a new product.

11. Is any portion of the product finished at a customer's site? **Yes**___ **No**___

12. Who is the primary customer of the business?
If more than one type of customer, supply the percentage of total sales for each.

Retailer _____%

Wholesaler _____%

Distributor _____%

Manufacturer _____%

Other (explain) _____%

13. Does the business sell its finished product at its own retail store(s) in Maryland?
Yes ___ **No** ___

14. List the major raw materials used by the business and the average monthly cost of each.
(A separate sheet can be used)

Raw Materials	Average \$	Raw Materials	Average \$

INSTRUCTIONS FOR SUBMISSION OF MANUFACTURING/R&D APPLICATION

Method of Delivery

The preferred method of delivery is e-mail. Please submit application to sdatsppaudit@maryland.gov.

The application may also be sent by mail to the following address:

State of Maryland
Department of Assessments and Taxation
Personal Property Division
700 E. Pratt Street, 2nd Floor
Baltimore MD 21202

Required Information

Please be sure to answer Questions #3 & #6 in detail:

#3 Attach a detailed description of the business' Manufacturing/R&D Operation in Maryland, etc. For Mfg. this description should include : raw materials used, step-by-step processes, products produced, packaging and shipping information. For R&D the description should concentrate on the R&D activity being conducted.

#6 Supply a legible detailed depreciation schedule for assets claimed under this exemption. The schedule must include a listing of original cost and year of acquisition for each item as well as a brief description of use in the operation.

Requested Information

Photos, technical brochures or catalogs of the operation are welcome, but please do not send dvd's or flash drives.

If there is not enough space provided to answer a question completely, please include additional attachments as needed.

Questions

If you have any questions regarding this application, you may contact the Department via e-mail at sdatsppaudit@maryland.gov or call 410-767-1170.