

CERTIFICATION FOR IDAHO'S ADMINISTRATIVE FACILITIES TAX INCENTIVES

FORM 89C
EFO00007
11-21-05

Business name	Federal employer identification number
Business mailing address	Contact person and title
City, state and zip code	Telephone number of contact person

Type of qualifying incentives (check only one box). See instructions for more information on the tax incentive criteria that must be met to qualify.

- Incentives allowed by Idaho Small Employer Incentive Act of 2005** — capital investment in new headquarters or administrative facilities of at least \$500,000 at the project site, increased employment at the project site by at least ten new employees, and increased employment of at least one new employee for each \$50,000 invested in new headquarters or administrative facilities.
- Incentives allowed by Idaho Corporate Headquarters Incentive Act of 2005** — capital investment in new headquarters or administrative facilities of at least \$50 million at the project site, and increased employment at the project site by at least 500 new employees.

The following information is required to certify that the proposed project will meet the tax incentive criteria during the project period. Failure to provide the requested information may result in the Tax Commission denying any tax incentives claimed under the Idaho Corporate Headquarters Incentive Act or the Idaho Small Employer Incentive Act.

1. Description of qualifying project

2. Estimated/actual start date of project. The start date is the earlier of the date the first physical change to the project site is scheduled to occur or the date new employees related to the project site will be first employed in Idaho. The start date cannot be earlier than January 1, 2005.

3. Estimated/actual end date of project. This cannot be later than December 31, 2009.

4. Location of the project site(s). Identify the street address for each site. If more than one location, identify the percent of the investment projected at each site once the project is completed.

5. If claiming the incentives under the Corporate Headquarters Incentive Act, is this the location of the company's national or regional headquarters?

Yes _____ No _____ If no, please explain.

6. Estimated/actual percent of company's administrative services handled at the project site(s) _____ %

7. **Estimated/actual number of new administrative jobs created during the project period**

2005 _____	2006 _____	2007 _____
2008 _____	2009 _____	TOTAL _____

8. **Estimated/actual cost of capital investments in new administrative facilities.** For each year in the project period, list the actual or projected cost of capital investments in new administrative facilities.

a. **Qualified investment.** This is property that generally qualifies for the Idaho investment tax credit, including computers, equipment, furniture, etc.

2005 _____	2006 _____	2007 _____
2008 _____	2009 _____	TOTAL _____

b. **Buildings and their structural components, including parking garages**

2005 _____	2006 _____	2007 _____
2008 _____	2009 _____	TOTAL _____

9. **Total administrative facilities cost by location**

CERTIFICATION BY TAXPAYER

Under penalties of perjury, I declare that to the best of my knowledge and belief this information is true, correct and complete.

Signature of officer	Date
Title	Phone number of officer

Mail to: TAX POLICY
IDAHO STATE TAX COMMISSION
PO BOX 36
BOISE ID 83722

or

Fax to: TAX POLICY
(208) 334-7844

Instructions for Idaho Form 89C

GENERAL INSTRUCTIONS

For tax years beginning in 2005, the Idaho Small Employer Incentive Act of 2005 (Small Employer Incentive Act) and the Idaho Corporate Headquarters Incentive Act of 2005 (Corporate Headquarters Incentive Act) provide tax benefits to taxpayers who certify that they have met, or will meet, the tax incentive criteria required by those Acts. Form 89C is used to make that certification.

You must file Form 89C prior to claiming any incentives allowed by the Acts. A copy of Form 89C must be attached to your Idaho income tax return for each tax year in which you are claiming or carrying over the incentives.

You may qualify either under the Idaho Small Employer Incentive Act or the Corporate Headquarters Incentive Act, but not both. If you apply for, receive, or are entitled to claim any of the corporate headquarters tax incentives, you may not claim the small employer tax incentives.

TAX INCENTIVE CRITERIA

Small Employer Incentive Act

The Small Employer Incentive Act provides tax benefits to taxpayers who certify that they have met, or will meet, the following tax incentive criteria at the project site during the project period:

1. Invest at least \$500,000 in new headquarters or administrative facilities,
2. Increase employment at the project site by at least 10 new employees, and
3. Hire at least one new employee for each \$50,000 invested in new headquarters or administrative facilities.

Corporate Headquarters Incentive Act

The Corporate Headquarters Incentive Act provides tax benefits to taxpayers who certify that they have met, or will meet, the following tax incentive criteria at the project site during the project period:

1. Invest at least \$50,000,000 in new headquarters or administrative facilities, and
2. Increase employment at the project site by at least 500 new employees.

Project Site

Project site is where headquarters or administrative facilities owned or leased by the taxpayer are located. The project site can be one or more geographic areas in Idaho, but only if 80% or more of the investment required is located at one of the areas.

Project Period

Project period is the period of time that begins at the earlier of:

- A physical change to the project site, or
- The first employment of new employees in Idaho who are related to the activities at the project site.

The project period cannot begin before January 1, 2005.

The project period ends when the facilities constituting the project are placed in service, but no later than December 31, 2009.

New Headquarters or Administrative Facilities

New headquarters or administrative facilities include property that meets either the definition of qualified investment for purposes of the investment tax credit (ITC) or is a building or a structural component of a building.

The property must be new property. Used property does not qualify. New property is property acquired or constructed by the

taxpayer whose original use begins with the taxpayer after such acquisition or construction. Original use means the first use to which the property is put, whether or not that corresponds to the use of the property by the taxpayer. Property used by the taxpayer prior to its acquisition does not qualify.

Small Employer Incentive Act

For the Small Employer Incentive Act, a majority of the company's services must be handled at the headquarters or administrative facilities.

Corporate Headquarters Incentive Act

For the Corporate Headquarters Incentive Act, a majority of the company's services must be handled either on a regional or national basis at the headquarters or administrative facilities.

Services under both Acts include:

- Accounts receivable and payable
- Accounting
- Data processing and information technology
- Distribution management
- Employee benefit plans and insurance
- Financial and securities accounting
- Legal, tax, and treasury functions
- Merchandising
- Personnel and payroll
- Purchasing/procurement
- Planning
- Reporting and compliance
- Other headquarters-related services

New Employees

Under both Acts, to qualify as a new employee for the tax incentive criteria, an employee must:

- Be employed primarily at the project site by the taxpayer,
- Have wages subject to Idaho income tax withholding,
- Be covered for Idaho unemployment insurance purposes,
- Be eligible to receive employer provided coverage under a health plan described in Idaho Code section 41-4703,
- Be employed on a regular full-time basis.

Small Employer Incentive Act

Under the Small Employer Incentive Act, an employee must also earn at least \$19.23 per hour worked during the tax year.

Corporate Headquarters Incentive Act

Under the Corporate Headquarters Incentive Act, an employee must earn at least \$24.04 per hour worked during the tax year, or be part of a group of 500 or more employees at the project site who earn an average of at least \$28.85 per hour during the tax year. The group may not include any employee who earns less than \$15.50 or more than \$96.15 per hour during the tax year.

For this purpose, earnings include income subject to Idaho income tax withholding, but do not include stock options or restricted stock grants.

An existing employee of the taxpayer or a related taxpayer who is transferred to a new position at the project site will not qualify as a new employee, unless the transfer results in a net new job in Idaho.

Once reached, the net increase in employment at the project site must be maintained for the rest of the project period.

TAX INCENTIVES

If you have met, or will meet the tax incentive criteria, you are eligible to claim the following tax incentives:

SMALL EMPLOYER INCENTIVE ACT — Idaho Code, Title 63, Chapter 44			
Incentive	Credit Rate	Limitations	Carryover
Investment Tax Credit (SE-ITC) Form 83	3.75% on all property that is placed in service during the project period anywhere in Idaho. Credit is in lieu of earning the 3% ITC.	Cannot exceed 62.5% of tax. Cannot exceed \$1,250,000 in any tax year	14 years
Real Property Improvement Tax Credit (SE-RPITC) Form 84	2.5% on investments in headquarters and administrative buildings and structural components of buildings that do not qualify for the ITC and are placed in service during the project period at the project site	Cannot exceed \$125,000 in any tax year	14 years
New Jobs Tax Credit (SE-NJTC) Form 85	Varying credit rate from \$1,500 to \$3,000 per qualifying new employee. Employee must earn a minimum of \$24.04 per hour to qualify, be employed primarily within the project site on a full-time basis, and work a minimum of nine months during the tax year. (See other requirements under New Employees.)	Cannot exceed 62.5% of tax	10 years
Sales Tax Rebate	25% rebate of all sales and use taxes that the taxpayer or its contractors actually paid in regard to headquarters or administrative facilities property constructed, located or installed within the project site during the project period		
Growth Incentive Exemption	County Board of Equalization of county in which property that qualifies for the ITC or RPITC is located can exempt all or part of the value of the property from property tax.		

CORPORATE HEADQUARTERS INCENTIVE ACT — Idaho Code, Title 63, Chapter 29			
Incentive	Credit Rate	Limitations	Carryover
Investment Tax Credit (CH-ITC) Form 80	6% on all property that is placed in service during the project period anywhere in Idaho. Credit is in lieu of earning the 3% ITC.	Cannot exceed \$5,000,000 in any tax year	14 years
Real Property Improvement Tax Credit (CH-RPITC) Form 81	10% on investments in headquarters and administrative buildings and structural components of buildings that do not qualify for the ITC and are placed in service during the project period at the project site	Cannot exceed \$500,000 in any tax year	14 years
New Jobs Tax Credit (CH-NJTC) Form 82	Varying credit rate from \$1,500 to \$3,000 per qualifying new employee. Employee must earn a minimum of \$24.04 per hour to qualify, be employed primarily within the project site on a full-time basis, and work a minimum of nine months during the tax year. (See other requirements under New Employees.)		10 years
Sales Tax Rebate	Rebate of all sales and use taxes that the taxpayer or its contractors actually paid in regard to headquarters or administrative facilities property constructed, located or installed within the project site during the project period		
Property Tax Exemption	Exemption from property tax for the lesser of: 1. All property tax actually paid by the taxpayer for years 2005 through 2012 on property constructed or installed within the project site during the project period, 2. All property tax actually paid by the taxpayer for years 2005 through 2012 on property constructed or installed within the area that constitutes 80% or more of the project site, or 3. \$2,000,000 in any calendar year.	Cannot exceed \$2,000,000 of property tax paid in any one calendar year	

RECAPTURE

If you certify that you will meet the tax incentive criteria, and then fail to meet the tax incentive criteria, you will be required to recapture the full amount of any incentives claimed under the Acts.

Recapture of all or a portion of the incentives may also be necessary if you:

- dispose of an investment in new administrative or administrative facilities or it ceases to qualify prior to it being held for five years from the date placed in service,
- do not maintain the required level of employment for five years from the date the project period ends, or
- do not use, store, or otherwise consume property that was allowed a sales tax exemption within the project site for a period of five full years from the date the property was placed in service.

SPECIFIC INSTRUCTIONS

Instructions are for lines not fully explained on the form.

HEADING

Write your business name, address, federal employer identification number, contact person and title, and the contact person's telephone number in the space at the top of the form.

TYPE OF QUALIFYING INCENTIVES

Check the applicable box as to whether you are claiming the incentives under the Small Employer Incentive Act or the Corporate Headquarters Incentive Act. You may only qualify under one of the Acts.

Line 1. Provide a detailed description of the project that qualifies for the incentives. Attach additional sheets as necessary.

Line 2. Enter the date the project started or will start. The start date cannot be earlier than January 1, 2005. The start date is the earlier of the date the first physical change to the project site is scheduled to occur or the date new employees related to

the project site will be first employed in Idaho.

Line 3. Enter the date the project ended or is scheduled to end. This date cannot be later than December 31, 2009.

Line 4. For each project site, provide the street address. Include the percent of the headquarters or administrative facilities invested in the project that will be located at each separate location. The total of these percents must equal 100%.

Line 5. Complete this line only if you are claiming incentives under the Corporate Headquarters Incentive Act. If the project site is the location of the company's national or regional headquarters, place a check on the line after the "Yes." If the project site is not the location of either the company's national or regional headquarters, provide an explanation as to why you are claiming the incentives.

Line 6. Provide the actual or estimated percent of the company's administrative services that is, or will be, provided at the project site once the project has been completed.

Line 7. For each year in the project period, enter the actual or estimated number of new administrative jobs that have been, or will be, created within the project site. If a year listed on the form does not fall within the project period, leave it blank.

Line 8. For each year in the project period, enter the actual or estimated costs of capital investment in new headquarters or administrative facilities located within the project site. If a year listed on the form does not fall within the project period, leave it blank.

List the cost of property that qualifies for the ITC in 8a. List the cost of buildings and their structural components that do not qualify for the ITC in 8b.

Line 9. For each location in your project site, identify the total actual or projected cost of headquarters and administrative facilities. The total of these amounts should match the sum of the totals for lines 8a and 8b.