

WV/SRDTC-1

REV 09/15

Strategic Research and Development Tax Credit

(For periods after January 1, 2015)

NOTE: This schedule is for qualified investment items placed into service for periods after December 31, 2002.

Business Name

Identification Number

Tax Period

to

COMPUTATION OF ELIGIBLE INVESTMENT

- ▲ Research and Development companies complete all lines.
- ▲ Owners allocated Strategic Research and Development Tax Credit, complete lines 13 through 26.

| | COLUMN 1 Net Cost | COLUMN 2 Allowable Cost Percentage | COLUMN 3 Eligible Investment |
|--|-----------------------------|---|--|
| 1. Property with useful life of less than 4 years..... | \$ _____ | 33 1/3% | \$ _____ |
| 2. Property with useful life of 4 years but less than 6..... | \$ _____ | 66 2/3% | \$ _____ |
| 3. Property with useful life of 6 years or more..... | \$ _____ | 100% | \$ _____ |
| 4. In-house research expenses..... | \$ _____ | 100% | \$ _____ |
| 5. Outside contract research expense..... | \$ _____ | 65% | \$ _____ |
| 6. Total eligible investment..... | | | \$ _____ |

If you conducted research and development in West Virginia during prior years, go to Line 7a, otherwise skip to line 1.

| | |
|--|----------|
| 7a. Preceding Year R & D investment and expenses..... | \$ _____ |
| 7b. Second preceding Year R & D investment and expenses..... | \$ _____ |
| 7c. Third preceding Year R & D investment and expenses..... | \$ _____ |
| 8. Total R & D investment and expenses – Three preceding years (add the amounts on lines 7a, 7b, and 7c)..... | \$ _____ |
| 9. Average R & D investment and expenses – Three preceding years (divide amount on line 8 by 3, or enter \$0 if you skipped line 7 & 8).... | \$ _____ |
| 10. Excess total eligible investment (line 6 amount less line 9 amount [cannot be less than \$0])..... | \$ _____ |
| 11. Allowable excess total eligible investment (Multiply line 10 amount by 10%)..... | \$ _____ |
| 12. Allowable annual total eligible investment (Multiply line 6 amount by 3%)..... | \$ _____ |
| 13. Amount of current year credit allowed (R & D companies enter the greater of line 11 or line 12; owners enter current year credit allocated from an R & D company)..... | \$ _____ |
| 14. Enter available unused credit from prior years..... | \$ _____ |
| 15. Total Credit (Add lines 13 and 14)..... | \$ _____ |
| 16. Total Corporation Net Income Tax..... | \$ _____ |
| 17. Enter amount of credit Claimed against Corporation Net Income Tax..... | \$ _____ |
| 18. Total Qualified Personal Income Tax..... | \$ _____ |
| 19. Enter amount of Credit claimed against Personal Income Tax..... | \$ _____ |
| 20. Total credit claimed this year (sum of line 17 and line 19)..... | \$ _____ |
| 21. Credit balance (subtract line 20 from line 15)..... | \$ _____ |

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22. Strategic Research and Development Credit Allocated to Owners

| Owner Name | Owner FEIN | Owner Ownership % | Strategic Research and Development Credit Allocated |
|---|------------|-------------------|---|
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| TOTAL ALLOCATED..... | | | \$ |
| 23. Unused Credit (Subtract Total Allocated Credit from line 21)..... | | | \$ |

24. Refundable credit* for "Small Qualified Research and Development Company"

In order to claim a refundable credit, all of the following must be satisfied:

- I Qualified R & D Investment/Expenditure made on or after July 1, 2004 and the tax year of the Qualified Research and Development Company began on or after July 1, 2004.**
- II Qualified R & D Investment/Expenditure made prior to January 1, 2008.
- III Gross Revenues of R & D company, including controlled group, less than or equal to \$20,000,000.
- IV Payroll of R & D company, including controlled group, less than or equal to \$2,500,000.

If conditions I, II, III, and IV have been satisfied, enter minimum of \$100,000*** or the amount on Line 23..... \$

(Corporation Net Income Tax Taxpayers enter the refundable credit on the "Prior year carryforward" line and enter a note and amount to the left of the entry field. Personal Income Tax taxpayers enter the refundable credit on the "Tax Credits/Employment/Family Adoption Credit" Line)

25. Credit Carry Over Recap

| Year of Credit | Carry-Over Amount | Amount used in prior carry-over years | Amount Used This Year | Remaining Credit |
|----------------|-------------------|---------------------------------------|-----------------------|------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

*The Refundable Credit is subject to an overall statutory limit. Thus, the amount of credit may be reduced by the Tax Commissioner upon the review of all credit claims.

**The tax year of the Qualified Research and Development Company must begin on or after July 1, 2004. For example, a Taxpayer whose tax year begins on January 1 cannot claim the refundable credit for the January 1, 2004 to December 31, 2004 tax year (the first tax year that a January 1 to December 31 tax year filer can claim the refundable credit would be the January 1, 2005 to December 2005 tax year).

***The total Refundable Credit claimed by an eligible Taxpayer, including owners and the controlled group cannot exceed \$100,000.