



Research and Development Incentive

TAX CREDIT APPLICATION INSTRUCTIONS

SECTION ONE

(Application Page 3)
Business Information

- **Business Name:** Type/print the name as filed with the Department of Revenue
- **Address:** Type/print the complete physical address of the principal business location where the R&D was conducted
- **City/State/ZIP Code/Parish:** Type/print the City/State/ZIP Code/Parish in which the company is located.
- **Phone Number:** Please enter the phone number of the person who will be contacted regarding the application
- **Website:** Type/print the company's website address
- **Business Contact:** Enter the name of the person who can provide information related to the application
- **Email Address:** Please enter the email address of the business contact
- **District:** Please indicate the district your company is located in
- **LA Senator and Representative:** Please indicate the local senator and representative for your area
- **Third Party Consultant:** Please list the name of the third party who assisted in filing the application (consultant, CPA firm, law firm, etc.)
- **Application Type:** Choose the type of application being submitted based on employment or grants received
- **Proposed Tax Benefit:** Enter the proposed tax benefit using the R&D Fee Calculation Sheet
- **Control Groups and/or Affiliates:** Enter the information requested and provide list as attachment

SECTION TWO

(Application Page 4)
Research &
Development Information

- **Other Programs:** Check yes or no if you have applied or plan to apply for any other programs administered by LED. If yes, list all programs
- **Has the company filed for the Federal Research and Development Credit:** Check yes or no if the company has filed for the Federal Research and Development Credit. If yes, attach Federal Form 6765. If no, submit a completed Agreed Upon Procedures Report
- **NAICS Code:** The NAICS Code is the North American Industry Classification Code assigned by the Louisiana Workforce Commission
- **Department of Revenue ID:** Enter the company's registered tax ID number as issued by the Louisiana Department of Revenue
- **Federal Tax ID:** Enter the company's registered tax ID number as issued by the Internal Revenue Service
- **Unemployment ID:** Enter the company's unemployment ID number as issued by the Louisiana Department of Revenue
- **Tax Year:** Indicate the tax year the company is applying for tax credits
- **Business Description:** Describe the business activities (industry)
- **List Locations:** Please indicate the city of all locations
- **Federal Qualified Research Expenses:** Enter the amount of research expenses claimed on the federal form 6765 if any
- **Louisiana Qualified Research Expenses:** Enter the amount of qualified research expenses incurred in Louisiana
- **SBIR or STTR Awards Received:** If the company has received a Small Business Innovative Research or a Small Business Technology Transfer grant then enter the grant awards received for the current tax year
- **Three Previous Years Average of LA Qualified Research Expenses:** Enter the average of three previous years qualified research expenses claimed on the federal tax return
- **Total Employees (including affiliates):** Indicate the total amount of employees as of the last quarter of the tax year

- **Total R&D Employees:** Indicate the total amount of employees who engaged in R&D
- **Average Wage of Non-R&D LA Employees:** Indicate the average wage of individuals who were not engaged in R&D
- **Average Wage of R&D LA Employees:** Indicate the average wage of individuals who were engaged in R&D
- **Average Value of Benefits Received by all LA Employees:** Indicate the average of benefits received (health, dental, life, etc.)
- **Cost of Health Insurance Coverage Offered:** Indicate the total employer cost of the health insurance offered to employees

SECTION THREE

(Application Page 4)
Research &
Development Activities

To be considered “qualified research,” the company must be able to establish that the research activity being performed meets ALL four tests. These tests must be applied separately to each business component.

- **The first test is the permitted purpose (business component).** The activity must relate to a new or improved business component or process intended to improve the function, performance, reliability or quality of a business component
- **The second test is the elimination of uncertainty (Section 174 test).** The activity must be intended to discover information to eliminate uncertainty related to capability of a product or process, method of a product or process or appropriateness of a product design
- **The third test is a Process of Experimentation Test.** Substantially all of the activities must relate to a process of experimentation involving evaluating alternatives, confirming the hypotheses through trial and error, testing and/or modeling, or refining or discarding of the hypothesis
- **The fourth test is technological nature** of the activity, which must fundamentally rely on the principles of physical, biological or computer science, or engineering

Feel free to attach additional sheets if necessary.

SECTION FOUR

(Application Page 5)
Research &
Development Expenses

Please provide a breakdown of expenditures by category.

- **Wages:** Include the employee name, title, job description, salary duties performed for this application and indicate the percentage of time engaged in R&D activities
- **Supplies:** Include the vendor, description of the item purchased and the cost
- **Contracted Research:** Include the vendor, a description of the research performed and the cost
- Please also attach the corresponding documentation of the expenditures incurred, such as W-2's for wages, invoices for supplies and invoices or contracts for contracted research

Please provide a breakdown of expenditures by business component.

- Indicate the total amount of expenditures associated with each business component.

SECTION FIVE

(Application Page 6)
Affidavit

Fill in necessary information. Sign, print and notarize.

SECTION SIX

(Application Page 7)
Checklist of Application
Requirements

Complete the checklist of application requirements by application type.

Please mail to:

Louisiana Economic Development
Office of Business Incentive Services
1051 North Third Street
Baton Rouge, LA 70802



Research and Development Incentive

FOR OFFICE USE ONLY

DEPOSIT DATE _____

RECEIPT # _____

CHECK # _____

CHECK AMOUNT _____

INITIALS _____

TAX CREDIT APPLICATION

BUSINESS INFORMATION

BUSINESS NAME

BUSINESS ADDRESS 1 **BUSINESS ADDRESS 2**

CITY **STATE** **ZIP CODE** **PARISH**

PHONE NUMBER **EXT**

WEBSITE

BUSINESS CONTACT **EMAIL ADDRESS**

DISTRICT

LA STATE SENATOR **LA STATE REPRESENTATIVE**

THIRD PARTY CONSULTANT

APPLICATION TYPE **LQRE (LESS THAN 50 EMPLOYEES)** **SBIR** **INCREASE IN R&D (50+ EMPLOYEES)**

PROPOSED TAX BENEFIT (See R&D Fee Calculation Sheet)

IS THE APPLICANT PART OF A CONTROLLED GROUP? **YES** **NO** If so, who is the controlling entity who files for the Federal Research and Development credit? _____

HAS THE CONTROLLED ENTITY APPLIED FOR LOUISIANA RESEARCH AND DEVELOPMENT CREDIT? **YES** **NO**

PLEASE PROVIDE A LIST OF ANY BUSINESS THAT HAS 50% OR MORE COMMON OWNERSHIP OR CONTROL WITH THE APPLICANT.
(Provide list as an attachment.)

HAVE YOU APPLIED OR PLAN TO APPLY FOR ANY OTHER PROGRAMS ADMINISTERED BY LED (I.E. QUALITY JOBS, DIGITAL MEDIA)? YES NO

If yes, list all programs: _____

HAS THE COMPANY FILED FOR THE FEDERAL RESEARCH AND DEVELOPMENT CREDIT FOR THE CURRENT TAX YEAR? YES NO

If yes, please attach Federal Form 6765 for the current tax year. If no, please attach a completed Agreed Upon Procedures Report.

NAICS CODE DEPT OF REVENUE ID

FEDERAL TAX ID UNEMPLOYMENT ID

IS THE COMPANY A CALENDAR YEAR END OR FISCAL YEAR END FILER FOR TAX PURPOSES? CALENDAR FISCAL

IF FISCAL YEAR END FILER, PLEASE STATE FISCAL YEAR END

RESEARCH AND DEVELOPMENT INFORMATION

TAX YEAR BUSINESS DESCRIPTION

LIST ALL LOCATIONS

FEDERAL QUALIFIED RESEARCH EXPENSES

LA QUALIFIED RESEARCH EXPENSES SBIR OR STTR AWARDS RECEIVED

THREE PREVIOUS YEARS' AVERAGE OF LA QUALIFIED RESEARCH EXPENSES (ATTACH COMPUTATION)

TOTAL EMPLOYEES (INCLUDE AFFILIATES) TOTAL R&D EMPLOYEES (INCLUDE AFFILIATES)

AVERAGE WAGE OF NON-R&D LA EMPLOYEES AVERAGE WAGE OF R&D LA EMPLOYEES

AVERAGE VALUE OF BENEFITS RECEIVED BY ALL LA EMPLOYEES

COST OF HEALTH INS COVERAGE OFFERED

RESEARCH AND DEVELOPMENT ACTIVITIES

To be considered "qualified research," the research activity performed must meet ALL four tests. These tests must be applied separately to each business component of the taxpayer.

1. WHAT IS THE NEW OR IMPROVED BUSINESS COMPONENT (PERMITTED PURPOSE)? ATTACH DOCUMENTATION
2. WHAT UNCERTAINTY WAS ELIMINATED? ATTACH DOCUMENTATION
3. WHAT PROCESS OF EXPERIMENTATION WAS USED? ATTACH DOCUMENTATION
4. HOW WAS THE RESEARCH TECHNOLOGICAL IN NATURE? ATTACH DOCUMENTATION

RESEARCH AND DEVELOPMENT EXPENSES BY CATEGORY

EMPLOYEE NAME	TITLE	JOB DESCRIPTION	SALARY	% ENGAGED IN R&D

List of Supplies and Contracted Research

VENDOR	DESCRIPTION	COST
TOTAL LA R&D EXPENDITURES		\$ _____

If including payments to a research company or clinical trial company, please include a copy of the agreement with a copy of all payments made during the year.

RESEARCH AND DEVELOPMENT EXPENSES BY BUSINESS COMPONENT

BUSINESS COMPONENT	COST
TOTAL COST	

AFFIDAVIT

The undersigned authority hereby certifies: That I am _____ of
TITLE
_____. That I have examined the information contained in this application and found the
COMPANY
information given to be true and correct to the best of their knowledge. That I have verified that these expenditures meet the requirements
of Internal Revenue Code Section 41. That I understand the R&D Tax credits are subject to audit and recapture for a period of three years.

I hereby certify that the Research and Development Tax Credit Application meets all of the requirements of R.S. 47:6015 and
applicable regulations. I am aware that my submission of any false information or omission of any pertinent information resulting in
the false representation of a material fact may subject me to civil and/or criminal penalties for filing of false public records (R.S. 14:133)
and/or forfeiture of any tax credits approved under this program. I understand that application and information submitted with it shall not
be returnable to the applicant.

Subscribed on _____, 20_____.

COMPANY OFFICIAL SIGNATURE

PRINTED COMPANY OFFICIAL NAME

NOTARY



Research & Development Tax Credit

FEE WORKSHEET

LQRE-6765 (Less than 50 Employees)

- | | |
|---|------------|
| 1. Louisiana Qualified Research Expenses | _____ |
| 2. Credit Percentage | 40% |
| 3. Louisiana Research Credit (line 1 times line 2) | _____ |
| 4. Fee Calculation equals LA Research Credit multiplied by .5% (.005) | _____ |

\$500 Minimum and \$15,000 Maximum

SBIR/STTR

- | | |
|---|------------|
| 1. Awards received during 2014 | _____ |
| 2. Credit Percentage | 40% |
| 3. Louisiana Research Credit (line 1 times line 2) | _____ |
| 4. Fee Calculation equals LA Research Credit multiplied by .5% (.005) | _____ |

\$500 Minimum and \$15,000 Maximum

CREDIT FOR INCREASING R&D EXPENDITURES (50 + EMPLOYEES)

How many years?

BASE CALCULATION

- | | |
|--|------------------|
| 1. 2011 LA Research & Development Expenditures | _____ |
| 2. 2012 LA Research & Development Expenditures | _____ |
| 3. 2013 LA Research & Development Expenditures | _____ |
| 4. 3 Previous Years Average | _____ |
| 5. Base Calculation (70% x Line 4) | _____ |
| 6. 2014 LA Research & Development Expenditures | _____ |
| 7. Increase in LA R&D Expenditures (Line 6 minus Line 5) | _____ |
| 8. Credit Percentage (8% or 20% with 50 to 99 LA employees) | 8% or 20% |
| 9. Louisiana Research Credit (line 7 times line 8) | _____ |
| 10. Fee Calculation equals LA Research Credit multiplied by .5% (.005) | _____ |

\$500 Minimum and \$15,000 Maximum

*** In the event a company does not have Louisiana R&D expenditures in prior years, there will be no base calculation**

TYXX multiplied by appropriate % (8 or 20) = R&D Tax Credit

*** In the event a company only has Louisiana R&D expenditures in one prior year, the base calculation equals the one prior year amount multiplied by 70%**

Current Year - Base = R&D increase; R&D Increase multiplied by appropriate % (8 or 20) = R&D Tax Credit

*** In the event a company only has Louisiana R&D expenditures in two prior years, the base calculation equals the average of the two prior years multiplied by 70%**

Current Year - Base = R&D increase; R&D Increase multiplied by appropriate % (8 or 20) = R&D Tax Credit

CHECKLIST OF APPLICATION REQUIREMENTS BY APPLICATION TYPE

LQRE (Less than 50 Employees)

- Completed R&D Application
- Calculate the fee using the R&D Fee Calculation Sheet and send with a check made payable to Louisiana Economic Development
- Filed Federal Form 6765 for the current tax year or a completed Agreed Upon Procedures Report
- Detailed Narrative of the research and development conducted
- Breakdown of cost by expenditure category (wages, supplies, contracted research, etc.)
- Breakdown of cost by each activity (business component)
- W-2's or K-1's for wages listed on the application
- 1099's, K-1's and/or invoices for contracted research
- W-2's, K-1's, 1099's should only include the last four numbers of the employee's social security number and/or tax identification number.
- Financial Statements for the tax year in which you're applying for (Compiled or Reviewed)
- Federal Tax Returns for the tax year in which you're applying for
- 3rd and 4th Louisiana Employer's Quarterly Wage & Tax Report (LWC ES4) for the tax year in which you are applying
- Organizational chart for the tax year within which you are applying, please include employee name, title and description of work performed by each employee

SBIR

- Completed R&D Application
- Calculate the fee using the R&D Fee Calculation Sheet and send with a check made payable to Louisiana Economic Development
- SBIR/STTR grant
- Listing of disbursements received
- Bank statements showing payments received

Increase in Louisiana Research and Development Expenditures (50+ Employees)

- Completed R&D Application
- Calculate the fee using the R&D Fee Calculation Sheet and send with a check made payable to Louisiana Economic Development
- Filed Federal Form 6765 for current tax year and the three previous years
- Please attach the Louisiana only qualified research expenses for the three previous years (if applicable)

Please mail to:

Louisiana Economic Development
Office of Business Incentive Services
1051 North Third Street
Baton Rouge, LA 70802