

DELAWARE FORM 402AP 9901
New Business Facility Tax Credits
INSTRUCTIONS

GENERAL INSTRUCTIONS

Form 402AP is used to apply for the Delaware corporate income tax credit and the Delaware gross receipts tax reduction which is available to businesses who establish or expand facilities located in Delaware and meet certain eligibility requirements. Form 402AP must be completed and returned to:

Delaware Division of Revenue
820 North French Street
Wilmington, DE 19801
(302) 577-8662

The Division of Revenue will notify the applicant in writing if the application is approved or disapproved. Approval by the Delaware Division of Revenue must be granted before the corporation can claim the income tax credits or the gross receipts tax reduction. A separate Form 402AP must be completed for each new or expanded facility.

Effective for all qualified facilities placed in service after June 30, 2011, the general corporate income tax credits are \$500 for each qualified employee and \$500 for each \$100,000 of qualified investment. If the facility is placed in service in a targeted area, the corporate income tax credits are increased to \$750 for each qualified employee and \$750 for each \$100,000 of qualified investment.

Any manufacturer located in Delaware may be entitled to *green industries* Delaware corporate income tax credits if the manufacturer reduces the amount of waste released from their manufacturing process by 20% or uses at least 25% of recycled materials in their manufacturing process. Additional credits are available if the manufacturer is in the business of the processing and resale of materials removed from the Delaware solid waste stream or is engaged in the business of the collection of materials for recycling and the distribution of recycled materials.

Effective for all qualified facilities placed in service after June 30, 2011, any taxpayer may be entitled to Delaware corporate income tax credits of \$750 for each qualified employee and \$750 for each \$100,000 of qualified investment if the facility is located on a *brownfield* site. If the *brownfield* site is located in a targeted area, the corporate income tax credits are increased to \$900 for each qualified employee and \$900 for each \$100,000 of qualified investment. A *brownfield* site is defined as a vacant or unoccupied site that has been environmentally contaminated by commercial or industrial activity as verified by the Delaware Department of Natural Resources and Environmental Control.

SPECIFIC LINE INSTRUCTIONS

PART A -- NAME AND ADDRESS

- Line 1.** Enter the Federal Employer Identification Number of the facility applying for the New Business Facility Tax Credit.
- Line 2.** Enter the name of the business applying for the New Business Facility Tax Credit.
- Line 3.** Enter the address of the facility applying for the New Business Facility Tax Credit.
- Line 4.** Enter the location of the facility applying for the New Business Facility Tax Credit.
- Line 5.** Enter the name and telephone number of the person submitting this application.

PART B -- BUSINESS ACTIVITIES

Please check the appropriate box or boxes which describe the activities of the facility applying for the New Business Facility Tax Credit.

PART C -- QUALIFYING FACILITY INFORMATION

- Line 1.** Enter the date (MM/DD/YY) the facility applying for the New Business Facility Tax Credit was placed in service.
- Line 2.** Enter the value, at original cost, of the real and tangible property used at the location of the facility applying for the New Business Facility Tax Credit.
- Line 3.** If the facility applying for the New Business Facility Tax Credit is leased, enter the name, address and Federal Employer Identification number of the lessor.
- Line 4.** Enter the number of employees employed at the facility applying for the New Business Facility Tax Credit.
- Line 5.** If the facility applying for the New Business Facility Tax Credit was acquired from another, enter the name, address and the Federal Employer Identification number of the previous owner.
- Line 6.** If the facility applying for the New Business Facility Tax Credit is related to the previous owner, check the "YES" box and describe the relationship between the two entities. Check "NO" if the entities are not related.