

Ohio Department of Development Grant Request

## 7.5%-13.5% Grant for Purchases of New Manufacturing Machinery and Equipment for the Taxpayer's Taxable Year Ending in 2008

**Schedule A – Taxpayer Requesting the Grant** – For the taxable year ending in 2008, the taxpayer (or taxpayers – if the taxpayers are C corporations and members of a “qualifying controlled group”) identified below hereby requests a nonrefundable grant for purchases of new manufacturing machinery and equipment in the amounts shown. **Enclose this form with the income tax return or the franchise tax report of the taxpayer claiming the grant for the taxpayer's taxable year ending in 2008.**

	<b>Name of Taxpayer Requesting the 7.5%-13.5% Manufacturer's Grant</b>	<b>Taxpayer's Identification Number</b>	<b>Grant Requested on the Taxpayer's Return for the Taxable Year Ending in 2008</b>
	If the taxpayer claiming the grant is an individual, enter the taxpayer's name followed by the letter "I" in the box provided. If the taxpayer claiming the grant is a <u>pass-through entity filing a composite return</u> on behalf of the entity's investors, enter the pass-through entity's name followed by the letter "P." If an estate, by "E." If a trust, by "T." If the taxpayer claiming the grant is a C corporation, enter the taxpayer's name followed by the letter "C." If the taxpayer is a C corporation and a member of a qualifying controlled group of corporations required to compute a consolidated grant, list the name, FEIN and requested grant amount for each member of the qualifying controlled group claiming the grant (attach additional sheet if necessary).	If the taxpayer requesting the grant is an individual, enter the taxpayer's Social Security number. If the taxpayer requesting the grant is a C corporation or a pass-through entity filing a composite return, enter the taxpayer's FEIN.	Enter here and on the appropriate line of the taxpayer's income tax or franchise tax return.
1.			
2.			
3.			
4.			
5.	Total grant requested for the taxpayer's taxable year ending in 2008 (from Schedule B).		

**Schedule B – The Taxpayer's 1/7 Grant Amounts Shown by Purchase Year**

The Total Requested Grant on Schedule A, Line 5 Consists of the Following One-Seventh Grant Amounts from Qualifying New Machinery and Equipment Purchased During the Calendar Years Indicated:					
Carryforward Amounts from 1999, 2000 and/ or 2001 Qualifying Purchases	2002	2003	2004	1/1/2005 to 6/30/05	Total Requested Grant (to Schedule A)

**Schedule C – Pass-Through Entities That Purchased Equipment for Which the Taxpayer Is Claiming the Grant**

Name of Pass-Through Entity	FEIN	NAICS Code	Taxpayer's Ownership %

**Schedule D – Location of Manufacturing Facilities by County** (attach additional sheet if necessary)

Ohio County	Street Address of Taxpayer's Manufacturing Facilities or Pass-Through Entity's Manufacturing Facilities in the Ohio County	Principal Products Manufactured at the Facility

I declare under penalties of perjury that this grant request form has been examined by me and to the best of my knowledge and belief is true, correct and complete.

**Taxpayer's signature** (if taxpayer is an individual) \_\_\_\_\_ Date \_\_\_\_\_

**Signature of officer or managing agent** \_\_\_\_\_ Date \_\_\_\_\_  
(if taxpayer is other than an individual)

## Instructions for Filing the Grant Request Form

For taxable years ending on or after July 1, 2005 the Ohio Revised Code section (R.C.) 5733.33 Ohio franchise tax nonrefundable credit and the R.C. 5747.31 Ohio income tax nonrefundable credit for manufacturers that purchased (and for investors in pass-through entity manufacturers that purchased) qualifying new manufacturing machinery and equipment for use in Ohio convert to a nonrefundable grant (R.C. 122.172 and 122.173) administered by the Ohio Department of Development. That is, **for taxable years ending on or after July 1, 2005, the 7.5%-13.5% manufacturers' grant replaces the 7.5%-13.5% manufacturers' credit.** The same definitions, concepts, computations and 1/7 carryforward provision that apply to the credit also apply to the grant.

**Each taxpayer requesting the grant must file this completed grant request form with the taxpayer's tax return for the taxable year for which the taxpayer claims the grant.** The grant and this grant request form apply to qualifying new manufacturing machinery and equipment purchased during the period Jan. 1, 2005 to June 30, 2005, as well as to qualifying equipment purchased in 2004 and earlier purchase years. Thus, the grant applies to the both the 1/7 amounts from 2005 qualifying purchases and to the 1/7 amounts from pre-2005 qualifying purchases for which the taxpayer claimed the credit on prior franchise tax reports or prior income tax returns. See R.C. 122.172, 122.173 and 5733.33.

**Schedule A** – Enter the taxpayer's name, identification number, and requested grant amount.

- If the taxpayer requesting the grant is an **individual**, enter the taxpayer's name followed by the letter "I" in the box provided.
- If the taxpayer requesting the grant is a **pass-through entity that files a composite return** on behalf of its investors, enter the taxpayer's name followed by the letter "P."
- If the taxpayer requesting the grant is an **estate** enter the taxpayer's name followed by the letter "E."
- If the taxpayer requesting the grant is a **trust**, enter the taxpayer's name followed by the letter "T."
- If the taxpayer requesting the grant is a **C corporation**, enter the taxpayer's name followed by the letter "C." If the taxpayer is a C corporation and a **member of a qualifying controlled group of corporations required to compute a consolidated grant** pursuant to R.C. 122.173(I), list the name, federal employer identification number and requested grant amount for each member of the qualifying controlled group that claims the grant on this year's franchise tax report. Attach a copy of this form to the franchise tax report of each member of the group claiming the grant. **Do not complete a separate request for each member of the group.**

**Caution:** If the taxpayer requesting the grant is a C corporation subject to franchise tax phase-out, the grant is subject to the same phase-out percentage as the tax (see R.C. 122.173(J)). In determining the grant for franchise tax year 2009, such franchise taxpayers can claim only 20% of the grant that they otherwise could claim were it not for the franchise tax phase-out. **If the taxpayer requesting the grant is a 2009 franchise taxpayer subject to the franchise tax phase-out, the grant shown on Schedules A and B of this form and on form FT 1120, Schedule A, line 23 must reflect the 20% "after phase-out" amount. When entering the requested grant shown on this form to form FT 1120, line 23, do not multiply by the 20% phase-out factor a second time.**

**Schedule B** – The requested grant shown on Schedule A can consist of 1/7 amounts from several purchase years. Enter on Schedule B the 1/7 grant amount from each purchase year for which the taxpayer is requesting the grant on this year's tax return. If the taxpayer requesting the grant is a 2009 franchise taxpayer

subject to the phase-out, multiply each 1/7 amount by the 20% phase-out factor. **Note: Each 1/7 amount that could not be used in the year in which it otherwise could have been claimed (because the taxpayer did not have sufficient tax to use the amount) can be carried forward for three years. If the requested grant includes 1/7 carryforward amounts from qualifying purchases in 1999, 2000 and/or 2001 that the taxpayer could have claimed as a credit/grant on the taxpayer's 2006, 2007 and/or 2008 franchise tax report or on the taxpayer's 2005, 2006 and/or 2007 income tax return (if the taxpayer had sufficient tax to use the credit/grant in those years), please enter the sum of those amounts in the far left column.** The total requested grant shown on Schedule B must equal the total requested grant on Schedule A, line 5.

**Schedule C** – If the total grant requested includes any amounts with respect to qualifying new manufacturing machinery and equipment purchased by a pass-through entity in which the taxpayer had an ownership interest at the time of purchase, list the pass-through entity's name, federal employer identification number, NAICS code, and the taxpayer's percentage of ownership interest in the pass-through entity during the year in which the pass-through entity purchased the qualifying equipment. Attach additional sheet if necessary.

**Schedule D** – For each Ohio county for which the taxpayer (or taxpayers – if the taxpayers are C corporations and members of a qualifying controlled group) is (are) requesting the grant, list the county, the street address of the manufacturing facility in that county, and the principal products manufactured at that facility. Attach additional sheet if necessary.

**Caution: This form is not a "notice of intent"** as prescribed by R.C. 122.173(E) or R.C. 5733.33(E). The purchaser of the qualifying equipment for which the taxpayer is requesting the grant was required to **have filed with the Department of Development a "notice of intent" by the date of a timely filed return, including extensions, for the taxable year that includes Sept. 30, 2005.** The notice of intent filing requirement applies to each purchase year within the qualifying purchase period – not to the years in which the 1/7 credit/grant amounts are claimed. If the purchaser failed to file the notice of intent by the required date, the taxpayer is not entitled to the grant. Nevertheless, a notice of intent to claim the credit filed on or before such date pursuant to R.C. 5733.33(E) is considered a notice of the intent to claim a grant under R.C. 122.173. See the department's information release CFT 2006-01.

**Note:** In *DiamlerChrysler Corp. v. Cuno* 547 U.S. (2006), the United States Supreme Court held that the plaintiffs had not established their standing to challenge the 7.5%-13.5% credit. Because the plaintiffs had no standing to challenge the credit, the lower courts erred by considering the plaintiffs' claims on the merits. Because of this decision, taxpayers can continue to claim the 7.5%-13.5% grant as provided by Ohio law. (As noted above, for taxable years ending on or after July 1, 2005 the 7.5%-13.5% manufacturer's credit converts to a nonrefundable grant. The court's decision here does not convert the grant back to a credit.)

**Federal Privacy Act Notice.** Because we require you to provide us with a Social Security account number, the *Federal Privacy Act of 1974* requires us to inform you that your providing us your Social Security number is mandatory. Ohio Revised Code sections 5703.05, 5703.057 and 5747.08 authorize us to request this information. We need your Social Security number in order to administer this tax. Your failure to supply any information requested on a tax form prescribed by the tax commissioner may result in (i) the imposition of penalties for failing to file a complete tax return or (ii) the denial of a license, if applicable.