



APPLICATION FOR QUALIFICATION AS A MICROBUSINESS

NORTH DAKOTA DEPARTMENT OF COMMERCE

SFN 58637 (6-2016)

►Use only for qualification as a microbusiness for the Microbusiness Income Tax Credit under N.D.C.C. §57-38-01.27.

Taxpayer Information

Please Print

Applicant		Social Security Number or FEIN		Type of business: <input type="checkbox"/> Partnership <input type="checkbox"/> Subchapter S Corporation <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other: _____
Company Name		Telephone Number		
Business Location	City	State	Zip	
Mailing Address	City	State	Zip	
Web site				
Email Address				

Microbusiness Certification

Please attach copies of the past three years and projected three years of profit & loss statements and balance sheets.

1. Please describe this business: (Attach additional pages as needed)	
2. What is the projected income of the business? \$ _____	3. What are the projected expenditures of the business? \$ _____
4. Describe the market to be served by the business:	
5. Describe how your business will meet the needs of this market:	
6. What is the amount of projected "new investment" and describe what it will be used for? (refer to instructions)	
7. What is the amount of projected "new employment" increases? (refer to instructions) \$ _____	8. How many employees does this business employ?
9. Will you be in direct competition with an established business within 15 miles of your location? <input type="checkbox"/> Yes <input type="checkbox"/> No	10. Will you be closing or reducing your business operations to relocate in another area? <input type="checkbox"/> Yes <input type="checkbox"/> No
11. Explain how the new improvement will create new income or jobs in the area in which the business is located:	
12. What is the nature of the applicant's engagement in the operation of the business?	

The undersigned certifies that the information provided in this document is true and accurate.

Applicant (Please print)	Title
Signature	Date

Consistent with North Dakota law, information contained in the shaded areas will be kept confidential within the North Dakota Department of Commerce and State Tax Department.

In compliance with the Federal Privacy Act of 1974, Public Law 93-579, the disclosure of the taxpayer's social security number or federal employer identification number (FEIN) on this form is mandatory and is required under Subsection 2 of North Dakota Century Code § 44-04-28. Failure to provide this information will result in withdrawal of the application.

Qualifications

- The microbusiness will be located in an area determined by the director to be an economically viable small community with a population of at least one hundred but fewer than 2,000, located at least fifteen miles from the city limits of a city with a population of 2,000 or more.
- The microbusiness will employ five or fewer employees.
- The applicant is actively engaged in the operation of the microbusiness or will be actively engaged in the daily operation of the microbusiness upon its establishment.
- The applicant will make “new investment” or “new employment” in the microbusiness.
 - “New investment” is an increase in the applicant’s purchase of microbusiness buildings and depreciable personal property located in this state, not including vehicles required to be registered for operation on the roads and highways of this state, during the taxable year as compared with the previous taxable year. If the property is leased, the amount of new investment is the increase in average net annual rents multiplied by the number of years of the lease for which the taxpayer is bound, not exceeding ten years. For the purposes of calculating the increase in investment, the employer may not include any increases in rents for property leased before the current taxable year. Only rents for leases completed in the current taxable year may be included.
 - “New employment” is the amount by which the total compensation paid during the taxable year to North Dakota resident employees exceeds the total compensation paid to North Dakota resident employees in the taxable year before the application. For the purposes of calculating the increase in new employment, the employer may not include merit-based or equity-based salary increases, cost of living adjustments, or any other increase in compensation not directly related to the hiring of new employees during the taxable year.
- The “new investment” or “new employment” will create new income or jobs in the area in which the microbusiness is located.
- The microbusiness will not directly compete with any established business located within fifteen miles of the proposed microbusiness.
- The applicant is not closing or reducing its business operation in one area of the state and relocating substantially the same business operation in another area.

Instructions for applicant

The applicant must verify it is associated with an economically viable small community and has secured supporting documentation that the community has one or more of the following:

- An active community economic development organization;
- An ongoing relationship with a regional or urban economic development organization;
- An existing city sales tax, all or part of the revenue from which is dedicated to economic development.

Submit the supporting documentation, copies of the past three years of profit and loss statements and balance sheets, three years of projected profit and loss statements and balance sheets, and the completed application to:

North Dakota Department of Commerce
Economic Development & Finance Division
PO Box 2057
Bismarck, ND 58502-2057

For more information on the Microbusiness Income Tax Credit, including additional requirements for certified microbusinesses, please visit:
www.legis.nd.gov/cencode/t57c38.pdf (see § 57-38-01.27) and www.nd.gov/tax/genpubs/business-incentives.pdf.

If you have any questions...

Call:

701-328-5300

Write to:

North Dakota Department of Commerce
Economic Development & Finance Division
PO Box 2057
Bismarck, ND 58502-2057