



**APPLICATION FOR CERTIFICATION AS A RESEARCH AND DEVELOPMENT COMPANY QUALIFIED TO SELL, TRANSFER OR ASSIGN UNUSED RESEARCH AND EXPERIMENTAL EXPENDITURE TAX CREDIT IN THE STATE OF NORTH DAKOTA**

NORTH DAKOTA DEPARTMENT OF COMMERCE  
SFN 58638 (6-2016)

ND Department of  
Commerce Economic  
Development &  
Finance Division Use  
Only

Approved  
 Denied

► Use only for certification if you intend to sell, transfer, or assign unused research and experimental expenditure tax credit.

**Taxpayer Information**

Please Print

Applicant		Social Security Number or FEIN	
Company Name		Telephone Number	
Business Location	City	State	ZIP Code
Mailing Address	City	State	ZIP Code
Website	Taxpayer Type <input type="checkbox"/> Individual <input type="checkbox"/> "C" corporation <input type="checkbox"/> Estate <input type="checkbox"/> Trust		
Email Address			

**Business Information**

<p>Have you ever earned or claimed the Research and Experimental Expenditures Tax Credit in North Dakota prior to January 1, 2007? <b>(Please provide a one-page description of the new research to be conducted.)</b> <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>What is the annual gross revenue amount generated through your business? <input type="checkbox"/> This is a projected revenue amount. We have not been in operation for a full year.     \$ _____ <input type="checkbox"/> This is our average gross revenue for the preceding three years.                             \$ _____</p>
<p><b>(Please provide copies of page one of your federal income tax returns for the preceding three years. If you were included in a federal consolidated tax return, provide copies of page one of your proforma returns, or copies of the federal consolidated return schedule of gross income and deductions.)</b></p>

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.**

Upon certification, your application will be sent to the North Dakota State Tax Department for review.

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

A taxpayer – limited to an individual, “C” corporation, estate or trust – may elect to sell, assign, or otherwise transfer the research and experimental expenditures income tax credit if it is a qualified research and development company, as certified by the North Dakota Department of Commerce Division of Economic Development and Finance. A partnership, “S” corporation, or other type of passthrough entity is not eligible to sell, assign, or otherwise transfer the credit. A qualified research and development company is an eligible taxpayer that meets all of the following conditions:

- It is certified as a Primary Sector Business. If not currently certified as a Primary Sector Business, please visit: [www.NDBusiness.com](http://www.NDBusiness.com).
- It has less than \$750,000 in annual gross revenues.
- It is going to conduct new research and development in North Dakota.
- It has not previously earned or claimed the North Dakota research and experimental expenditures income tax credit.

A qualified research and development company may sell, assign, or otherwise transfer up to a lifetime total of \$100,000 of unused tax credit.

## Instructions for qualified business

Use this form only for applying for certification as a qualified research and development company for purposes of the sale, assignment or transfer provisions under N.D.C.C. § 57-38-30.5.

Submit a completed application, a one-page description of the new research to be conducted, and copies of federal tax information as indicated on page one to:

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

The North Dakota definitions of qualified research and research expenses follow the Internal Revenue Code [26 U.S.C. § 41], except it does not include research conducted and expenses incurred for basic research conducted outside of the state of North Dakota.

## 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

For more information on the North Dakota Research and Experimental Expenditures Tax Credit, including additional requirements for certified research and development companies, please visit:

[www.legis.nd.gov/cencode/t57c38.pdf](http://www.legis.nd.gov/cencode/t57c38.pdf) (see § 57-38-30.5)  
and [www.nd.gov/tax/genpubs/business-incentives.pdf](http://www.nd.gov/tax/genpubs/business-incentives.pdf).