



Application to be Considered a Research and Development Firm

15-31-103 and 15-6-135, MCA

Please type or print the information required in the boxes below.			
Name of Corporation		Federal Employer Identification Number [] [] - [] [] [] [] [] [] [] []	
Address		Date the firm was incorporated or qualified to do business in Montana	
City	State	Zip	First taxable year for which exemption is requested

Please mark ☒ the appropriate box(es) regarding this application:

☐ Corporation License Tax Exemption ☐ Class 5 Property Classification

Part I	
Enter the name and address of each officer of the research and development firm.	
(Please include a supplement if necessary.)	

Part II
Please provide a detailed description of the corporation's research and development activity that will be conducted in Montana. (Note: Please refer to the general instructions listed on the back of this form and provide the required information.)
(Please include a supplement if necessary.)

Part III
If using a registered agent, please enter the name and address of the registered agent. (35-7-105(i), MCA)
Name
Number and Street
City, State and Zip Code

Part IV	
Signature of Chief Executive Officer or Officer's Agent	Date
Print Name and Title	Telephone Number

General Instructions for Form RDF-CT

Purpose of this form

The form serves two purposes. It is used by new corporations formed to engage in business in Montana for the first time to apply for classification as a research and development firm. It is also used annually by firms that already have been classified as research and development firms to identify their research and development property that qualifies for "class 5" classification for property tax purposes.

Application Filing Requirements

- This application must be filed with us before the end of the first calendar quarter of the taxable year that you engage in business in Montana.
- When we receive your timely application, (15-31-103(2)(c), MCA), we will evaluate your firm's eligibility to be designated as a research and development firm. If your firm qualifies, we will send you a letter confirming this designation.
- If you do not properly complete this form or file within the time allowed, you will automatically be disqualified from being designated and treated as a research and development firm.
- The director of the Department of Revenue may grant an extension of time for you to file an application for treatment as a research and development firm if you submit the extension in writing and the extension does not extend beyond 30 days from the date the application was required to be filed.
- ARM Section 42.23.115 states that in order for a firm to qualify as a research and development firm, more than 50% of the real and tangible personal property located in Montana and more than 50% of its Montana payroll must be directly related to research and development activities.
- A corporation which is created through the reorganization of a corporation currently operating in Montana is not eligible for the research and development tax benefits if the newly created research and development subsidiary is essentially continuing current and past activities of the parent in Montana. If the newly created corporation is carrying on new research and development activities separate and distinct from the operations of the parent, the corporation will be eligible for tax benefits. (ARM 42.23.114)

Exemption from License and Income Tax (15-31-103, MCA)

- An eligible research and development firm that is organized to engage in business in the state of Montana for the first time is not subject to any of the taxes imposed on net income earned from research and development activities during its first five taxable years of activity in Montana. The "taxable year" means a research

and development firm's taxable period for federal income tax purposes.

- Income which is unrelated to research and development activities earned by a research and development firm is not eligible for the five-year income exemption from the Montana corporation license tax. (ARM 42.23.116)
- For the purpose of calculating or otherwise determining the period for which a deduction, exclusion, exemption, or credit may be taken, we will disregard a research and development firm's first five taxable years of activity in Montana and administer the deduction, exclusion, exemption, or credit as if the corporation did not exist during those taxable years. This treatment of a research and development firm extends to net operating loss carryback and net operating loss carryforward provisions.

Property Tax Classification (15-6-135, MCA)

- If you qualify as a research and development firm, all land and improvements and all personal property that you own that is actively devoted to research and development will be determined to be "class five property" for purposes of property tax classification.
- In order to qualify for the class five property classification, you must file this form annually with the department on or before January 1 of the year that you desire the classification. Through our business and income taxes division, we will certify the eligibility of your class five research and development property classification.

Mail to: Montana Department of Revenue
Corporation Tax Unit
PO Box 7149
Helena, MT 59604-7149

Questions? Please call us toll free at (866) 859-2254 (in Helena, 444-6900).