



Application to be Considered a Research and Development Firm

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

MONTANA
RDF-CT
Rev 04 14

This application must be filed before the end of the first calendar quarter during which your firm engages in business in Montana.

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:

☐ Corporate Income 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
Please identify your registered agent. If you are using a commercial registered agent, please list that agent's name. If you are using a non-commercial registered agent, please list the name and address of that agent. (35-7-105(1), MCA)
Name
Street Address or Rural Route Box Number (if necessary)
City, State and Zip Code (if necessary)

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

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

Instructions for Form RDF-CT

Purpose of This Form

The form serves two purposes. It is used by new corporations created to engage in business in Montana 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 it to make sure that it contains all of the information required by 15-31-103(2)(b), MCA. If your application was timely filed, and contains all required information, 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 you an extension of time to file an application for treatment as a research and development firm. To receive this extension, you must submit a request for the extension in writing. When doing so, the new deadline that you are requesting for submitting the application cannot 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 that 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 Income Tax and Alternative 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 corporate income 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 considered “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.

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Corporation Tax Unit
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Helena, MT 59604-7149

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