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APPLICATION FOR CERTIFICATION AS A QUALIFIED BUSINESS FOR THE SEED CAPITAL INVESTMENT TAX CREDIT

NORTH DAKOTA DEPARTMENT OF COMMERCE SFN 58662 (06-2022)

ND Department of Commerce Economic Development & Finance Division Use Only. Includes checkboxes for Approved, Denied, Original, and Recertified.

Taxpayer Information

Form section for Taxpayer Information with fields for Company Name, Primary Contact, Telephone Number, Physical Location of ND Facility, City, State, ZIP Code, Mailing Address, Website, and Email Address.

Business Information

Main Business Information section with questions 1-6 regarding business type, compliance, employees, and sales. Includes a shaded 'OFFICE USE ONLY' column.

Signature section with fields for Applicant (Please print), Title, Signature, and Date.

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

## Qualifications

In order to be certified as a qualified business, the business must meet the following requirements:

- The business must be certified as a “primary sector” business:
  - A primary sector business means a qualified business that through the employment of knowledge or labor adds value to a product, process, or service and which results in the creation of “new wealth”, but does not include an “agricultural commodity processing facility”:
    - “New wealth” means revenues to North Dakota businesses which are generated by sales of products or services to customers outside of the state. “New wealth” also includes revenues to qualified businesses, the customers of which previously were unable to acquire or had limited availability of, the product or service from a North Dakota provider.
    - “Agricultural commodity processing facility” means a facility that through processing involving the employment of knowledge and labor adds value to an agricultural commodity capable of being raised in this state; or a livestock feeding, handling, milking, or holding operation that uses as part of its operation a byproduct produced at a biofuels production facility.
- The business must not be a real estate investment trust;
- The business must be incorporated or its satellite operation is incorporated as a for-profit corporation or is a partnership, limited partnership, limited liability company, limited liability partnership, or joint venture;
- The business must be in compliance with the requirements for filings with the securities commissioner under the securities laws of North Dakota. This often involves a notice filing. In all cases this will involve communication between the Department of Commerce and the Securities Department prior to consideration for certification. If you have any questions regarding compliance, please contact the ND Securities Department at 701-328-2910;
- The business must have North Dakota residents as a majority of its employees in the North Dakota principal office or the North Dakota satellite operation;
- The business must have its principal office in North Dakota and have the majority of its business activity performed in this state, except sales activity, or have a significant operation in North Dakota that has or is projected to have more than ten employees or \$150,000 of sales annually;
- The business must rely on innovation, research, or the development of new products and processes in its plans for growth and profitability.
- Certification expiration date may not be more than four years from the certification effective date. Only one recertification is available to a qualified business. Recertification applications must be filed within ninety days before the original certification expiration date.
- A taxpayer who owns a controlling interest in the qualified business or who receives more than fifty percent of the taxpayer's gross annual income from the qualified business is not entitled to a credit under this section. A member of the immediate family of a taxpayer disqualified by this subsection is not entitled to the credit under this section. For purposes of this subsection, “immediate family” means the taxpayer's spouse, parent, sibling, or child or the spouse of any such person.

## Instructions for qualified business

Use this form only for certification by the North Dakota Department of Commerce Division of Economic Development and Finance as a qualified business for the Seed Capital Investment Tax Credit under N.D.C.C. § 57-38.5.

Submit a completed application to:

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

## 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 Seed Capital Investment Tax Credit, please visit:

<http://www.legis.nd.gov/cencode/t57c38-5.pdf> and  
<https://www.tax.nd.gov/tax-exemptions-credits/income-tax-exemptions-credits>.