

State of Hawaii - DBEDT Form 346 - TCRA 2017 Sample

Department of Business, Economic Development, and Tourism

TAX YEAR: 2017

ANNUAL SURVEY BY QUALIFIED HIGH TECHNOLOGY BUSINESS (QHTB)

(Calendar Year — Due June 30, 2018)

(Rev. 02/24/2018)

INSTRUCTIONS: Unless otherwise indicated, all questions must be answered. Incomplete responses will not be accepted. If needed, brief instructions appear when you move your cursor to the blank you are filling out. Research activities in this survey refer to "qualified research" as defined in Section 41(d) of the Internal Revenue Code. Do not enter any dollar signs '\$', cents, percent signs '%', or commas ',' in your numerical answers. Form changes are stored only after clicking the Continue button or the check box marked 'Save my progress and resume later'. When you have completed the form and reviewed it, click the Submit button at the end of the form. A copy of the form will be emailed to the address you provide below. You can view a PDF of this entire form. Please note that this PDF form cannot be submitted, it is just for your review.

Contact Information

1. Name of QHTB
2. Hawaii Tax ID (ex. 12345678, W- format, or new 10-digit format)
3. Please check the box below if this is an amended form.
 - a. Yes, this is an amended form
4. Business Address
 - a. Street Address
 - b. Address Line 2
 - c. City
 - d. State / Province / Region
 - e. Postal / Zip Code
 - f. Country
5. Mailing Address (if different from above address)
 - a. Street Address
 - b. Address Line 2
 - c. City State / Province / Region
 - d. Postal / Zip Code
 - e. Country
6. Web Site (if any)
7. Contact Person

8. Phone Number
9. Email Address of the Contact Person

Section One - Research Activities in Hawaii

Form changes are stored only after clicking the Continue button.

1a. Please indicate the areas in which QHTB conducted research activity in Hawaii during calendar year 2017 (select all that apply):

- a) Astronomy
- b) Biotechnology
- c) Computer Software
- d) Non-fossil fuel energy-related technology
- e) Performing arts products
- f) Sensor and optic technology
- g) Ocean Sciences
- h) Other (please specify below)

1b. Please indicate all the industry sectors in which the QHTB conducted business during calendar year 2017. Check all that apply.

- Agricultural Biotechnology
 - a) Aquaculture
 - b) Floriculture
 - c) Forestry
 - d) Plant Tissue Culture Seed Propagation/Seed Corn
 - e) Tropical Fruit & Biotech Beverages
- Astronomy
 - a) Adaptive Optics
 - b) Modeling & Simulation
 - c) Photonics
 - d) Precision Mechanics
 - e) Remote Sensing
 - f) Unmanned Vehicles/Robotics
 - g) Other
- Biotechnology/Life Sciences
 - a) Biocomputing
 - b) Bioinformatics/Biophotonics
 - c) Biologics/Vaccines
 - d) Contract Research Organization

- e) Diagnostics/Therapeutics
- f) Genomics/Proteomics
- g) Healthcare Facility
- h) Healthcare IT
- i) Medical Devices
- j) Pharmaceutical Manufacturing
- k) Other
- Defense/Aerospace
 - a) Antenna Systems & Management
 - b) Communications & Computer Systems
 - c) Information Services
 - d) Modeling/Simulation/Training
 - e) Optics
 - f) Photonics
 - g) Remote Sensing
 - h) Specialty Software Development
 - i) Testing & Evaluation
 - j) Unmanned Vehicles/Robotics
 - k) Other
- Energy
 - a) Distributed Generation
 - b) Energy Efficiency
 - c) Fuel Cells
 - d) Geothermal
 - e) Ocean
 - f) Renewable Fuels
 - g) Solar
 - h) Waste-to-Energy
 - i) Wind
 - j) Other
- Environmental
 - a) Air Technologies
 - b) Disaster Mitigation Management
 - c) Soil Technologies
 - d) Water Technologies
 - e) Other
- Film/Digital Media
 - a) Content Development

- b) Delivery
- c) Digital Media
- d) Enhancer
- e) Gaming
- f) Mobile Technologies
- g) Post Production Services
- h) Production Services
- i) Sound/Audio/Music
- j) Other
- Information/Communication Technology
 - a) Antenna Systems & Management
 - b) Information Services
 - c) Laser
 - d) Modeling/Simulation/Training
 - e) Optics
 - f) Photonics
 - g) Remote Sensing
 - h) Specialty Software Development
 - i) Telecommunications/Networks
 - j) Testing & Evaluation
 - k) Unmanned Vehicles/Robotics
 - l) Wireless
 - m) Other
- Ocean Sciences
 - a) Acoustics
 - b) Fisheries
 - c) Marine Biotechnology
 - d) Ocean Engineering
 - e) Oceanography
 - f) Remote Sensing
 - g) Surveying
 - h) Unmanned Vehicles
 - i) Other
- Other Industry Sector (please specify):

Section Two - Intellectual Property of the QHTB

2a. Please indicate the year the QHTB was formed.

2b. As of 12/31/2017, please indicate the number of years the QHTB has performed one or more of the activities listed in question 1a:

- a) Less than 1 year
- b) 1 year
- c) 2 years
- d) 3 years
- e) 4 years
- f) 5 years
- g) 6 years
- h) 7 years
- i) More than 7 years

2c. Please indicate the aggregate number of patents owned by the QHTB as of 12/31/2017:

2d. Please indicate the number of patent applications filed with the United States Patent and Trademark Office by the QHTB that were pending as of 12/31/2017:

2e. Please indicate which of the following other intellectual property the QHTB owns, if any.

Check all that apply:

- a) Copyrights
- b) Trade Secrets
- c) Licenses
- d) Trademarks

Section Three - Hawaii Revenues and Expenses of the QHTB

Please do not include dollar signs '\$' , cents, percent signs '%', or commas ',' in your numeric answers.

3a. Please indicate the total amount of revenue for calendar year 2017 that was earned from all goods and services produced in Hawaii:

3b. Please indicate the percent of revenue in 3a that was derived from out-of-state sales or activities:

- 3c. Please indicate the amount of revenue for calendar year 2017 that was earned from intellectual property of the QHTB produced in Hawaii (product sales and/or licensing royalty, etc.):
- 3d. Please indicate the percent of revenue in 3c that was derived from out-of-state sales:
- 3e. Please indicate the total amount of operating expense (excluding income taxes) for calendar year 2017 that was incurred for all the sales and activities performed in Hawaii:
- 3f. Please indicate the amount of capital expenditures (land, construction, and equipment purchases) for calendar year 2017 that was incurred for all the sales and activities performed in Hawaii:
- 3g. Please indicate the payroll expenses (including the amount for fringe benefits, health insurance, and employment taxes) incurred in calendar year 2017 for employees for whom the QHTB is required to provide a Hawaii W-2 Form:
- 3h. Please indicate the total payroll tax withheld from employees in calendar year 2017:
- 3i. Please indicate the total number of independent contractors hired/external services procured by the QHTB to perform services in Hawaii during calendar year 2017:
- 3j. Please indicate the amount of expense incurred by the QHTB during calendar year 2017 to hire independent contractors or to procure external services in the following sectors:
- a) Scientific and Technical Contract Services
 - b) Performing Arts Production Contract Services
 - c) All Other Contract Services
- 3k. Please indicate the three (3) industry sectors (see 1b) in which the QHTB incurred the most Hawaii expenses during calendar year 2017 (the sum of 3e and 3f). For each of these sectors, estimate the percentage of total Hawaii expenses incurred as a result of the activities in each sector.
- a) Industry Sector One:
 - b) Percent of total Hawaii expenses incurred due to Industry Sector One:
 - c) Industry Sector Two:
 - d) Percent of total Hawaii expenses incurred due to Industry Sector Two:
 - e) Industry Sector Three:
 - f) Percent of total Hawaii expenses incurred due to Industry Sector Three:

3l. Please indicate the total amount of research expense incurred in Hawaii in calendar year 2017:

3m. Of the amount reported in 3l, what is the amount that is eligible for the Hawaii income tax credit for research activities under Section 235-110.91, Hawaii Revised Statutes? (Amount reported or that will be reported on Line 2g, Column B of Form N-346, Department of Taxation, State of Hawaii):

3n. Please indicate the total amount of money invested in the QHTB during calendar year 2017 that came from out-of-state sources:

Section Four - Hawaii Workforce of the QHTB

4a. Please indicate the total number of full and part-time permanent employees employed by the QHTB in Hawaii during the week that includes December 12th of 2016 and 2017.

- During the week that included 12/12/2016:
 - a) # of Full-time Employees:
 - b) # of Full-time Employees employed in research activities:
 - c) # of Part-time Employees:
 - d) # of Part-time Employees employed in research activities:
- During the week that included 12/12/2017:
 - a) # of Full-time Employees:
 - b) # of Full-time Employees employed in research activities:
 - c) # of Part-time Employees:
 - d) # of Part-time Employees employed in research activities:

4b. Please divide the number of full-time and part-time permanent employees employed during the week that included 12/12/2017 reported in 4a into the following wage bands, as computed on an annualized basis:

- The number of Full-time Employees who earned:
 - a) Less than \$30,000/year
 - b) \$30,000 - \$59,999/year
 - c) \$60,000 - \$99,999/year
 - d) \$100,000 or more/year
- The number of Part-time Employees who earned:
 - a) Less than \$30,000/year
 - b) \$30,000 - \$59,999/year

- c) \$60,000 - \$99,999/year
- d) \$100,000 or more/year

4c. Please indicate the total number of temporary or seasonal workers used by the QHTB in Hawaii during calendar year 2017:

4d. Please indicate the total number of the temporary or seasonal workers used by the QHTB in Hawaii during calendar year 2017 who worked in research activities:

Section Five - New Companies Established

5a. Please indicate the number of new companies spun off or established in Hawaii in calendar year 2017 to commercialize the intellectual property owned by the QHTB. (if answer is greater than 0, 5b questions display).

5b. For the first new company, please provide the Name:

For the first new company, please provide the Hawaii Tax ID:

For the first new company, please provide the Date of Establishment (MM/DD/YYYY):

For each additional company, please provide the Name, Hawaii Tax ID, and Date of Establishment (MM/DD/YYYY).

Section Six - Research & Development (R&D) Credit under Section 235-110.91

6a. What is the dollar amount of R&D credit that the QHTB reported or will report on Form N-346 (line 4) or N-346A (Part I, line 2) for tax year 2017? (if none, please enter zero. Do not include dollar signs \$ or commas.)

6b. What is the dollar amount of Hawaii corporate income tax paid for tax year 2017? (if none, please enter zero. Do not include dollar signs \$ or commas):

6c. Please check this box if you are reporting based upon a fiscal year:

- a) Yes, this is based on a fiscal year

6d. If you file based on a fiscal year, what month does your fiscal year start?