



# Research and Development Credit Worksheet

for Tax Year 2007 and 2008  
• See important instructions on reverse

**FORM  
3800N**  
Worksheet

Name as Shown on Form 3800N

Social Security Number or Nebraska Identification Number

**A** Have you hired any new employees in Nebraska on or after October 1, 2009?

- Yes. Answer question B.
- No. Skip question B and complete the remainder of the worksheet.

**B** Have you verified the work eligibility of all newly-hired Nebraska employees through the United States Citizenship & Immigration Service's (USCIS's) E-Verify system (see instructions)?

- Yes, I have verified the work eligibility of all newly-hired Nebraska employees.  
My E-Verify Identification Number is \_\_\_\_\_ (required).
- No, I have NOT verified the work eligibility of all newly-hired Nebraska employees. (STOP HERE. You cannot claim the Research and Development Credit.)

Please note that this and the information that follows may be subject to further review or audit.

	RESEARCH AND DEVELOPMENT CREDIT YEARS				
	A	B	C	D	E
	1st Year of Research and Development	1st Succeeding Year	2nd Succeeding Year	3rd Succeeding Year	4th Succeeding Year
<b>1</b> Enter applicable tax year end date (month/day/year) . . . . .	<b>1</b>				
<b>2</b> Enter total amount of federal credit allowed (from Federal Form 6765, line 63 or line 65) (see instructions) . . . . .	<b>2</b>				
<b>Alternative Methods to Apportion Credit. Complete either lines 3 through 7, or lines 8 through 11.</b>					
<b>3</b> Nebraska property factor . . . . .	<b>3</b>	%	%	%	%
<b>4</b> Nebraska payroll factor . . . . .	<b>4</b>	%	%	%	%
<b>5</b> Add lines 3 and 4 . . . . .	<b>5</b>	%	%	%	%
<b>6</b> Average property and payroll factors (line 5 ÷ 2) . . . . .	<b>6</b>	%	%	%	%
<b>7</b> Multiply line 2 x line 6 (see instructions) . . . . .	<b>7</b>				
<b>8</b> Enter amount of qualified expenses for research and experimental activities in Nebraska	<b>8</b>				
<b>9</b> Enter total amount of qualified expenses for research and experimental activities in all states (from Federal Form 6765, line 9, line 28, or line 53) . . . . .	<b>9</b>				
<b>10</b> Divide line 8 by line 9 . . . . .	<b>10</b>	%	%	%	%
<b>11</b> Multiply line 2 x line 10 . . . . .	<b>11</b>				
<b>USE OF RESEARCH AND DEVELOPMENT CREDIT</b>					
<b>12</b> Nebraska Research and Development Credit (line 2 OR line 7 OR line 11 x 15%) (see instructions) . . . . .	<b>12</b>				
<b>13</b> Amount of credit (refundable to the entity claiming the credit) from line 12 used on Nebraska income tax return. Enter on line 23 of Form 3800N . . . . .	<b>13</b>				
<b>14</b> Amount of credit used for refunds of state sales/use taxes paid on qualifying expenditures (see instructions) . . . . .	<b>14</b>				
<b>15</b> Amount of credit (nonrefundable) distributed to partners, shareholders, members, or certain fiduciary beneficiaries (see instructions) . . . . .	<b>15</b>				
<b>16</b> Total credit usage (line 13 + 14 + 15). Total cannot exceed line 12 . . . . .	<b>16</b>				

Schedule A — Distribution of Research and Development Credit			
Name of Partner, Shareholder, Member or Beneficiary* (Attach schedule if additional space is needed)	Social Security Number or Nebraska Identification Number	Share of Income or Ownership (Must Equal 100%)	Amount of Credit
<b>1</b>		%	
<b>2</b>		%	
<b>3</b>		%	
<b>4</b>		%	
<b>5</b> Total (this should equal the amount entered on line 15 of the Research and Development Credit Worksheet above)		<b>5</b>	

Note: Each partner, S corporation shareholder, LLC member, or beneficiary should be notified of the distributed share of the Research and Development Credit.

## INSTRUCTIONS

**WHO MAY FILE.** Any business firm making expenditures in research and experimental (R&D) activities as defined in Internal Revenue Code (IRC) § 174 may claim a credit equal to 15 percent of the federal credit allowed under IRC § 41.

“Business firm” means any business entity including a corporation, fiduciary, sole proprietorship, partnership, joint venture, limited liability company (LLC), or other private entity that is subject to sales tax under [Neb. Rev. Stat. § 77-2703](#).

Eligibility for the benefits under the Nebraska Advantage Research and Development Credit, requires that a taxpayer verify, through the United States Citizenship and Immigration Services (USCIS) E-Verify system, the work eligibility status of all newly-hired Nebraska employees. [http://www.revenue.ne.gov/incentiv/e-verify\\_notice.html](http://www.revenue.ne.gov/incentiv/e-verify_notice.html)

**WHEN AND WHERE TO FILE.** This credit computation worksheet must be completed and attached to the Nebraska Incentives Credit Computation, Form 3800N. The credit is allowed for the first tax year it is claimed and for the four succeeding tax years.

### SPECIFIC INSTRUCTIONS

**LINE 1.** Enter in column A the first tax year end date for which the credit is claimed. Then, enter the applicable tax year end dates that correspond to the column A tax year end.

**LINE 2.** Enter the amount of the federal credit allowed for increasing research activities from line 63 or line 65, as appropriate, of Credit for Increasing Research Activities, Federal Form 6765, for each applicable tax year.

**If doing business only in Nebraska,** skip lines 3 through 11, and multiply the amount on line 2 by 15%. Enter this amount on line 12, and complete the remainder of the form.

**If doing business both within and without Nebraska,** complete either lines 3 through 7, or lines 8 through 11, depending upon the method of apportionment selected.

**LINES 3 AND 4.** The Nebraska property and payroll factors are determined pursuant to Neb. Rev. Stat. §§ 77-2734.12 and 77-2734.13, respectively. Round the factors to 4 decimal places and enter as a percent.

**LINES 5 AND 6.** Round the factors to 4 decimal places and enter as a percent.

**LINE 7.** Multiply line 2 by the average factor calculated on line 6.

**LINES 8 AND 9.** Enter the total amount of qualified expenses for research and experimental activities in Nebraska and the total amount of qualified expenses in all states on these lines. The total amount of qualified expenses is line 9, line 28, or line 53 of Federal Form 6765.

**LINE 10.** Round the factors to 4 decimal places and enter as a percent.

**LINE 12. Nebraska Research and Development Credit.** **If doing business only in Nebraska,** multiply the amount on line 2 by 15 percent.

**If doing business both within and without Nebraska,** multiply line 7 OR line 11 by 15 percent. The business firm may use whichever result yields the higher amount. This is the amount of credit to be claimed on Nebraska Incentives Credit Computation, Form 3800N, for the year indicated on line 1.

**LINE 13.** The amount of the credit is refundable to the person or entity who created the credit, whether or not there is a liability shown on the return.

**LINE 14.** Claims may be filed quarterly for refunds of **state** sales/use taxes paid, either directly or indirectly, after the filing of the income tax return for the tax year in which the credit was first allowed. A taxpayer indirectly pays **state** sales/use taxes when the taxes are paid by their contractor on annexed building materials in a project built for the taxpayer. **Local** sales/use taxes are **not** subject to refund. The contractor must either certify the actual amount of taxes paid or certify that **state** sales/use taxes were paid on all annexed building materials. The certification option presumes that 40 percent of the project’s cost was for building materials on which the tax was paid. The contractor must maintain documentation to adequately support any certification made.

**LINE 15.** Credits must be distributed in the same percentage as income is distributed to the recipients. The credit is a **nonrefundable** credit in the hands of the recipient and may only be used against the recipient’s Nebraska income tax liability. Do not include any amount in the credits distributed which were distributed on the Federal Form 6765, line 64.