



VERMONT EMPLOYMENT GROWTH INCENTIVE PRELIMINARY APPLICATION INSTRUCTIONS

NOTE: THESE INSTRUCTIONS ARE FOR USE WITH ONLY THE VEGI PRELIMINARY APPLICATION FORMS. DO NOT USE TO COMPLETE A FORMAL INITIAL OF FINAL APPLICATION ON THE VEGI APPLICATION AND CLAIM SYSTEM

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GENERAL INSTRUCTIONS

- Potential applicants to the Vermont Employment Growth Incentive program must contact VEPC staff by emailing or calling Fred Kenney at (802) 777-8192 or fred.kenney@vermont.gov prior to filing an application. You must speak with VEPC staff before a Preliminary Application is started or submitted.
- Preliminary Applications may be filed at any time (i.e. there is no deadline or due date), but you must consult with VEPC staff by emailing or calling Fred Kenney at (802) 777-8192 or fred.kenney@vermont.gov.
- Preliminary Applications result in an estimate of potential VEGI incentives that could be authorized for a project if a formal application is filed and approved. [Click here](#) to see how the incentive is calculated using a sample project.
- Preliminary Applications must be filed electronically, using only the official VEGI Preliminary Application forms in Microsoft Excel format. Scanned or PDF forms will not be accepted.
- Once you have completed the preliminary application form, open the document [“*VEGI Pre-application - Common Application Errors.*”](#) This document will help you avoid some common application errors that may cause delay or miscalculation of the incentive. Review your application using the form, check off each item to certify that you reviewed that item, certify that you have done the review and email the form along with your Pre-Application.
- If, after receiving a PreApplication VEGI estimate from VEPC, you wish to complete and file an Initial or Final VEGI Application for consideration by the Vermont Economic Progress Council, you must create a user account on the web-based ***VEGI Application and Claim System***. Instructions will be provided with the Pre-Application Estimate.

General instructions:

- This form may be used for a VEGI Pre-Application only.
- Form A provides general information about the applicant company and project.

Line-by-Line Instructions:

Line 3: Enter the official or legal name of the company that would apply for incentives. Use the official name of the company as it would appear on tax filings. If name is not yet established, enter name as it is known at time of Pre-Application and enter after name “(TBD).”

Line 4: Enter the commonly used name of the company applying for incentives, if different from official name. (i.e. dba name).

Line 5: Enter the *mailing address* of the applicant company. If company is not yet established, enter NA. If company exists outside of Vermont enter address for headquarters.

Line 6a: Enter the city/town associated with the mailing address in Line 5.

Line 6b: Enter the State associated with the mailing address in Line 5.

Line 7a: Enter the 9-digit Postal Code associated with the mailing address in Line 5.

Line 7b: Enter the Country associated with the mailing address in Line 5.

Line 8a: Enter the main telephone number for the applicant company. Format: (012)345-6789. Include an extension number if appropriate.

Line 8b: Enter the main fax number for the applicant company. Format: (012)345-6789.

Line 9: Enter the six-digit North American Industrial Classification System (NAICS) code for the applicant business. Format: 123456. If the applicant business is involved in many kinds of business activities, the NAICS code entered should be for the activity that would occur in Vermont for which the incentive is being sought. For assistance with determining the correct NAICS code, visit the U.S. Department of Labor website: <http://www.census.gov/eos/www/naics/> or contact your tax preparer.

Line 10: Using the drop down menu, enter the corporate structure of the applicant company (C, S, Sole Proprietor, Partnership, LLC, LLP, Not-for-Profit, Non-Profit, Other, or Undecided).

Line 11: Indicate the applicant company fiscal year end (Format: June 30). **IMPORTANT:** If company operates on a non-calendar fiscal year, the data entered on Form B must be adjusted to the calendar year.

Line 12: Enter the state in which the applicant business is incorporated as listed with the Vermont Secretary of State. If the applicant company has never operated in Vermont and is therefore not registered with the Vermont Secretary of State, enter the state of incorporation on Line 12 and, prior to operating your business in Vermont, [register your business with the Vermont Secretary of State](#). You do not need to register with the Secretary of State prior to submitting this Preliminary Application or a full application for VEGI incentives. But, you must register prior to operating a business in Vermont.

Line 13: Using the pull-down menu, select the best description of the project that is the subject of this application (Expansion of Vermont Company; Expansion of Multi-state Division Already in Vermont; Moving a Multi-state Division to Vermont; Establishing a new Division of a Multi-state Company in Vermont; Establishing a Completely New Business).

Line 14: If the applicant business is or will be a Vermont division, subsidiary, or other type of entity belonging to a multi-state company, enter the state or country in which the parent company is located. If applicant is a Vermont company, enter Vermont.

Line 15: Enter the physical address for the proposed project, including the street, city/town and zip code. If the physical address is not yet known, enter a description of the property (i.e. Former Quick Widget facility, Great Intentions Industrial Park, Mycity, VT). If several project location sites in Vermont are under consideration, list all sites. If the project location(s) has not yet been determined, state as much information as is known, but no less than the potential Vermont County(ies).

Lines 17-25: Enter the contact information details requested for the application contact person within the applicant company who is most knowledgeable about this application and will serve as the contact point during the application process. This person should not be an outside accountant, consultant, or Regional Development Corporation staff. **If the phone number requires an extension to reach this person, include the extension number.** You must include an email address and phone number.

Line 26: Enter a broad description of the primary business of the applicant company (i.e. manufacturer of widgets for the automotive industry). Do not describe here the project that is proposed. This line should describe the general business activity of the applicant company.

Line 27: Enter a description of the business activity and project that would occur in Vermont if the incentives are authorized (i.e. Build a new 3000 sf facility in Anywhere, Vermont and hire 30 new employees to design, manufacture, and ship six inch widgets for General Motors). If there will be several different activities occurring (i.e manufacturing, research and development, warehousing/shipping), describe all activities and explain which activity will be the primary activity.

Line 28: Enter “Yes” or “No” to indicate if the applicant company believes it is eligible for the enhanced [VEGI Incentives for Environmental Technology](#) companies. Applicants may be eligible if the applicant company is or will be subject to income taxation in Vermont (i.e. is a for-profit company) and the activity to be incented will be primarily in research, design, engineering, development, or manufacturing related to any one or more of the following:

- Waste management, including waste collection, treatment, disposal, reduction, recycling, and remediation.
- Natural resource protection and management including water and wastewater purification and treatment, air pollution control and prevention or remediation, soil and groundwater protection or remediation, and hazardous waste control or remediation.
- Energy efficiency or conservation.
- Clean energy, including solar, wind, wave, hydro, geothermal, hydrogen, fuel cells, waste-to-energy, or biomass.

Note that this enhancement is for companies that will hire qualifying employees for an environmental technology business, not for those that will incorporate environmental technology in their facility. The cost of such improvements may be included in the capital investments in your application, but the enhanced VEGI incentive is not meant for that activity.

If the applicant believes they are eligible for the “Green VEGI Enhancement, the Pre-Application will be calculated using the enhancement. When a formal application is filed, the applicant will be required to provide evidence of eligibility and VEPC staff will seek a determination of eligibility for the enhanced VEGI incentives for Environmental Technology companies from the Secretary of the Vermont Agency Commerce and Community Development.

Line 29: Using the drop down menus, enter an estimated “[Activity Commencement Date](#),” which is the date the economic activity for which the incentives are sought would begin. Be sure to choose a month, date, and year from the drop down menus.

The potential incentives for which you are applying are just that – an *incentive* to encourage the applicant to undertake some economic activity in Vermont which is above and beyond the organic or background growth of the industry and which would not normally occur, would not occur without the incentive, or would occur in a significantly different and less desirable manner without the incentive. Therefore, the incentive cannot be for activity that has already occurred, will occur before the incentives are approved, or would occur regardless of an incentive.

The **Activity Commencement Date** must be *after* the date you enter on Form A, Line 30 and *after* the date you estimate that a formal Initial Application will be considered and approved by the Vermont Economic Progress Council. By entering this date, you are stating that the economic activity (new jobs, new payroll, and new capital investments), which are entered on Form B and which will occur because of the VEGI incentive, will occur only *after* this date.

The date you enter will transfer to Form B. Any economic activity that will occur during the calendar year of application, but *prior* to the Activity Commencement Date must be included in Data Part 1 (“**As of the Activity Commencement Date**”) on Form B. All prospective economic activity that will occur during Year 1, but *after* the **Activity Commencement Date** and in subsequent years should be included in Data Parts 2 and 3 of Form B.

For example, if, after you receive this estimate of VEGI incentives, you expect to file a complete formal application for consideration at a May VEPC meeting, the **Activity Commencement Date** should be after the third Thursday in May, say July 1. On Form B, Data Part 1, you would enter the value of investments made between January 1 to June 30. This investment is not included in the incentive calculation as the investment occurred prior to the **Activity Commencement Date** and already occurred and therefore, cannot be the basis for an incentive. The value of investments in New Machinery and Equipment that will occur after July 1 because of the incentive that is being sought are included on Form B, in Data Part 2, under Year 1. These investments will be included in the incentive calculation. The headcount is handled similarly. In Data Part 1, you enter the headcount for the various categories for the day preceding the **Activity Commencement Date**. The payroll is entered as an *annualized* payroll for the headcounts as of the **Activity Commencement Date**.

Line 30: Using the drop down menus, enter the date you are submitting this Preliminary Application to VEPC. Be sure to choose a month, date, and year

General Instructions:

- Express any dollar values using all digits and only digits. For example, enter 1000000 for \$1,000,000, not \$1 million.
- Do not enter commas, dollar or percent signs; they will enter automatically as needed.
- Enter data only on lines and in cells for which you are instructed. Subtotals and totals will automatically calculate in blue cells and in the outside margins.
- Contract, temporary agency employees, or employees who work outside of Vermont must not be included in any of the data. Only employees paid Medicare wages directly by the applicant for work in Vermont may be included in the appropriate category.
- The value of employee benefits and income from non-statutory stock options must be excluded from Vermont gross wages and salaries wherever payroll data is requested.
- All data must be based on a calendar year, not a company fiscal or tax year, unless that is also the calendar year. If you operate on a non-calendar fiscal year and you have made projections based on your fiscal year, you must adjust those projections to the calendar year to enter data on your VEGI application. Also, note that if you apply mid-year for activity that will commence during the application year, if you file a Final Application that is approved, you must meet your targets by December 31 of Year 1. You do not have a full twelve months to meet targets.
- Year 0 is the base year (the calendar year prior to calendar year during which the [Activity Commencement Date](#) occurs). Year 1 is the year in which the economic activity for which incentives are sought will commence.

Applications filed during Year 0 for incented activity that will begin in Year 1:

Applications may be submitted during Year 0 for activity that will begin the following year. For example, you can apply in October 2016 (Year 0) for activity that will begin in January 2017 (Year 1). Your **Activity Commencement Date** is January 1, 2017, however, any activity that occurs between the date of application and the start of the authorization period (between October 1, 2016 and December 31, 2016 in this example) would not be eligible for the incentive.

Applications filed during Year 1 for incented activity that will begin in Year 1:

You may also apply in the same year that activity will begin. For example, you could apply in April 2016 (Year 1) for activity that will begin on July 1, 2016 (Year 1). The base year (Year 0) is 2015 and your **Activity Commencement Date** is July 1, 2016. Any activity that might occur between January 1, 2016 and June 30, 2016 would be recorded in Data Part 1 of Form B and is not eligible for incentives. Activity occurring between July 1, 2016 and December 31, 2016 would be entered under Year 1 in Data Part 2 and is eligible.

Remember: If you apply and are authorized during Year 1, you must meet or exceed your targets by December 31 of Year 1. You only have a full twelve months to meet your targets if your Activity Commencement Date is January 1. Otherwise, you have the days remaining between your Activity Commencement Date and December 31 to meet your Year 1 targets.

- If the applicant company is considering relocating to Vermont, is a start-up, or the project involves the establishment of a new division or enterprise in Vermont, and therefore has no employees currently employed in Vermont, Data Part 1 and Years -3 through Year 0 in Data Part 2 should contain all zeroes.

General Instructions (Continued):

- It is recognized that the data requested for Years 1-5 are projections and that the data in this Preliminary Application are estimates only. You will have the opportunity to refine your project data if you proceed to and file an [Initial and/or Final application](#). The data you file in the Final Application sets your payroll, job, and capital investment [annual performance requirements](#) if your Final Application is approved. Therefore, applicants must provide realistic projections. But keep in mind that this is a preliminary application to obtain an estimate. You are not held to the projections entered on this Pre-Application and you will have the opportunity to refine your projections if you proceed to a formal application.
- Employment and payroll estimates should reflect all projected hiring plans and fluctuations in hiring, such as attrition and layoffs. Remember, you are setting your own performance requirements with your projections (when a Final Application is filed and approved). If in Year 1 you expect (due to historical experience) that 2 full-time employees will leave, retire, or otherwise end their employment, you must account for that in your projections. Adjust your projection of new, qualifying employees and payroll so that the projections represent *net* new employment and payroll. For example, if your [Activity Commencement Date](#) is July 1 and you project that 10 new qualifying employees will be hired between July 1 and December 31 of Year 1, but you know from experience that you will probably also lose 2 existing employees by then, you should project 8 new qualifying employees and the new qualifying payroll should be for only those 8 net new qualifying employees.
- **VEGI WAGE THRESHOLD:** The VEGI Wage Threshold, or the minimum level of wages for a new job to be considered qualifying, is either 160% or 140% of the Vermont Minimum Wage, depending on the labor market area in which the project will occur. The Wage Threshold that will apply to your application is the threshold in effect at the time a Final Application is approved. That threshold applies for the life of the authorization. If a Preliminary Application is submitted for activity that will begin in the next calendar year, the applicant should consult with VEPC staff regarding the Wage Threshold that is likely to be in effect at the time of Final Application consideration. [Click here](#) for further detail on the VEGI Wage Threshold and to determine which threshold will apply to your project.
- **NEW QUALIFYING JOBS:** The application requires that you segregate historic and projected jobs and the payroll associated with those jobs into several categories: Qualifying, Non-Qualifying, Part-Time/Seasonal, and Owner. Click [here](#) for detail on these categories and note that there are two categories of employees that are not included anywhere on the application: 1) Employees that are not paid Vermont W2 wages, that is the company does not file withholding tax for the employee (i.e. sales person that works in another state); and 2) Owners who do not receive a wage or salary (compensated in stock or other options).
- This is a Pre-Application. You will not be held to the projections in the Pre-Application. Nor is the estimate of incentives you will receive an approval of or authorization for incentives. If you choose to proceed with a formal application after receiving the Pre-application estimate, you must file a formal VEGI application on the **VEGI Application and Claim System**, which will be considered by the VEPC Board in order to receive incentive approval. The formal application process can include an Initial Application, followed by a Final Application, or you can just file a Final Application. Whether you file an Initial Application depends on the project situation. An Initial Application must be filed and approved *before* the applicant company makes a decision about the project for which incentives are sought. A Final Application can be filed after the company decision but must be filed and approved prior to the end of the calendar year in which the **Activity Commencement Date** occurs. [Click here](#) for more information on Initial vs Final Applications.

LINE-BY-LINE INSTRUCTIONS:**Data Part 1: Employment, Annualized Payroll, and Capital Investments “As of the Activity Commencement Date”:**

This section records your employment, annualized payroll and investments during Year 1 up to the day before your “*Activity Commencement Date*.”

Data on employment, payroll and investments during Year 1 between the *Activity Commencement Date* and December 31 of Year 1 are recorded in Data Part 2.

For more detail on the “*Activity Commencement Date*” see the General Instructions above. Examples:

- 1) You are applying in May 2009 and your “*Activity Commencement Date*” is July 1, 2009. The data in this section would show employment as of June 30, 2009, the annualized payroll for the employees in place as of June 30, 2009, and capital investments made between January 1, 2009 and June 30, 2009.
- 2) You are applying in July 2009 and your “*Activity Commencement Date*” is September 1, 2009. The data in this section would show employment as of August 31, 2009, the annualized payroll for the employees in place as of August 31, 2009, and capital investments made between January 1, 2009 and August 31, 2009.
- 3) You are applying in September 2009 for a project that commences January 1, 2010. The data in this section would show employment as of December 31, 2009, the annualized payroll for 2009, and the capital investment section would show zeroes.

Number of Employees and Annualized Payroll:

Enter the number of employees (Column D) *in Vermont* and the annualized payroll (Column H) for each employment category *as of the day before the Activity Commencement Date*, using the following definitions:

- a. **Owner-Employees:** Employees who are also *owners*, only if: 1) They are paid Medicare wages or salaries that are reported on Federal Tax Form W2 for employment in Vermont by the company that is the subject of this application; and 2) They have a 10% or more ownership interest in the company that is the subject of this application, including attribution of ownership interests of the employee’s spouse, parents, spouse’s parents, siblings, and children. If an owner’s interest, including attribution of ownership interest is less than 10%, and they receive Medicare wages or salaries, include them in another category. Do not include owners who do not receive Medicare wages or salaries. ***Do not include benefits in any wages and salaries.***
- b. **Part-Time/Seasonal Employees:** Employees working in Vermont who are seasonal and/or work 34 hours or less per week (part-time) but are paid Medicare wages or salaries as reported on Federal Tax Form W2 for employment in Vermont by the company that is the subject of this application. ***Do not include benefits in any wages and salaries.***
- c. **Full-time Employees:** Employees that are permanent (not temporary, agency, contract), full-time (working 35 hours or more each week) and earning Medicare wages or a salary (as reported on Federal Tax Form W2 for employment in Vermont by the company that is the subject of this application). ***Do not include benefits in any wages and salaries.***

LINE-BY-LINE INSTRUCTIONS (Continued):**Capital Investments made through the Activity Commencement Date:**

Enter the amount of capital investment (Column L) made in each category, for plant and facilities in Vermont or for M&E utilized in Vermont between January 1 and *the day before the Activity Commencement Date*, using the following definitions:

- a. Machinery and Equipment - Acquired:** Machinery and equipment that was acquired – that is, already existed and was in place in Vermont - as assets by the applicant and utilized in Vermont by the applicant. For example, if the applicant purchased an existing building or company and equipment in Vermont, include on this line only the value of the existing machinery and equipment that was acquired. If there were no such expenditures, enter 0.
- b. Machinery and Equipment - New:** Machinery and equipment purchased new, for use in Vermont by the applicant. Include the costs to install the machinery and equipment. If there were no such expenditures, enter 0.
- c. Machinery and Equipment - Used:** Machinery and equipment purchased used, for use in Vermont by the applicant. Include the costs to install the machinery and equipment. If there were no such expenditures, enter 0.
- d. Plant and Facilities - Acquired:** Plant and/or facility acquired – that is, already existed and was in place in Vermont - as an asset by the applicant and utilized by the applicant. For example, if the applicant purchased an existing building or company and equipment in Vermont include on this line only the cost of the existing plant and facility that was acquired. If there were no such expenditures, enter 0.
- e. Plant and Facilities – Built New:** The construction costs of any new plant and facilities in Vermont that were built and owned by the applicant and utilized by the applicant. Include costs of scheduled site work, access to supporting utility services, and infrastructure (parking lots, water/sewer lines, etc.) paid for by the applicant. If there were no such expenditures, enter 0.
- f. Plant and Facility Renovations/Fit-up:** Costs for any fit-up to leased facilities or renovations to facilities in Vermont owned by the applicant and utilized by the applicant. If there were no such expenditures, enter 0.
- g. Land:** Cost of any land purchased by the applicant and utilized by the applicant. If there were no such expenditures, enter 0.

LINE-BY-LINE INSTRUCTIONS:**Data Part 2:****Employment, Payroll, Capital Investments: Historic and Projected****2. Employment:**

For historic data, Year -3, Year -2, Year -1 and Year 0 (Columns D-G), enter the number of employees in Vermont *as of the end of each calendar year*.

For projected data, Years 1-5 (columns H-L), enter the net number of employees *to be added* by the end of each calendar year for each category as defined below. *Do not enter cumulative headcount totals*.

For Year 1, remember to enter only the employees in each category *that will be added between the Activity Commencement Date and December 31 of Year 1*.

- a. **Owner-Employees:** Employees who are also *owners*, only if: 1) They are paid Medicare wages or salaries that are reported on Federal Tax Form W2 for employment in Vermont by the company that is the subject of this application; and 2) They have a 10% or more ownership interest in the company that is the subject of this application, including attribution of ownership interests of the employee's spouse, parents, spouse's parents, siblings, and children. If an owner's interest, including attribution of ownership interest is less than 10%, and they receive Medicare wages or salaries, include them in another category. Do not include owners who do not receive Medicare wages or salaries. Enter number of employees in this category as of the end of each year for Years -3, -2, -1 and Year 0. Enter only employees that would be *added* in this category in Years 1-5.
- b. **Part-Time/Seasonal Employees:** Employees working in Vermont who are seasonal and/or work 34 hours or less per week (part-time) but are paid Medicare wages or salaries as reported on Federal Tax Form W2 for employment in Vermont by the company that is the subject of this application. Enter number of employees in this category as of the end of each year for Years -3, -2, -1 and Year 0. Enter only employees that would be *added* in this category in Years 1-5.
- c. **Existing Full-time Employees (Year -3 through Year 0 only):** Employees that are permanent (not temporary, contract, agency), full-time (working 35 hours or more each week), non-owners, and earning Medicare wages or a salary (as reported on Federal Tax Form W2 for employment in Vermont by the company that is the subject of this application), regardless of wage level. Enter number of employees in this category as of the end of each year for Years -3, -2, -1 and Year 0 only.
- d. **New, Non-Qualifying Full-time Employees (Years 1-5 only):** Employees that are permanent (not temporary, contract, agency), full-time (working 35 hours or more each week) and earning Medicare wages or a salary (as reported on Federal Tax Form W2 for employment in Vermont by the company that is the subject of this application) that is *the same as or less than* the [VEGI Wage Threshold](#) for the application year. Enter only employees that would be *added* in this category in each year for Years 1-5 only. Remember that for Year 1, enter only new, qualifying employees to be added between the Activity Commencement Date and December 31 of Year 1. *Do not enter cumulative totals*.

NOTE: Do Not use any other definition for Non-Qualifying Employees. The only difference between a Qualifying and Non-qualifying employee is the wage level. Employees that do not work in Vermont *are not* Non-qualifying employees. Employees that work outside of Vermont are not included on the application in any category.

LINE-BY-LINE INSTRUCTIONS:**2. Employment (Cont.):**

- e. **New Qualify Employees (Years 1-5 only):** Employees that are permanent (not temporary, contract, agency), full-time (working 35 hours or more each week) and earning Medicare wages or a salary (as reported on Federal Tax Form W2 for employment in Vermont by the company that is the subject of this application) that is *above* the [VEGI Wage Threshold](#) for the application year. Enter only employees that would be *added* in this category in each year for Years 1-5 only. Remember that for Year 1, enter only new, qualifying employees to be added between the Activity Commencement Date and December 31 of Year 1. **Do not enter cumulative totals.** Be sure to adjust these estimates to account for any attrition that might occur so that these are net new jobs added. For example, if you project adding 10 new qualifying employees in Year 1, but know that you have an attrition rate that results in the loss of 2 jobs each year, the estimate should be adjusted to 8 new qualifying jobs. The payroll for these new, qualifying employees will be used to calculate the VEGI incentive and these employment levels will become one of the performance measures that must be met to earn the incentive each year if a Final Application is filed and approved.

NOTE: There must be data entered on Row e or no incentive can be calculated.

Data Check: The employment levels entered on Line 27 (e. **New Qualify Employees**) should match the levels that calculate on Line 82 after you enter data in Data Part 3.

3. Payroll:

Row a: Payroll for Owner-employees: For historic data (Year -3, Year -2, Year -1 and Year 0), enter the actual payroll level *at the end of each calendar year* for the employees in this category in Vermont that you included in **Section 2. Employment**, using the same definition for Owner-employees. For projected data (Years 1-5), enter the annualized (not adjusted for partial year hiring) payroll that will be *added* each year for the new jobs you entered in Section 2 in this category for each of Years 1 through Year 5. **Do not** include the value of benefits or an inflation factor. Enter “0” if no new payroll will be added in this category for any given year.

Row b: Part-Time/Seasonal employees: For historic data (Year -3, Year -2, Year -1 and Year 0), enter the actual payroll level *at the end of each calendar year* for the employees in this category in Vermont that you included in **Section 2. Employment**, using the same definition for Part-Time/Seasonal employees. For projected data (Years 1-5), enter the annualized (not adjusted for partial year hiring) payroll that will be *added* each year for the new jobs you entered in Section 2 in this category for each of Years 1 through Year 5. **Do not** include the value of benefits or an inflation factor. Enter “0” if no new payroll will be added in this category for any given year.

Row c: Existing Full-time employees (Year -3 through Year 0 only): For historic data (Year -3, Year -2, Year -1 and Year 0), enter the actual payroll level *at the end of each calendar year* for the employees in this category in Vermont that you included in **Section 2. Employment**, using the same definition for Full-Time employees. **Do not** include the value of benefits.

LINE-BY-LINE INSTRUCTIONS:

Row d: Payroll for New Non-Qualifying Employees (Years 1-5 only): For projected data (Years 1-5) only, enter the annualized (not adjusted for partial year hiring) payroll for employees added in this category in Vermont that you included in **Section 2. Employment**, using the same definition for Non-Qualifying employees. *Do not* include the value of benefits or an inflation factor. Enter “0” if no new payroll will be added in this category for any given year.

Row e: Payroll for New Qualifying Employees (Years 1-5 only): For projected data (Years 1-5) only, enter the annualized (not adjusted for partial year hiring) payroll for employees added in this category in Vermont that you included in **Section 2. Employment**, using the same definition for Qualifying employees. *Do not* include the value of benefits or an inflation factor. Enter “0” if no new payroll will be added in this category for any given year.

IMPORTANT: There *must* be data entered on Row e or no incentive can be calculated.

For all payroll amounts entered in Section 3, do not include:

- Income from non-statutory stock options even if they are included in W2 wages;
- The cost of benefits that are not paid directly to employees and do not appear in their W2 Medicare wages.
- One-time benefits that do not or will not recur each year such as signing bonuses or moving expenses.

Row f: Average Annual Increase in Wages/Salaries

Enter the average of the projected annual increases in wages/salaries for all employees during the five-year project period, such as for cost of living increases. Do not include increases to payroll due to adding new employees. Use Format: 3. This percentage should represent the annual increase that will occur for employees. For example, if for Year 1 the expected overall increase in payroll for the employees that existed in Year 0 is 3%, and Year 2 is 3%, Year 3 is 2%, Year 4 is 2% and Year 5 is 4%, the average would be 3%. This percentage annual increase should be incorporated in the payroll data you enter for Years 1-5 on Rows a, b, d, and e.

Row g. Benefits Ratio

Enter a percentage (Format: 12) representing the projected percentage of total compensation that will be paid by the company in benefits to new employees, for benefits that are not included in the W2 wages and salaries. For example, if the company expects to pay 15% of payroll in non-W2 benefits (i.e. health care, IRA, etc.) on top of the payroll costs, enter 15. Note that the payroll data you are providing in Section 3 should be for wages and salaries **ONLY** and should not include the value of benefits. The ratio entered on Row h will be used to properly model the economic impact of the payroll including the value of benefits.

LINE-BY-LINE INSTRUCTIONS:**4. Capital Investments****General Information on Capital Investment Data:**

- Data entered for Year 0 should be for the entire year and is informational, baseline data.
- Capital investment data entered for Year 1 **must only include investments that will occur between the Activity Commencement Date and December 31 of Year 1.**
- Capital investment data entered for Years 1-5 must only include investments that will be made by the applicant because of the incentive, for plant and facilities in Vermont or M&E utilized in Vermont.
- Line 46 will automatically indicate the total of all Capital Expenditures you list.
- Line 47 will automatically indicate the total of all Capital Expenditures included on Rows b, d, g, and i, which are the capital expenditures that will have a revenue impact for the state. Only these capital investments will be included in your Capital Investment performance requirement, which must be met each year to earn the incentive.
- Additionally, a total Capital Investment performance measure (total of capital investments made for Years 1-5) must be met before the end of the authorization period or the total incentive amount will be reduced in proportion to the capital investment shortfall.
- Each of Rows a-k includes different categories of capital investments. They are each separate and should not be added together. You must read the category description completely to understand the distinction between categories.
- If there is no investment expected in a certain category, enter 0.

Rows a, b, d, f, g, i, and k: Capital Investments

For Years 0-5 (Columns G-L), enter the amount of capital investment made in each category for plant and facilities in Vermont or M&E to be utilized in Vermont, using the following definitions:

- Machinery and Equipment - Acquired:** Machinery and equipment that will be acquired – that is, already existed and was in place in Vermont - as assets by the applicant and utilized in Vermont by the applicant. For example, if the applicant purchased an existing building or company and equipment in Vermont, include on this line only the value of the existing machinery and equipment that was acquired. If there will be no such expenditures, enter 0. NOTE: This is a distinct category of investment and is *not* a sum of rows b and d.
- Machinery and Equipment - New:** Machinery and equipment to be purchased new, for use in Vermont by the applicant. Include the costs to install the machinery and equipment. If there will be no such expenditures, enter 0.
- Machinery and Equipment - Used:** Machinery and equipment to be purchased used, for use in Vermont by the applicant. Include the costs to install the machinery and equipment. If there will be no such expenditures, enter 0.
- Plant and Facilities - Acquired:** Plant and/or facility to be acquired – that is, already existed and was in place in Vermont - as an asset by the applicant and utilized by the applicant. For example, if the applicant purchased an existing building or company and equipment in Vermont include on this line only the cost of the existing plant and facility that was acquired. If there will be no such expenditures, enter 0.

LINE-BY-LINE INSTRUCTIONS:**4. Capital Investments (cont.)**

- g. Plant and Facilities – Built New:** The construction costs of any new plant and facilities in Vermont that will be built and owned by the applicant (or co-applicant) and utilized by the applicant. Include costs of scheduled site work, access to supporting utility services, and infrastructure (parking lots, water/sewer lines, etc.) paid for by the applicant (or co-applicant). If there will be no such expenditures, enter 0.
- i. Plant and Facility Renovations/Fit-up:** Costs for any fit-up or renovations to facilities in Vermont owned or leased by the applicant (or co-applicant) and utilized by the applicant. If there will be no such expenditures, enter 0.
- k. Land:** Cost of any land purchased by the applicant (or co-applicant) and utilized by the applicant. If there will be no such expenditures, enter 0.

Rows c, e, h, and j: Percentage of Capital Investment purchased from within Vermont

For Years 0-5 (Columns G-L), enter the percentage of the corresponding capital investment each year that will be spent in Vermont. Include any M&E installation costs that will be performed by Vermont contractors. For example, company enters \$100,000 in new machinery and equipment expenditures on Row b for Year 1. Of that total, \$25,000 in equipment will be purchased from a manufacturer in Vermont and it will cost \$5,000 to have the equipment installed by a Vermont firm. Enter “30” on Row c for Year 1, representing 30% of the total machinery and equipment expenditures for Year 1.

5. Capital Investments – Type of Facility**Rows a-e:**

For any year in which you entered investments for a facility that will be will be acquired, built, or substantially renovated, a dollar figure will automatically appear on Line 64.

For each of Years 1-5 (Columns H-L), assign a percentage to the various categories of facility use according to an estimated breakdown of the total investment. If “other” is used, indicate a description of the category in Column F next to “Other”. Use format: “30.”

For example, in Year 1, Row f, the applicant enters \$1,000,000 to indicate plans to acquire an existing 100,000 square foot plant. The company will use 80,000 square feet for manufacturing, 10,000 square feet for warehousing, and 10,000 square feet for office space. For Year 1, enter “80” on Row a, “10” on Row d, and “10” on Row c.

Percentages will automatically total on Line 65 and should equal 100%.

LINE-BY-LINE INSTRUCTIONS:**Data Part 3: Breakdown of Qualifying Job Creation:**

Lines 74-81: For the new qualifying jobs to be created in Years 1 – 5, provide a breakdown by job category, average annual wage/salary, and number of new, qualifying jobs for each category to be created during each year during Years 1 – 5.

Include *only* new, full-time, qualifying employees in this section. Do not include new owners, PT/Seasonal, or Non-qualifying employees. If the average wage you enter in Column f is at or below the [VEGI Wage Threshold](#) for the year in which the project commences, the job category is considered “Non-Qualifying” and should not be listed in this section.

Column A: Enter a “job category.” Use broad categories such as: Production, Production Manager, Quality Control, Shipping/Receiving, Management, Administration, Maintenance, etc. Use as many separate listings as needed for the different pay levels offered, even for the same job category. For instance, if you have a distinct category of production with an annual average wage of \$25,000 and another at \$28,000, indicate the different categories on separate lines.

Column F: Enter the average annual wage or salary for the job category. *Do not* enter hourly wage rates or wage or salary ranges. Enter the **Average Annual Salary or Average Annualized Wages** for the position. Use format: 24,960. For example, if the job category will pay a salary ranging from \$24,000 to \$26,000, depending on experience, enter 25,000. If the job will pay an hourly wage of \$14.00 to \$15.00 per hour, enter 30,160 (if employees will work 2080 hours per year). Dollar signs will automatically fill in. Note that since the jobs included in this section are only New, Qualifying Employees, there should not be any wages or salaries included that are lower than the annualized [VEGI Wage Threshold](#) for the application year.

Columns H-L: For each of the years 1-5, enter the number of employees in each job category *that will be added* for each year. If no jobs will be created in that category in any year, enter “0.” *Do not enter cumulative totals.*

Data checks:

- Once you enter the new employment breakdown by year in Columns H-L, the annual totals that calculate on Line 81 should match the total on Line 26 (Data Part 2, Section 2.e)
- The data entered in the section will automatically populate the data in the beige outer edges of the form. Note that the data you have entered on Line 39 (Data Part 2, Section 3.e) should approximate the totals that appear on Line 95. They do not have to match, as the data populating Line 95 is based on average wages, but they should be close. If the payroll levels on Line 39 are not at or below the totals that appear on Line 95, you have made an error in calculating your payroll targets or when entering the data in Data Part 3.

Line 83:

Enter, for each of Years 1-5 (columns H-L), a “1,” “2,” “3,” or “4” to represent the *calendar quarter* during which the majority of the new qualifying employees you entered on Lines 73-80 will be hired. Use “1” for Q1 or January – March, “2” for Q2 or April – June, “3” for Q3 or July – September, and “4” for Q4 or October – December.

FORM REVIEW AND CERTIFICATION

NOW THAT YOU HAVE COMPLETED THE PRELIMINARY APPLICATION FORM, OPEN AND COMPLETE THE DOCUMENT “[VEGI PRE-APPLICATION - COMMON APPLICATION ERRORS.](#)”

THIS DOCUMENT WILL HELP YOU AVOID SOME COMMON APPLICATION ERRORS THAT MAY CAUSE DELAY OR MISCALCULATION OF THE INCENTIVE.

REVIEW YOUR APPLICATION USING THE FORM, CHECK OFF EACH ITEM TO CERTIFY THAT YOU REVIEWED THAT ITEM, CERTIFY THAT YOU HAVE DONE THE REVIEW AND FILL IN YOUR NAME, ETC AND EMAIL THE FORM ALONG WITH YOUR PRELIMINARY APPLICATION.