



KANSAS HIGH PERFORMANCE INCENTIVE PROGRAM (HPIP)
PROJECT DESCRIPTION

Is this the first Project Description for this venture: Yes No Commerce Representative: _____

If now, provide the Project Description number: _____
(A Project Description revision is required if capital investment increases \$500,000 or more or if the time frame changes.)

Company Legal Name: _____ FEIN: _____ NAICS: _____

Worksite Location (street): _____ County: _____

City: _____, KS Zip Code: _____

Mailing Address (if different from above): _____

City: _____, KS Zip Code: _____

Please Check One: New Facility & New Company New Facility, Existing Company Existing Facility Investment

CAPITAL INVESTMENT ESTIMATE

(List only those items for which no formal commitment has been made.)

Operating Leases:	Machinery & Equipment	Building Space	Other
Total Amount of Lease	\$ _____	\$ _____	\$ _____
Term (in months)	_____	_____	_____
First-Year Payment	\$ _____	\$ _____	\$ _____
Start Date of Lease (mm/dd/yyyy)	_____	_____	_____

	Spending Periods.....	Year 1, Starting	Year 2	Year 3
Purchases:		_____	_____	_____
Land acquisition/building acquisition.....	\$ _____	\$ _____	\$ _____	\$ _____
Construction costs.....	\$ _____	\$ _____	\$ _____	\$ _____
Renovation & remodeling costs, including leasehold improvements.....	\$ _____	\$ _____	\$ _____	\$ _____
Manufacturing machinery & equipment costs.....	\$ _____	\$ _____	\$ _____	\$ _____
Machinery & equipment other than for manufacturing.....	\$ _____	\$ _____	\$ _____	\$ _____
All machinery & equipment installation costs.....	\$ _____	\$ _____	\$ _____	\$ _____
Furnishings/computers/communications equipment.....	\$ _____	\$ _____	\$ _____	\$ _____
Annual lease payment from above multiplied by 8 (first year only).....	\$ _____	\$ _____	\$ _____	\$ _____
Total Estimated Capital Investment.....	\$ _____	\$ _____	\$ _____	\$ _____

Current FTE employees _____ Related payroll \$ _____ Current annual sales \$ _____
 Expected net new job creation: _____ Related payroll \$ _____ Expected additional sales \$ _____
 Retained jobs that would be eliminated if not for this investment _____ Related payroll \$ _____

 Signature of Officer or Authorized Consultant Date

 Printed Name & Title of Person Completing This Form

 Phone Fax

 E-Mail Address to Notify Firm of Assigned Project Number

*Return this form to: HPIP Manager
 Kansas Department of Commerce
 1000 SW Jackson St., Suite 100
 Topeka, Kansas 66612-1354
 fax: 785.296.3490
 email: wayne.groves@ks.gov*



KANSAS HIGH PERFORMANCE INCENTIVE PROGRAM (HPIP) **PROJECT DESCRIPTION INSTRUCTIONS & FAQs**

The submittal of the Project Description is the critical first step to access HPIP benefits. It provides proof of foreknowledge of the program's benefits, which is necessary if the program is to function as an incentive regarding decisions for capital investment. Current regulations and statutory amendments require a business to provide Commerce with the completed Project Description before the company formally commits to any capital investment on which it expects to earn an HPIP investment tax credit. A formal commitment is any agreement which gives the other party legally enforceable monetary or other remedies should the company back out of the agreement, i.e. when a purchase or lease agreement is executed or when a deposit would be forfeited on machinery that had been ordered. A formal commitment also includes moving machinery or equipment into Kansas from out of state.

Complete the Project Description form using your best estimates of future spending. Do not include any assets for which a formal commitment has already been made on this form. All asset purchases and operating leases (which earn HPIP investment tax credits based on eight times annual lease payment) are considered pre-identified and therefore may be eligible to receive tax credits, from the date Commerce receives the form via fax or e-mail or the postmark if mailed. If sent by fax or e-mail, you must follow up by sending the original notarized form.

WHEN SHOULD I SUBMIT A PROJECT DESCRIPTION TO COMMERCE?

As soon as your company anticipates capital investment in excess of \$50,000. Keep in mind that these are estimates and can be revised as the project progresses.

WHAT IF WE ARE LOOKING AT SEVERAL BUILDING SITES AND KNOW THE APPROXIMATE SCOPE OF THE INVESTMENT BUT HAVE NOT YET DECIDED ON THE LOCATION?

To satisfy required foreknowledge of the program, submit a Project Description pre-identifying the project's estimated capital investment and indicate the location as "yet to be determined." As soon as the location can be disclosed, please file a revised Project Description providing the location address.

WHAT TYPES OF INVESTMENTS ARE POTENTIALLY ELIGIBLE FOR INVESTMENT TAX CREDITS AND SHOULD BE LISTED ON THE PROJECT DESCRIPTION?

Eligible capital investment may include the value of real and tangible personal property (land and assets) that are depreciable or amortizable and used by the taxpayer in the operation of the worksite facility. The statutes do not allow inventory or property sold to customers or "rolling stock" unless it is used exclusively at the worksite.

HOW DO I SET THE VALUE OF THE PROPOSED CAPITAL INVESTMENTS?

The value is its original cost if owned by the taxpayer or eight times the net annual rental rate if leased.

WHAT IF INITIAL ESTIMATES OF PROJECTED CAPITAL INVESTMENTS ARE LATER DETERMINED TO BE HIGHER OR LOWER THAN I FIRST IDENTIFIED, OR WHAT IF MY TIME FRAME CHANGES?

If you become aware of material changes in the amounts of investment spending, types of investment spending, timing of investment spending or other significant changes, you should submit a revised Project Description to Commerce before the company has committed to any additional new spending that was not originally pre-identified. Use the same Project Description number assigned to the original and note it as a revision.

Commerce currently defines a material change as a \$500,000 or more increase in the original capital investment estimate. A "time frame" change necessitating a revised Project Description would be a change in the taxable year in which the investment is anticipated to be made. Do not send revised Project Descriptions for material changes that are lower than initial estimates.