

INSTRUCTIONS FOR COMPLETING TEXAS FRANCHISE TAX RESEARCH AND DEVELOPMENT CREDIT ALTERNATIVE SCHEDULE G

Please see Rule 3.578 and Texas Tax Code, Chapter 171, Subchapter O for additional details concerning this credit.

- Item 1** Basic research payments as determined under Internal Revenue Code (IRC), sec. 41(e)(1)(A), but only the portion incurred in Texas.
- Item 4** The qualified organization base period amount as determined under IRC, sec. 41(e), but only the Texas portion.
- Item 7** A corporation may elect to compute the credit for qualified research expenses incurred in Texas in a manner consistent with the alternative incremental credit described in IRC sec. 41(c)(4) only if for the corresponding federal tax period:
1. a federal election was made to compute the federal credit under IRC sec. 41(c)(4);
 2. the corporation was a member of a consolidated group for which a federal election was made under IRC sec. 41(c)(4); or
 3. the corporation did not claim the federal credit under IRC sec. 41(a)(1).
- Item 10** Enter the average annual Texas gross receipts (reduced by returns and allowances) for the 4 tax years preceding the tax year for which the credit is being determined.
- Item 19** Multiply Item 15 by 0.41% (0.0041). NOTE: For reports originally due before January 1, 2002, multiply Item 15 by 0.33% (0.0033).
- Item 20** Multiply Item 18 by 0.55% (0.0055). NOTE: For reports originally due before January 1, 2002, multiply Item 18 by 0.44% (0.0044).
- Item 21** Multiply Item 17 by 0.69% (0.0069). NOTE: For reports originally due before January 1, 2002, multiply Item 17 by 0.55% (0.0055).
- Item 24** Enter the larger of Item 12 from Schedule A or Item 29 from Schedule B, OR if a final report, enter Item 15 from Form 05-139.
- Item 25** Multiply Item 24 by 50% (0.5). NOTE: For reports originally due before January 1, 2002, multiply Item 24 by 25% (0.25).
- Item 26** Enter the smaller of Item 23 or Item 25. Also enter in Item 10a of Schedule D.

***Research payments and expenses entered in Items 1c and 7c must be listed by county on Credit Worksheet - Schedule K.
Blacken box 4 on Schedule K.***

You have certain rights under Ch. 559, Government Code, to review, request, and correct information we have on file about you.
Contact us at the address or toll-free number listed on your report.