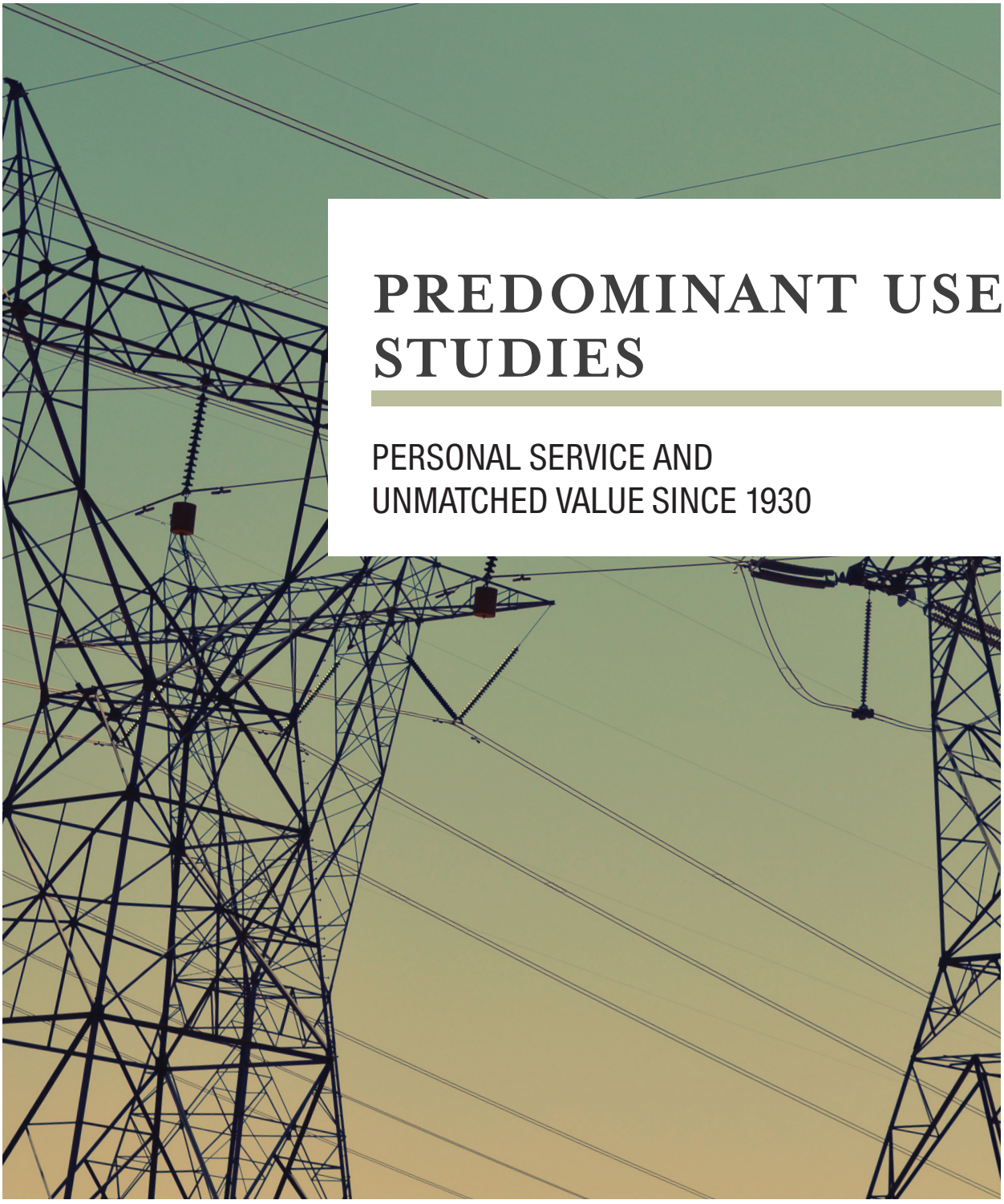
WHITINGER & COMPANY LLC



PREDOMINANT USE STUDIES

PERSONAL SERVICE AND UNMATCHED VALUE SINCE 1930

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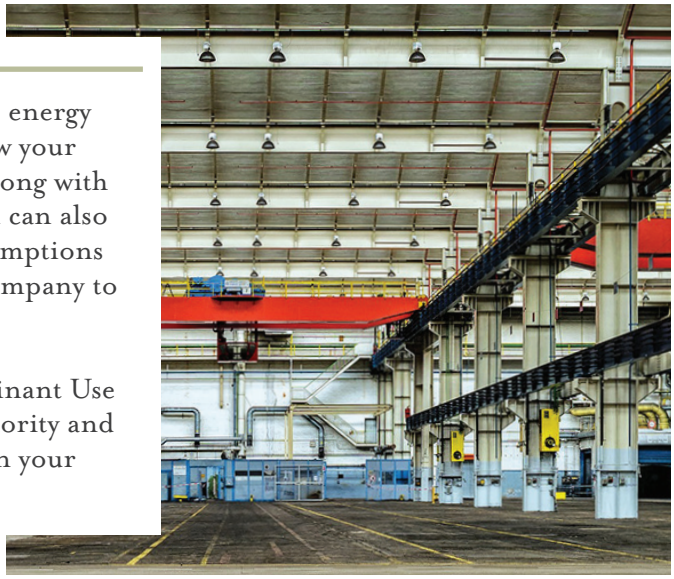


WHITINGER'S PREDOMINANT USE STUDIES SERVICES

OVERVIEW

Predominant Use Studies are evaluations of an organization's energy consumption as a whole. These studies could potentially allow your company to receive state sales tax exemption in the future. Along with potentially receiving future tax exemption, your organization can also be qualified for a refund of past sales tax expenses. These exemptions can be critical for your business and potentially allow your company to save time and money.

Whitinger & Company is fully equipped to execute a Predominant Use Study on your organization. Your performance is our top priority and we want to save you money and empower you to be efficient in your manufacturing process.



WHO QUALIFIES?

Any business making a retail transaction that uses electrical energy, natural or artificial gas, water, steam, or steam heat for use in manufacturing, mining, production, refining, oil extraction, mineral extraction, irrigation, agriculture, or horticulture. This also applies to those engaged in recycling after December 31, 2011, and those engaged in processing, repairing, floriculture, and arboriculture after December 31, 2012. Non-profits that use utilities to further their exempt purpose may gain exemption on utilities as well.

EXAMPLES:

- **Manufacturing & fabrication**
- **Food processors of all types (restaurants, fast food, bakeries, etc.)**
- **Machine shops**
- **Powder coating**
- **Farms**
- **Not-for-profits**

Indiana tax code allows an exclusion of sales and use tax on utilities used in manufacturing, processing, or fabricating tangible personal property. To be eligible for the exclusion, the company must complete a “predominant use study” that shows at least 50 percent of the utility is consumed by the business directly causes a physical change to a product. The Indiana tax code also allows a sales tax refund for funds you have paid in the previous 36 months. Even if the meter does not qualify under the 50% rule, partial exemptions are also available.



ROSS SWALLOW, CPA

MEMBER/OWNER

Ross specializes in tax consulting and compliance services for businesses and individuals. He also advises on mergers and acquisitions, has represented companies on the buyer and seller sides of transactions, and has consulted on the financial and tax implications of those transactions. Additionally, he is experienced in financial statement services with specialties in the construction and agriculture industries. Ross is a Certified Public Accountant (CPA) and a member of the Indiana CPA Society, American Institute of Certified Public Accountants, and the East-Central Indiana Estate Planning Council.

HOW MUCH DOES IT COST?

Studies are typically performed on a percentage of refund contingency basis. Although this is the preferred choice, some companies prefer a flat fee. We will agree on a fee structure that works best for your organization. Each meter of service must be gain exemption individually.

WHO IS A GOOD CANDIDATE?

- **Re-metering or relocating processes within a plant**
- **Change in utility vendors**
- **Mergers, acquisitions, bankruptcies, or changes in ownership**
- **New location, Expansion**
- **Unaware of such exemption**





STUDY RESULTS

We complete the necessary studies, forms and refund claims from start to finish ensuring you gain your proper exemption and refunds. We remain current with the latest tax code as they apply. Below are some examples of clients that we have worked with in the past:

FABRICATION COMPANY:

- **Annual revenues: $4,700,000**
- **Employees: 25**
- **Refund from study: $4,161**
- **Annual savings on future utility bills: $1,500**

MANUFACTURING COMPANY:

- **Annual Revenues: $26,000,000**
- **Employees: 170**
- **Refund from study: $99,000**
- **Annual savings on future utility bills: $33,000**

OUR PROCESS HAS TRANSLATED INTO SIGNIFICANT TAX REFUNDS AND SAVINGS FOR THE FUTURE OF OUR CLIENTS:

$32,000 in refunds plus future savings for a manufacturer in the automotive industry

$4,500 in refunds plus future savings for a non-profit client

$3,000 in refunds plus future savings for an equipment manufacturer