

SAMPLE CALCULATION

| | |
|---|-------------------------|
| 2004 New Manufacturing M&E purchases: | \$10,000,000 |
| Three Year Average Annual Investment* | <u>-\$6,000,000</u> |
| Net Eligible for Incentive | \$4,000,000 |
| 7.5 % rate | x <u> .075</u> |
| Total Incentive | \$ 300,000 |
| Annual Incentive (1/7 per year over next 7 yrs.) | \$42,857 |

*The investment base years are as follows:

| Investment Year (calendar year) | Base Years (calendar year) |
|---------------------------------|----------------------------|
| Jan 1, 2005 – June 30, 2005 | 1999, 2000, 2001 |
| 2004 | 1998, 1999, 2000 |
| 2003 | 1997, 1998, 1999 |
| 2002 | 1996, 1997, 1998 |
| 2001 | 1995, 1996, 1997 |
| 2000 | 1994, 1995, 1996 |
| 1999 | 1993, 1994, 1995 |
| 1998, 1997, 1996, or 1995 | 1992, 1993, 1994 |