

For taxable year beginning _____, and ending _____

Attach to your return

Name(s) as shown on Forms 140, 140PY, 140NR, 140X, 120, 120A, 120S, 120X, or 165	Your social security number or federal employer ID number
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Enterprise Zone Credit for Qualified Employment Positions

See instructions regarding Arizona Department of Commerce certification before claiming this credit

Part I Business Information

1	Business name	1	
2a	Business location address	2a	
2b	Business location in enterprise zone (list name of enterprise zone).....	2b	
3a	State withholding number	3a	
3b	Federal employer identification number.....	3b	
4	Retail sales. Does more than 10 percent of the business conducted at the location consist of selling tangible personal property at retail? See instructions before answering this question.	Yes	No
	If the answer to this question is yes, the business is not eligible for the enterprise zone credit for qualified employment positions.		

Part II Net Increase in Average Number of Full Time Employees

See instructions before completing this section

5	Average number of full time employees at the zone location during the current taxable year.....	5	
6	Average number of full time employees at the zone location during the immediately preceding taxable year.....	6	
7	Net increase in average number of full time employees - <i>subtract line 6 from line 5</i>	7	

Part III Maximum Number of Qualified Employment Positions

See instructions before completing this section

8	Qualified employment positions. <i>Enter the number of qualified employment positions created during the taxable year</i>	8	
9	Net increase in average number of full time employees - <i>enter the number from Part II, line 7</i>	9	
10	Maximum number of new qualified employment positions for which the business may claim a credit before application of the 35 percent enterprise zone residency requirement. <i>Enter the smaller of line 8 or line 9</i>	10	
11a	Number of employees in qualified employment positions for which the credit is being claimed that are enterprise zone residents on the date of hire.....	11a	
11b	Divide the amount on line 11a by 35 percent (.35). Enter the quotient.....	11b	
11c	Enter the smaller of line 10 or line 11b. This is the maximum number of qualified employment positions for which the credit may be claimed after application of the enterprise zone residency requirement.....	11c	

Part IV Limitation on Number of Qualified Employment Positions Claimed for First Year and Second Year Tax Credits

See instructions before completing this section

12a	Maximum number of qualified employment positions after application of enterprise zone residency requirement - <i>from Part III, line 11c</i>	12a	
12b	Total number of employees in second year of continuous employment in a qualified employment position - <i>see instructions</i>	12b	
12c	Add lines 12a and 12b. Enter total.....	12c	
12d	Maximum number of qualified employment positions for which first year and second year tax credits may be claimed - <i>enter the smaller of 200 or line 12c</i>	12d	

Part V Credit Calculation for Qualified Employment Positions

13 Arizona residency. Are all of the employees in qualified employment positions Arizona residents?
See instructions before answering this question. Yes No

If the answer to this question is no, the business is not eligible for an enterprise zone credit for those qualified employment positions filled by employees who are not Arizona residents.

	(a)	(b)	(c)	(d)
	Number of qualified employment positions	Qualifying wages	%	Allowable credit
14	Employees in first year or partial year of employment in a qualified employment position	(Maximum of \$2,000 per qualified employment position) \$	25%	
15	Employees in the second year of continuous employment in a qualified employment position	(Maximum of \$3,000 per qualified employment position) \$	33 1/3%	
16	Employees in the third year of continuous employment in a qualified employment position	(Maximum of \$3,000 per qualified employment position) \$	50%	
17	Totals			

Part VI Limited Liability Companies

18 What is the federal tax classification of the limited liability company (LLC)? Check only one box
 S corporation partnership disregarded entity corporation

If the LLC is an S corporation, complete Part VII.
 If the LLC is a partnership, complete Part VIII.

19 If the LLC is a disregarded entity, list the name, address and TIN of the single LLC member (owner). If the sole member (owner) is an entity, list its federal tax classification.

 Name TIN

 Address Federal tax classification

20 If the LLC is a corporation, list the name, address, TIN and the ownership interest (as a percentage) of each LLC member.

 Name TIN

 Address

Ownership interest _____%

 Name TIN

 Address

Ownership interest _____%

Name _____ TIN _____

Address _____

Ownership interest _____%

Name _____ TIN _____

Address _____

Ownership interest _____%

Name _____ TIN _____

Address _____

Ownership interest _____%

If there are more than 5 LLC members, attach a statement listing the required information for the additional LLC members.

Part VII S Corporation Credit Election and Shareholder's Share of Credit

21 The S corporation has made an irrevocable election for the taxable year ending _____ to:
(CHECK ONLY ONE BOX)

Claim the enterprise zone credit as shown on Part V, line 17, column (d) (for the taxable year mentioned above);

OR

Pass the enterprise zone credit as shown on Part V, line 17, column (d) (for the taxable year mentioned above) through to its shareholders.

Signature _____ Title _____ Date _____

If passing the credit through to the shareholder, complete lines 22 through 24 separately for each shareholder.
Furnish each shareholder with a copy of the completed Form 304.

22 Name of shareholder _____

23 Shareholder's TIN _____

24 Shareholder's share of the amount on Part V, line 17, column (d) _____

Part VIII Partner's Share of Credit

Complete lines 25 through 27 separately for each partner.
Furnish each partner with a copy of the completed Form 304.

25 Name of partner _____

26 Partner's TIN _____

27 Partner's share of the amount on Part V, line 17, column (d) _____

Part IX Available Credit Carryover

		(a)	(b)	(c)	(d)	(e)	(f)
28	Carryover credit from taxable year ending						
29	Original credit amount						
30	Amount previously used						
31	Tentative carryover - <i>subtract line 30 from line 29</i>						
32	Amount unallowable - <i>See instructions</i>						
33	Available carryover - <i>subtract line 32 from line 31</i>						
34	Total available carryover						

Part X Total Available Credit

35	Current year's credit for qualified employment positions - <i>from Part V, line 17, column (d). S corporation shareholders - from Part VII, line 24. Partners of a partnership - from Part VIII, line 27</i>	35		00
36	Available credit carryover - <i>from Part IX, line 34, column (f)</i>	36		00
37	Total available enterprise zone credit for qualified employment positions - <i>add lines 35 and 36. Enter total here and on Form 300, Part I, line 2 or Form 301, Part I, line 2</i>	37		00

Complete a Form 304-1 for each employee at the enterprise zone location. Provide the following information for each employee (whether or not the employee is in a qualified employment position). See instructions for Form 304-1 (on instruction page 6) about providing the requested information in an alternative form.

1 Employee name _____

2 Employee's taxpayer identification number (TIN) _____

3 Employee's residence address _____

4a Is the residence address listed on line 3 inside or outside of an enterprise zone that is located in the same county in which the business is located? inside outside

4b If the answer on line 4a is inside, list the name of the enterprise zone in which the employee's residence address is located

5 Employee's residence address AT DATE OF HIRE _____

6a Is the residence address listed on line 5 inside or outside of an enterprise zone that is located in the same county in which the business is located? inside outside

6b If the answer on line 6a is inside, list the name of the enterprise zone in which the employee's residence address was located

7 Date of initial employment _____

8 If employee was previously employed by the business, list the last date of employment. (See instructions)

9a Is the employee in a permanent full time position? (See instructions) Yes No

9b If the answer to line 9a is yes, list the number of hours the employee worked during the taxable year _____

10 Employee's annual compensation for the taxable year \$ _____

11a Total cost of health insurance provided by employer for employee. (See instructions) \$ _____

11b Total cost of health insurance for employee paid by employer. (See instructions) \$ _____

12 Is this employee in a new qualified employment position? Yes No

13a Has this employee been substituted for another employee in a qualified employment position? Yes No

13b If answer on line 13a is yes, list the date of substitution _____ and indicate whether the individual is a second year employee or a third year employee. See instructions before answering this question.

Check only one box. second year employee third year employee

Employees in Qualified Employment Positions

Enterprise zone name _____ Zone location address _____

If the business has more than 7 employees in qualified employment positions, complete additional Form(s) 304-2.	(b)			(c)	(d)			(e)
(a)	Check the appropriate box. This employee is a: 1st year employee 2nd year employee 3rd year employee b1 b2 b3			Total wages paid to this employee during the current taxable year	Maximum allowable wages: Enter the lesser of column (c) or the maximum allowed below. year 1 year 2 year 3 \$2,000 \$3,000 \$3,000 d1 d2 d3			Limitation on total number of 1st year and 2nd year credits is 200 QEPs per taxpayer. See instructions before checking this box.
1								
2								
3								
4								
5								
6								
7								
8	Total - Add lines 1 through 7. Enter the total here.							