

**URBAN ENTERPRISE ZONE INVESTMENT TAX CREDIT
AND CREDIT CARRY FORWARD**

Name as Shown on Return	Federal ID Number	NJ Corporation Number
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IMPORTANT NOTE:

This investment tax credit is available only to an approved "Qualified Business" which has made an investment or other expenditure in an Urban Enterprise Zone, which has previously been authorized by the Urban Enterprise Zones Authority and approved by the municipal government.

A taxpayer may not claim the investment tax credit or carryover for any year in which it has claimed a new employees tax credit or carryover.

READ THE INSTRUCTIONS ON THE REVERSE SIDE BEFORE COMPLETING THIS FORM.

PART I TAXPAYER QUALIFICATIONS

- Is the taxpayer certified by the Department of Commerce and Economic Development as a "qualified business" under the Urban Enterprise Zones Act? YES NO
- Enter your Urban Enterprise Zone permit number _____
- Was the taxpayer engaged in the active conduct of a trade or business in the zone for at least one year prior to the zone designation? YES NO
- Does the taxpayer employ fewer than 50 employees? YES NO
- Has the taxpayer attached copies of the written approval for the investment from the Urban Enterprise Zones Authority, and from the municipality? YES NO
- Has the taxpayer attached proof (i.e. copy of underlying receipt or contract) that the investment was made? YES NO

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO", DO NOT COMPLETE THE REST OF THIS FORM, THE TAXPAYER DOES NOT QUALIFY FOR THE URBAN ENTERPRISE ZONE INVESTMENT TAX CREDIT, OTHERWISE, GO TO PART II.

PART II CALCULATION OF THE ALLOWABLE CREDIT AMOUNT

7. Enter the amount of the approved investment	7.	
8. Enter 8% (.08) of the amount on line 7	8.	
9. Investment tax credit carried forward from prior tax year	9.	
10. Total investment tax credit (add lines 8 and 9)	10.	
11. Enter tax liability from Page 1, line 11 of CBT-100 or BFC-1, or line 9 of CBT-100S	11.	
12. Enter the required minimum tax liability as indicated in instruction (b) for Part II	12.	
13. Subtract line 12 from line 11	13.	
14. Enter 50% (.50) of the tax liability reported on line 11	14.	
15. Enter the lesser of line 13 or line 14	15.	
16. Tax Credits taken on the current year's tax return, if applicable:		
(a) HMO Assistance Fund Tax Credit _____		
(b) New Jobs Investment Tax Credit _____ Total	16.	
17. Subtract line 16 from line 15. If the result is less than zero, enter zero	17.	
18. Allowable credit for the current tax period - Enter the lesser of line 10 or line 17 here and on Schedule A-3 of the CBT-100, the CBT-100S or the BFC-1.	18.	

PART III CALCULATION OF CREDIT CARRY FORWARD

19. Enter amount from line 10	19.	
20. Enter amount from line 18, Part II	20.	
21. Amount of Urban Enterprise Zone Investment Tax Credit Carry Forward to following year's return (line 19 minus line 20)	21.	

THIS INVESTMENT TAX CREDIT IS AVAILABLE ONLY TO AN APPROVED "QUALIFIED BUSINESS" WHICH HAS MADE AN INVESTMENT OR OTHER EXPENDITURE IN AN URBAN ENTERPRISE ZONE, WHICH HAS PREVIOUSLY BEEN AUTHORIZED BY THE URBAN ENTERPRISE ZONES AUTHORITY, AND APPROVED BY THE MUNICIPAL GOVERNMENT.

INSTRUCTIONS

This schedule must be completed by any taxpayer that is a certified "qualified business" desiring an investment tax credit and/or credit carry forward as provided for in the New Jersey Urban Enterprise Zones Act, N.J.S.A. 52:27H-60 et seq. If the taxpayer claims this credit on Form CBT-100, Form CBT-100S or Form BFC-1, a completed Form 301 must be attached to the return to validate the claim.

Certification as a "qualified business" must be obtained from the New Jersey Urban Enterprise Zones Authority, PO Box 820, Trenton, NJ 08625-0820, Telephone (609) 292-1912.

NOTE: A qualified business cannot claim an investment tax credit and an employees tax credit in the same year regardless of whether those credits were earned for the tax year or carried forward from a previous tax year.

PART I TAXPAYER QUALIFICATIONS

In order to be eligible for the investment tax credit, the taxpayer must meet the requirements contained in the Urban Enterprise Zones Act, N.J.S.A. 52:27H-60 et seq. Also, a copy of the written approval for the investment from the Urban Enterprise Zones Authority must be attached to this schedule. If an answer to any one of the questions listed in PART I is "NO", the taxpayer is **NOT** entitled to the investment tax credit.

PART II CALCULATION OF ALLOWABLE CREDIT AMOUNT

a) The total and allowable Urban Enterprise Zones Investment Tax Credit for the current year is calculated in PART II. The amount of this credit in addition to the amount of any other tax credits taken is limited to 50% of the taxpayer's total tax liability and cannot exceed an amount which would reduce the total tax liability below the statutory minimum.

b) The required minimum tax liability is as follows:

For returns with taxable periods beginning on or after January 1, 1997 through January 1, 2001, the minimum tax is \$200.

For returns with taxable periods beginning on or after January 1, 2002, the minimum tax shall be \$500 or the minimum tax shall be \$2,000 for a member of an affiliated group or a controlled group whose group has total payroll of \$5,000,000 or more for the privilege period.

For returns with taxable periods beginning on or after January 1, 2006, the minimum tax is assessed based on the New Jersey Gross Receipts as follows:

New Jersey Gross Receipts	Minimum Tax
Less than \$100,000	\$500
\$100,000 or more but less than \$250,000	\$750
\$250,000 or more but less than \$500,000	\$1,000
\$500,000 or more but less than \$1,000,000	\$1,500
\$1,000,000 or more	\$2,000

provided however that for a taxpayer that is a member of an affiliated or controlled group which has a total payroll of \$5,000,000 or more for the return period, the minimum tax shall be \$2,000. Tax periods of less than 12 months are subject to the higher minimum tax if the prorated total payroll exceeds \$416,667 per month.

c) The priorities set forth in this Corporation Business Tax form follow Regulation N.J.A.C. 18:7-3.17.

PART III CALCULATION OF CREDIT CARRY FORWARD

Although there is a limitation of the amount of credit allowed in any one tax year, the amount of the unused tax credit may be carried forward to a future tax year provided that that tax year falls within a 20 year period beginning with the date of designation of the enterprise zone, or if later, a period of 20 tax years beginning with the date within the designation period upon which the taxpayer is first subject to the Corporation Business Tax Act (1945), P.L. 1945, c. 162, N.J.S.A. 54:10A-1 et seq. The amount of the investment tax credit carry forward is calculated in PART III.