

Form 301

ENTERPRISE ZONE CREDIT STATE BANK FRANCHISE TAX

Qualification year 1st year 2nd year 3rd year 4th year 5th year 6th year 7th year 8th year 9th year 10th year



STATE BANK FRANCHISE TAX

Attach this form to your return

Name(s) as shown on return or form

Table with 2 columns: FEIN, Zone Location Code

Table with 2 columns: Description, Amount/Percentage

FOR BUSINESSES QUALIFYING PRIOR TO JULY 1, 1995

Table with 2 columns: Description, Amount/Percentage

Table with 2 columns: Description, Amount/Percentage

FOR BUSINESSES QUALIFYING ON OR AFTER JULY 1, 1995

Table with 2 columns: Description, Amount/Percentage

Table with 2 columns: Description, Amount/Percentage

Table with 2 columns: Description, Amount/Percentage

Table with 2 columns: Description, Amount/Percentage



FORM 301 INSTRUCTIONS — STATE BANK FRANCHISE TAX

GENERAL INFORMATION: Enter the zone location code in the box located at the top of the form.

This code number can be obtained from the Certificate of Qualification issued by the Department of Housing and Community Development.

The following rules apply when computing tax credits:

- A credit may only be claimed against the state Bank Franchise Tax due on Line 18 of Form 64.
- Tax credits should be claimed in the order in which they provide the maximum benefit, regardless of the order shown on the return.
- Claim only as much credit as can be used to offset tax liability and keep accurate records of the carryover available for each credit.

LINE BY LINE INSTRUCTIONS:

- (1) Enter the net taxable capital. This is the total taxable capital from Line 15 of Form 64.
- (2) Enter the local taxable capital. Generally, local taxable capital is 80% of Line 15, Form 64. However, capital not assignable to a Virginia locality is considered state taxable capital.
- (3) Enter the state taxable capital. This is the net taxable capital (Line 1) less local taxable capital (Line 2).
- (4) Enter the percentage of business done within the zone. A bank having net taxable capital arising from business locations (branches) both inside and outside of an enterprise zone shall compute the percentage of deposits attributable to the branch or branches in the zone to the deposits attributable to all branches in Virginia.
- (5) Multiply Line 3 by the percentage on Line 4 to determine the capital attributable to enterprise zone activity.
- (6) Enter \$1.00 per \$100.00 of the amount on Line 5. New banks which have not been in business for a full year before the January 1 date for valuing capital, must use the prorated rate.

FOR BUSINESSES QUALIFYING PRIOR TO JULY 1, 1995

General Tax Credit:

- (7) Enter the applicable percentage corresponding to the qualification year as follows:
Operations prior to July 1, 1992
 - (a) First tax year - 80%
 - (b) Second tax year - 60%Operations beginning on or after July 1, 1992
 - (c) Third tax year - 40%
 - (d) Fourth and fifth tax years - 20%
- (8) Multiply the amount on Line 6 by the percentage on Line 7. This is your current year general tax credit. Any unused tax credit in this category may not be applied to future tax years.

Unemployment Tax Credit:

- (9) The unemployment tax credit amount is equal to the amount of state unemployment tax paid on employees within the enterprise zone multiplied by the applicable percentage. The percentages are as follows:
Operations prior to July 1, 1992
 - (a) First tax year - 80%
 - (b) Second tax year - 60%Operations beginning on or after July 1, 1992
 - (c) Third tax year - 40%
 - (d) Fourth and fifth tax years - 20%
- (10) Enter the carryover amount from the prior year. Attach computation of the carryover amount.
- (11) Add Lines 9 and 10. This is the total unemployment tax credit available for the year.
- (12) Enter the remaining tax attributable to enterprise zone activity less any general tax credit (Line 6 less Line 8).

- (13) Credit used this year: Enter the amount from Line 11 or 12, whichever is less.
- (14) Credit carryover to subsequent year: Subtract the amount on Line 13 from the amount on Line 11.

FOR BUSINESSES QUALIFYING ON OR AFTER JULY 1, 1995

General Tax Credit:

- (15) Enter the percentage authorized by the Department of Housing and Community Development.
- (16) Multiply the amount from Line 6 by the percentage on Line 15.
- (17) Enter the amount of credit authorized by the Department of Housing and Community Development.
- (18) Enter the lesser of Line 16 or Line 17. This is your current year general tax credit. Any unused tax credit may not be applied to future tax years.

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- (19)
- (20)
- (21)
- (22)
- (23)
- (24)

Zone Investment Tax Credit:

- (25) Enter the amount of zone investment tax credit negotiated with the Department of Housing and Community Development.
- (26) Enter the total zone investment tax credit used in prior years.
- (27) Total zone investment tax credit: Subtract Line 26 from Line 25.
- (28) Enter the credit amount authorized by the Department of Housing and Community Development.
- (29) Enter the amount from Line 27 or Line 28, whichever is less.
- (30) Enter the amount of credit used this year: The amount entered on this line is the amount on Line 29, but cannot exceed the Bank Franchise Tax liability amount (Form 64, Line 18) minus all other credits taken on Form 64 and Lines 8, 13, 18 from this form, as applicable.
- (31) Credit carryover to subsequent year: Subtract the amount on Line 30 from the amount on Line 27.
- (32) **Total Enterprise Zone Credit:** Enter the total of all applicable Enterprise Zone Credits for this year from Lines 8, 13, 18 and 30. Enter the total here and on Form 64, Line 20.

NOTE: When qualifying in more than one enterprise zone, complete a separate Form 301 for each zone. Add the total credit amount from each Form 301 and enter that amount on Form 64, Line 20 of the return. For additional information, call (804) 786-3182 or write to the Virginia Department of Taxation, P.O. Box 715, Richmond, VA 23218-0715. You can obtain most Virginia tax forms from the Department's website at www.tax.virginia.gov.

For assistance contact:

Department of Taxation
P.O. 715
Richmond, VA 23218-0715
804-786-3182

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