



SCHEDULE
IT-40QEC
State Form 21928
R1/1-06

Indiana Department of Revenue
Enterprise Zone
Qualified Employee Deduction
Certificate

PRIVACY NOTICE

The records in this series are
CONFIDENTIAL
according to the provisions of
I.C. 6-8.1-7-1 and I.C. 5-28-15-8

--- Attach to Indiana individual income tax return ---

Name of Employee	Social Security Number	Name of Enterprise Zone _____ Date of residence in Enterprise Zone: From _____ To _____	
Employee's street address	Amount of compensation for tax year during the period of residence in the Enterprise Zone: \$ _____		
City of residence	Caution: Limitation of Deduction Enter $\frac{1}{2}$ of the above amount or \$7,500, whichever is less: \$ _____		
Employer	Address	Federal Identification Number	
I certify that the above-named employee was paid the amount indicated as compensation for services rendered, and that he/she is a qualified employee as defined in I.C. 6-3-2-8.			
Signature of Employer	Title	Telephone Number ()	Date



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Schedule IT-40QEC is to be completed by the enterprise zone employer and distributed to its qualified employee(s). The qualified employee should claim this deduction on their IT-40 Schedule 1, their IT-40PNR Schedule D, or their IT-40X (amended tax return). The employee must attach the IT-40QEC to the state individual income tax return to support any claimed deduction of earned enterprise zone income.

Indiana Code I.C. 6-3-2-8 defines a "qualified employee" as an individual who:

1. Has a principal place of residency in the enterprise zone where employed;
2. Performs services for the employer 90% of which are directly related to the conduct of the employer's trade or business located in an enterprise zone;
3. Performs services for the employer at least 50% of the time during the taxable year within a state enterprise zone; and
4. Is employed by a business that remains eligible to receive benefits and incentives as provided by enterprise zone legislation.

Portions of certain Indiana cities are designated as state enterprise zones. Also, certain airport development zones may substitute as enterprise zones. **A qualified employee living and working in a designated enterprise zone may be entitled to deduct from state adjusted gross income one-half ($\frac{1}{2}$) of the enterprise zone income earned for services or \$7,500, whichever is less.** Enterprise zone income means wages, salaries, commissions and any other forms of remuneration (as shown in the box on front of this certificate) paid to qualified employees for services by an enterprise zone employer, minus any IRA deductions directly related to that earned income.

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