

VIRGINIA
Form 301
CORPORATION TAX

ENTERPRISE ZONE CREDIT
CORPORATION TAX
 Attach this form to your return

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



Name(s) as shown on return or form

FEIN **Zone Location Code**

(1) Taxable income subject to credit	(1)	<input type="text"/>
(2) Percentage of business done within the enterprise zone	(2)	<input type="text"/> %
(3) Income attributable to enterprise zone activity (Line 1 multiplied by Line 2)	(3)	<input type="text"/>
(4) Tax attributable to enterprise zone activity (Line 3 multiplied by 6%)	(4)	<input type="text"/>

FOR BUSINESSES QUALIFYING PRIOR TO JULY 1, 1995

General Tax Credit:

(5) Applicable percentage	(5)	<input type="text"/> %
(6) General tax credit (Line 4 multiplied by the percentage on Line 5)	(6)	<input type="text"/>

Unemployment Tax Credit:

(7) Current year unemployment tax credit (see instructions)	(7)	<input type="text"/>
(8) Carryover unemployment tax credit from prior years	(8)	<input type="text"/>
(9) Total unemployment tax credit available this year (add Line 7 and Line 8)	(9)	<input type="text"/>
(10) Tax attributable to enterprise zone activity, less any general tax credit (Line 4 less Line 6)	(10)	<input type="text"/>
(11) Credit allowed this year (lesser of Line 9 or Line 10)	(11)	<input type="text"/>
(12) Credit carryover to subsequent year (subtract Line 11 from Line 9)	(12)	<input type="text"/>

FOR BUSINESSES QUALIFYING ON OR AFTER JULY 1, 1995

General Tax Credit:

(13) Applicable percentage (see instructions)	(13)	<input type="text"/> %
(14) Available credit (Line 4 multiplied by the percentage on Line 13)	(14)	<input type="text"/>
(15) Credit authorized by the Department of Housing and Community Development	(15)	<input type="text"/>
(16) General tax credit (enter the lesser of Line 14 or Line 15)	(16)	<input type="text"/>

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(17)

(18)

(19)

(20)

(21)

(22)

Zone Investment Tax Credit:

(23) Zone investment tax credit negotiated with the Department of Housing and Community Development	(23)	<input type="text"/>
(24) Zone investment tax credit used in prior years	(24)	<input type="text"/>
(25) Total zone investment tax credit available this year (subtract Line 24 from Line 23)	(25)	<input type="text"/>
(26) Credit authorized by the Department of Housing and Community Development	(26)	<input type="text"/>
(27) Lesser of Line 25 or Line 26	(27)	<input type="text"/>
(28) Credit used this year (see instructions)	(28)	<input type="text"/>
(29) Credit carryover to subsequent year (subtract Line 28 from Line 25)	(29)	<input type="text"/>

Total Enterprise Zone Credit:

(30) Enter the total of all applicable Enterprise Zone Credits for this year (add Lines 6, 11, 16 and 28) (30)



FORM 301 INSTRUCTIONS — CORPORATION 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:

- Where a credit is limited to a percentage of the tax, the "tax" for this purpose shall be gross tax, less the telecommunications company credit.
- Other income 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 taxable income from Line 7 or 8(a) of Form 500, as appropriate.
- (2) Enter the percentage of business done within the enterprise zone. Corporations having taxable income from business activity both inside and outside of an enterprise zone must allocate and apportion on Schedule A (Form 500) their taxable income attributable to the conduct of business according to *Va. Code* § 59.1-280(G). Schedule A (Form 500) must be attached to Form 301. Partners, shareholders of S corporations, and members of LLCs should receive a Schedule 502A from the partnership, S corporation, or LLC, completed for this purpose, and attach it to their Form 301.
- (3) Enter the amount from Line 1 above if the qualified business firm operated solely within the enterprise zone. For a qualified business firm which operates both inside and outside of a zone, multiply the taxable income subject to credit (Line 1) by the percentage of business done within the enterprise zone (Line 2).
- (4) Multiply Line 3 by 6% to determine the tax attributable to enterprise zone activity.

FOR BUSINESSES QUALIFYING PRIOR TO JULY 1, 1995

General Tax Credit:

- (5) Enter the applicable percentage corresponding to the qualification year as follows:
Operations prior to July 1, 1992
(a) First tax year - 80% (c) Third tax year - 40%
(b) Second tax year - 60% (d) Fourth and fifth tax years - 20%
Operations beginning on or after July 1, 1992
(a) First tax year - 80%
(b) Second through tenth tax years - 60%
- (6) Multiply the amount on Line 4 by the percentage on Line 5. 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:

- (7) 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% (c) Third tax year - 40%
(b) Second tax year - 60% (d) Fourth and fifth tax years - 20%
Operations beginning on or after July 1, 1992
(a) First tax year - 80%
(b) Second through tenth tax years - 60%
- (8) Enter the carryover amount from the prior year. Attach a computation of the carryover amount.
- (9) Add Lines 7 and 8. This is the total unemployment tax credit available for the year.
- (10) Enter the remaining tax attributable to a enterprise zone activity less any general tax credit (Line 4 less Line 6).

- (11) Credit used this year: Enter the amount from Line 9 or 10, whichever is less.
- (12) Credit carryover to subsequent year: Subtract the amount on Line 11 from the amount on Line 9.

FOR BUSINESSES QUALIFYING ON OR AFTER JULY 1, 1995

General Tax Credit:

- (13) Enter the percentage authorized by the Department of Housing and Community Development.
- (14) Multiply the amount from Line 4 by the percentage on Line 13.
- (15) Enter the amount of credit authorized by the Department of Housing and Community Development.
- (16) Enter the lesser of Line 14 or Line 15. This is your current year general tax credit. Any unused tax credit may not be applied to future tax years.

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- (17)
- (18)
- (19)
- (20)
- (21)
- (22)

Zone Investment Tax Credit:

- (23) Enter the amount of zone investment tax credit negotiated with the Department of Housing and Community Development.
- (24) Enter the total zone investment tax credit used in prior years.
- (25) Total zone investment tax credit: Subtract Line 24 from Line 23.
- (26) Enter the credit amount authorized by the Department of Housing and Community Development.
- (27) Enter the amount from Line 25 or Line 26, whichever is less.
- (28) Enter the amount of credit used this year: The amount entered on this line is the amount on Line 27, but cannot exceed the corporation tax liability amount (Form 500, Line 9) minus all priority credits taken on Form 500CR (Part II and Parts IV-XXIII) and Lines 6, 11, and 16 from this form, as applicable.
- (29) Credit carryover to subsequent year: Subtract the amount on Line 28 from the amount on Line 25.
- (30) **Total Enterprise Zone Credit:** Enter the total of all applicable Enterprise Zone Credits for this year from Lines 6, 11, 16 and 28. Enter the total here and on Form 500CR, Part III, Line 7.

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 500CR, Part III, Line 7. For additional information, call (804) 367-8037 or write to the Virginia Department of Taxation, P.O. Box 1115, Richmond, VA 23218-1115. You can obtain most Virginia tax forms from the Department's website at www.tax.virginia.gov.

For assistance contact:

Virginia Department of Taxation
P. O. Box 1115
Richmond, VA 23218-1115
(804) 367-8037

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