

For taxable year beginning MM / DD / YYYY, and ending MM / DD / YYYY

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
--	---

Enterprise Zone Credit for Qualified Employees and Dislocated Workers

Part I Business Information

1	Business name	1	
2	Business location	2	
3	(a) State withholding number	3	
	(b) Federal employer identification number		

Part II Available Credit Carryover

		(a)	(b)	(c)	(d)	(e)	(f)
4	Carryover credit from taxable year ending						
5	Original credit amount						
6	Amount previously used						
7	Tentative carryover - subtract line 6 from line 5						
8	Amount unallowable						
9	Available carryover - subtract line 8 from line 7						
10	Total available carryover						

Part III Total Available Credit for Qualified Employees and Dislocated Workers

11 Total available enterprise zone credit for qualified employees and dislocated workers - from Part II, line 10, column (f). Enter amount here and on Part XIII, line 49 11

Enterprise Zone Credit for Qualified Employment Positions

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

Part IV Business Information

12	Business name	12	
13a	Business location address	13a	
13b	Business location in enterprise zone (list name of enterprise zone).....	13b	
14	(a) State withholding number	14	
	(b) Federal employer identification number		

15 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 V Net Increase in Average Number of Full Time Employees

See instructions before completing this section

16	Average number of full time employees at the zone location during the current taxable year.....	16	
17	Average number of full time employees at the zone location during the immediately preceding taxable year.....	17	
18	Net increase in average number of full time employees - <i>subtract line 17 from line 16</i>	18	

Part VI Maximum Number of Qualified Employment Positions

See instructions before completing this section

19	Qualified employment positions. <i>Enter the number of qualified employment positions created during the taxable year</i>	19	
20	Net increase in average number of full time employees. - <i>enter the number from Part V, line 18</i>	20	
21	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 19 or line 20</i>	21	
22a	Number of employees in qualified employment positions for which the credit is being claimed that are enterprise zone residents on the date of hire.....	22a	
22b	Divide the amount on line 22a by 35 percent (.35). Enter the quotient.....	22b	
22c	Enter the smaller of line 21 or line 22b. This is the maximum number of qualified employment positions for which the credit may be claimed after application of the enterprise zone residency requirement.....	22c	
23	Maximum number of qualified employment positions - <i>enter the smaller of 200 or line 22c. This is the maximum number of qualified employment positions for which the credit may be claimed.</i>	23	

Part VII Credit Calculation for Qualified Employment Positions

24 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
25	Employees in first year or partial year of employment in a qualified employment position	(Maximum of \$2,000 per qualified employment position) \$	25%	
26	Employees in the second year of continuous employment in a qualified employment position	(Maximum of \$3,000 per qualified employment position) \$	33 1/3%	
27	Employees in the third year of continuous employment in a qualified employment position	(Maximum of \$3,000 per qualified employment position) \$	50%	
28	Totals			

Part VIII Limited Liability Companies

29 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 IX.
If the LLC is a partnership, complete Part X.

30 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

31 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 %

If there are more than 3 LLC members, attach a statement listing the required information for the additional LLC members.

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

32 The S corporation has made an irrevocable election for the taxable year ending MM / DD / YYYY to:
(CHECK ONLY ONE BOX)

[] Claim the enterprise zone credit as shown on Part VII, line 28, column (d) (for the taxable year mentioned above);

OR

[] Pass the enterprise zone credit as shown on Part VII, line 28, 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 33 through 35 separately for each shareholder.
Furnish each shareholder with a copy of the completed Form 304.

33 Name of shareholder

34 Shareholder's TIN

35 Shareholder's share of the amount on Part VII, line 28, column (d)

Part X Partner's Share of Credit

Complete lines 36 through 38 separately for each partner.
 Furnish each partner with a copy of the completed Form 304.

- 36 Name of partner _____
- 37 Partner's TIN _____
- 38 Partner's share of the amount on Part VII, line 28, column (d) _____

Part XI Available Credit Carryover

		(a)	(b)	(c)	(d)	(e)	(f)
39	Carryover credit from taxable year ending						
40	Original credit amount						
41	Amount previously used						
42	Tentative carryover - <i>subtract line 41 from line 40</i>						
43	Amount unallowable - <i>See instructions</i>						
44	Available carryover - <i>subtract line 43 from line 42</i>						
45	Total available carryover						

Part XII Total Available Credit for Qualified Employment Positions

- 46 Current year's credit for qualified employment positions - *from Part VII, line 28, column (d). S corporation shareholders - from Part IX, line 35. Partners of a partnership - from Part X, line 38.*..... **46**
- 47 Available credit carryover - *from Part XI, line 45, column (f).*..... **47**
- 48 Total available enterprise zone credit for qualified employment positions - *add lines 46 and 47. Enter total here and on Part XIII, line 50.*..... **48**

Part XIII Total Available Credit for Qualified Employees, Dislocated Workers, and Qualified Employment Positions

- 49 Total available credit for qualified employees and dislocated workers - *from Part III, line 11.*..... **49**
- 50 Total available credit for qualified employment positions - *from Part XII, line 48.*..... **50**
- 51 Total available enterprise zone credit - *add lines 49 and 50. Enter total here and on Form 300, Part I, line 2 or Form 301, Part I, line 2.*..... **51**

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).

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? Yes No

4b If the answer on line 4a is yes, 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? Yes No

6b If the answer on line 6a is yes, 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 to line 13a is yes, list the year of substitution. (See instructions) 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 8 employees in qualified employment positions, complete additional Form(s) 304-2.	(b)			(c)	(d)			(e)
(a) Arizona resident employee names and addresses	Check the appropriate box. This employee is a:			Total wages paid to this employee during the current taxable year	Maximum allowable wages: Enter the lesser of column (d) or the maximum allowed below.			1st year credit limit is 200 QEPs per taxpayer. See instructions before checking this box.
	1st year employee b1	2nd year employee b2	3rd year employee b3		year 1 \$2,000 d1	year 2 \$3,000 d2	year 3 \$3,000 d3	
1								
2								
3								
4								
5								
6								
7								
8								
9 Total - Add lines 1 through 8. Enter the total here.								