

For taxable year beginning \_\_\_\_\_, and ending \_\_\_\_\_

**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
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**Enterprise Zone Credit for Qualified Employment Positions**

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

**Part I Business Information**

<b>1</b>	Business name .....	<b>1</b>	
<b>2a</b>	Business location address .....	<b>2a</b>	
<b>2b</b>	Business location in enterprise zone (list name of enterprise zone).....	<b>2b</b>	
<b>3a</b>	State withholding number .....	<b>3a</b>	
<b>3b</b>	Federal employer identification number.....	<b>3b</b>	
<b>4</b>	Retail sales. Does more than 10 percent of the business conducted at the location consist of selling tangible personal property at retail? <b>See instructions before answering this question.</b>	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 II Net Increase in Average Number of Full Time Employees**

**See instructions before completing this section**

<b>5</b>	Average number of full time employees at the zone location during the current taxable year.....	<b>5</b>	
<b>6</b>	Average number of full time employees at the zone location during the immediately preceding taxable year.....	<b>6</b>	
<b>7</b>	Net increase in average number of full time employees - <i>subtract line 6 from line 5</i> .....	<b>7</b>	

**Part III Maximum Number of Qualified Employment Positions**

**See instructions before completing this section**

<b>8</b>	Qualified employment positions. <i>Enter the number of qualified employment positions created during the taxable year</i> .....	<b>8</b>	
<b>9</b>	Net increase in average number of full time employees - <i>enter the number from Part II, line 7</i> .....	<b>9</b>	
<b>10</b>	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 8 or line 9</i> .....	<b>10</b>	
<b>11a</b>	Number of employees in qualified employment positions for which the credit is being claimed that are enterprise zone residents on the date of hire.....	<b>11a</b>	
<b>11b</b>	Divide the amount on line 11a by 35 percent (.35). Enter the quotient.....	<b>11b</b>	
<b>11c</b>	Enter the smaller of line 10 or line 11b. This is the maximum number of qualified employment positions for which the credit may be claimed after application of the enterprise zone residency requirement.....	<b>11c</b>	

**Part IV Limitation on Number of Qualified Employment Positions Claimed for First Year and Second Year Tax Credits**

**See instructions before completing this section**

<b>12a</b>	Maximum number of qualified employment positions after application of enterprise zone residency requirement - <i>from Part III, line 11c</i> .....	<b>12a</b>	
<b>12b</b>	Total number of employees in second year of continuous employment in a qualified employment position - <i>see instructions</i> .....	<b>12b</b>	
<b>12c</b>	Add lines 12a and 12b. Enter total.....	<b>12c</b>	
<b>12d</b>	Maximum number of qualified employment positions for which first year and second year tax credits may be claimed - <i>enter the smaller of 200 or line 12c</i> .....	<b>12d</b>	

**Part V Credit Calculation for Qualified Employment Positions**

13 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
14	Employees in first year or partial year of employment in a qualified employment position	(Maximum of \$2,000 per qualified employment position) \$	25%	
15	Employees in the second year of continuous employment in a qualified employment position	(Maximum of \$3,000 per qualified employment position) \$	33 1/3%	
16	Employees in the third year of continuous employment in a qualified employment position	(Maximum of \$3,000 per qualified employment position) \$	50%	
17	Totals			

**Part VI Limited Liability Companies**

18 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 VII.

If the LLC is a partnership, complete Part VIII.

19 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 \_\_\_\_\_

20 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 \_\_\_\_\_%

Name \_\_\_\_\_ TIN \_\_\_\_\_

Address \_\_\_\_\_

Ownership interest \_\_\_\_\_%

Name \_\_\_\_\_ TIN \_\_\_\_\_

Address \_\_\_\_\_

Ownership interest \_\_\_\_\_%

If there are more than 5 LLC members, attach a statement listing the required information for the additional LLC members.

**Part VII S Corporation Credit Election and Shareholder's Share of Credit**

21 The S corporation has made an irrevocable election for the taxable year ending \_\_\_\_\_ to:  
**(CHECK ONLY ONE BOX)**

Claim the enterprise zone credit as shown on Part V, line 17, column (d) (for the taxable year mentioned above);

**OR**

Pass the enterprise zone credit as shown on Part V, line 17, 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 22 through 24 separately for each shareholder.  
Furnish each shareholder with a copy of the completed Form 304.

22 Name of shareholder \_\_\_\_\_

23 Shareholder's TIN \_\_\_\_\_

24 Shareholder's share of the amount on Part V, line 17, column (d) \_\_\_\_\_

**Part VIII Partner's Share of Credit**

Complete lines 25 through 27 separately for each partner.  
Furnish each partner with a copy of the completed Form 304.

25 Name of partner \_\_\_\_\_

26 Partner's TIN \_\_\_\_\_

27 Partner's share of the amount on Part V, line 17, column (d) \_\_\_\_\_

**Part IX Available Credit Carryover**

		(a)	(b)	(c)	(d)	(e)	(f)
28	Carryover credit from taxable year ending						
29	Original credit amount						
30	Amount previously used						
31	Tentative carryover - <i>subtract line 30 from line 29</i>						
32	Amount unallowable - <i>See instructions</i>						
33	Available carryover - <i>subtract line 32 from line 31</i>						
34	Total available carryover						

**Part X Total Available Credit**

35	Current year's credit for qualified employment positions - <i>from Part V, line 17, column (d). S corporation shareholders - from Part VII, line 24. Partners of a partnership - from Part VIII, line 27</i> .....	35		00
36	Available credit carryover - <i>from Part IX, line 34, column (f)</i> .....	36		00
37	Total available enterprise zone credit for qualified employment positions - <i>add lines 35 and 36. Enter total here and on Form 300, Part I, line 2 or Form 301, Part I, line 2</i> .....	37		00

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). See instructions for Form 304-1 (on instruction page 6) about providing the requested information in an alternative form.

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?            inside            outside

4b If the answer on line 4a is inside, 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?            inside            outside

6b If the answer on line 6a is inside, 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 on line 13a is yes, list the date of substitution \_\_\_\_\_ and indicate whether the individual is a second year employee or a third year employee. See instructions before answering this question.

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 7 employees in qualified employment positions, complete additional Form(s) 304-2.	(b)			(c)	(d)			(e)
(a)	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 (c) or the maximum allowed below.			Limitation on total number of 1st year and 2nd year credits is 200 QEPs per taxpayer. See instructions before checking this box.
Arizona resident employee names and addresses	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	Total - Add lines 1 through 7. Enter the total here.							