

For the calendar year 2018 or fiscal year beginning MM, DD, 2018 and ending MM, DD, YYYY.

S Corporations:

- Complete Form 305-S for each shareholder of the S corporation **except for** trust or estate shareholders. However, an S corporation ownership share that is owned by a grantor trust that is disregarded for federal income tax purposes is treated as owned by the grantor. The grantor may claim his or her share of the credit.
- Provide a copy of the completed form to each shareholder.
- Keep a copy of each completed Form 305-S for your records.
- Include a copy of each completed Form 305-S with your S corporation return.

Shareholders:

- Use this form to complete your own Form 305.
- Include this completed form with your return.
- Keep a copy of this form and certificate for your records.

NOTE: If you file your tax return on a calendar year basis but this entity files a return on a fiscal year basis (see above), claim this credit on your tax return for the year in which this entity's fiscal year ends.

Part 1 Distribution of the Credit

Complete Part 1 to distribute the credit to shareholders of the S corporation.

1	(a) S corporation Name	(b) Employer Identification Number (EIN)	(c) Certification Number
2	(a) Shareholder Name	(b) Taxpayer Identification Number (TIN)	
3a	S corporation credit amount from Form 305, Part 1, line 6.....	3a	\$ <input type="text"/> 00
3b	Shareholder's ownership percentage.....	3b	<input type="text"/> %
3c	Multiply the amount on line 3a by the percentage on line 3b. Enter the result. This is the shareholder's portion of the credit	3c	\$ <input type="text"/> 00

Shareholder:

The amount reported on line 3c is your portion of this credit. Enter the amount from line 3c on Part 1, line 5 of your Form 305 to claim this credit.

Part 2 Notification of Credit Recapture

Complete Part 2 to notify each shareholder of the S corporation of his or her share of the credit to be recaptured.

4	(a) S corporation Name	(b) Employer Identification Number (EIN)	
5	(a) Shareholder Name	(b) Taxpayer Identification Number (TIN)	
6	(a) Certification Number that was Terminated or Revoked	(b) Date the Certification was Terminated or Revoked <u>MM, DD, YYYY</u>	
7	Shareholder's portion of the credit subject to recapture.....	7	\$ <input type="text"/> 00

Shareholder:

The amount reported on line 7 is your portion of this credit subject to recapture. Enter the amount from line 7 on Part 2, line 13 of your Form 305.