

For the calendar year 2008 or
fiscal year beginning MM,DD,YYYY and ending MM,DD,YYYY.

Attach to your return.

Name(s) as shown on Form 140, 140PY, 140NR, 140X, 120, 120A, 120S, 120X, or 165	Social security number or employer identification 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

1 Business name.....	1	
2a Business location address.....	2a	
2b Business location in enterprise zone (list name of enterprise zone).....	2b	
3 Employer identification number.....	3	

4 Retail sales. Does more than 10 percent of the business conducted at the location consists of retail sales of tangible personal property?
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 II Net Increase in Average Number of Full Time Employees
See instructions before completing this part.

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

Part III Maximum Number of Qualified Employment Positions
See instructions before completing this part.

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

Part IV Limitation on Number of Qualified Employment Positions

12 Maximum number of filled qualified employment positions on which a credit may be calculated.....	12	200
13 Maximum number of new qualified employment positions on which you may claim the credit - enter the lesser of line 11c or line 12.....	13	

Part V Credit Calculation for Qualified Employment Positions

14 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) Number of qualified employment positions	(b) Qualifying wages	(c) %	(d) Allowable credit
15	Employees in first year or partial year of employment in a qualified employment position		25%	
16	Employees in the second year of continuous employment in a qualified employment position		33 1/3%	
17	Employees in the third year of continuous employment in a qualified employment position		50%	
18	Totals			

Part VI Limited Liability Companies

19 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.

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

20 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 18, column (d) (for the taxable year mentioned above);

OR

Pass the enterprise zone credit as shown on Part V, line 18, column (d) (for the taxable year mentioned above) through to its shareholders.

Signature Title Date

If passing the credit through to the shareholders, complete lines 21 through 23 separately for each shareholder. Furnish each shareholder with a copy of the completed Form 304.

21 Name of shareholder _____

22 Shareholder's TIN _____

23 Shareholder's share of the amount on Part V, line 18, column (d) 23 00

Part VIII Partner's Share of Credit

Complete lines 24 through 26 separately for each partner.
 Furnish each partner with a copy of the completed Form 304.

24 Name of partner _____
 25 Partner's TIN _____
 26 Partner's share of the amount on Part V, line 18, column (d)

26		00
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Part IX Available Credit Carryover

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

Part X Total Available Credit

34 Current year's credit for qualified employment positions. Individuals, corporations, or S corporations - *enter amount from Part V, line 18, column (d)*. S corporation shareholders - *enter amount from Part VII, line 23*. Partners of a partnership - *enter amount from Part VIII, line 26*.....

34		00
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35 Available credit carryover - *from Part IX, line 33, column (f)*.....

35		00
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36 **Total available credit.** *Add lines 34 and 35.* Corporations and S corporations - *enter total here and on Form 300, Part I, line 2.* Individuals - *enter total here and on Form 301, Part I, line 2*.....

36		00
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Form 304-1 (2008) Employees at Enterprise Zone Location

Complete a Form 304-1 for each employee at the enterprise zone location, whether or not the employee is in a qualified employment position. See instructions for Form 304-1 (included with Instructions for Form 304, page 4) about providing the requested information in an alternative format.

- 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 Current date of employment _____
- 8 If employee was previously employed by the business, list the previous date of employment. (See instructions.)

- 9a Is the employee in a permanent full time position? 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) 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 (c) or the maximum allowed below.			Limitation on total number of credits is 200 QEPs per taxpayer each year. See instructions before checking this box.
	1st year employee (b)1	2nd year employee (b)2	3rd year employee (b)3		year 1 \$2,000 (d)1	year 2 \$3,000 (d)2	year 3 \$3,000 (d)3	
1								
2								
3								
4								
5								
6								
7								
8	Total - Add lines 1 through 7, including only lines with checkmarks in column (e). Enter the total here.							

Name: _____

TIN: _____