

For the calendar year 2006 or  
fiscal 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 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. <input type="checkbox"/> Yes <input type="checkbox"/> 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

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 section

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)	(b)	(c)	(d)
	Number of qualified employment positions	Qualifying wages	%	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 shareholder, 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
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**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	Carryover credit from taxable year ending						
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 - *from Part V, line 18, column (d). S corporation shareholders - from Part VII, line 23. Partners of a partnership - from Part VIII, line 26.*..... 

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

35		00
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36 Total available enterprise zone credit for qualified employment positions - *add lines 34 and 35. Enter total here and on Form 300, Part I, line 2 or Form 301, Part I, line 2.*..... 

36		00
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