

2004 Military Reuse Zone Credit

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General Instructions

ARS §§ 43-1079 and 43-1167 provide a NONREFUNDABLE individual and corporate tax credit for net increases in employment by a taxpayer of full-time employees working in a military reuse zone, established under Title 41, chapter 10, article 3, of the Arizona Revised Statutes. These employees must be engaged primarily in providing aviation or aerospace services, or in manufacturing, assembling, or fabricating aviation or aerospace products.

A taxpayer that owns or leases income producing property located in a military reuse zone is eligible for the military reuse zone tax credit according to the terms and conditions prescribed by ARS § 43-1079 or § 43-1167. To qualify for the tax incentive the taxpayer shall:

- Agree with the Arizona Department of Commerce in writing to furnish information relating to the amount of tax benefits the taxpayer receives each year. If the taxpayer fails to provide the required information, the Arizona Department of Commerce shall immediately revoke the taxpayer's qualification and notify the Arizona Department of Revenue.
- Enter into a memorandum of understanding with this state through the Arizona Department of Commerce containing employment goals. Each year the taxpayer shall report in writing to the Arizona Department of Commerce its performance in achieving the goals. The memorandum shall contain provisions that allow:
 - a. the Arizona Department of Commerce to stop, readjust, or recapture all or part of the tax incentives provided to the taxpayer on noncompliance with the terms of the memorandum;
 - b. the Arizona Department of Commerce to notify the Arizona Department of Revenue of the conditions of noncompliance; and

- c. the Arizona Department of Revenue to require the taxpayer to file appropriate amended tax returns reflecting the recapture of the tax incentives.

The net increase in the number of employees shall be determined by comparing the taxpayer's average employment in the military reuse zone during the taxable year with the taxpayer's previous year's fourth quarter employment in the zone, based on the taxpayer's report to the Arizona Department of Economic Security for unemployment insurance purposes but considering only employment in the zone.

A credit is not allowed with respect to an employee whose place of employment is relocated by the taxpayer from a location in this state to the military reuse zone, unless the employee is engaged in providing aviation or aerospace services, or in manufacturing, assembling, or fabricating aviation or aerospace products, and the taxpayer maintains at least the same number of employees in this state but outside the zone.

The military reuse zone credit is in lieu of:

- The enterprise zone credit, under ARS § 43-1074 or § 43-1161, with respect to the same employees; and
- The defense contracting credit, under ARS § 43-1077 or ARS § 43-1165, with respect to the same employees.

With respect to each dislocated military base employee, the amount of the credit is a dollar amount allowed for each new full-time employee, determined as follows:

- 1st year of employment \$1,000
- 2nd year of employment \$1,500
- 3rd year of employment \$2,000
- 4th year of employment \$2,500
- 5th year of employment \$3,000

"Dislocated military base employee" means a civilian who previously had permanent full-time civilian employment on the military facility at the date the closure of the facility was finally determined under federal law, as certified by the Arizona Department of Commerce.

With respect to each employee other than a dislocated military base employee, the amount of the credit is a dollar amount allowed for each new full-time employee, determined as follows:

- 1st year of employment \$ 500
- 2nd year of employment \$1,000
- 3rd year of employment \$1,500
- 4th year of employment \$2,000
- 5th year of employment \$2,500

If the allowable tax credit exceeds the taxes otherwise due, or if there are no taxes due, the amount of the claim not used to offset the taxes may be carried forward as a credit against subsequent years' income tax liabilities for a period not to exceed five taxable years if the business remains in the military reuse zone.

Co-owners of a business, including partners in a partnership and shareholders of an S corporation, may each claim only a pro rata share of the allowable credit based on the ownership interest. The total of the credits allowed all owners may not exceed the amount that would have been allowed for a sole owner of the business.

NOTE: The FIRST military reuse zone in Arizona (Williams Gateway Airport) was established on August 2, 1996. Taxpayers are not eligible for the military reuse zone credit prior to that date. The Williams Gateway Airport military reuse zone was renewed for an additional five year period by the Governor in Executive Order 2001-14.

NOTE: The SECOND military reuse zone in Arizona (Phoenix/Goodyear Airport) was established on December 10, 2002, by the Governor in Executive Order 2002-20. Taxpayers are not eligible for the military reuse zone credit FOR THAT ZONE prior to that date.

Multiple business locations: Complete separate Forms 306, 306-1, 306-2, 306-3 and 306-4 for each business location in a military reuse zone for which a tax credit is being claimed. If a business has more than one business location in a designated military reuse zone, it must complete separate Forms 306, 306-1, 306-2, 306-3 and 306-4 for each location within that zone. If a business has more than one business location in Arizona and the business locations are in different military reuse zones, it must complete separate Forms 306, 306-1, 306-2, 306-3 and 306-4 for each business location in each military reuse zone.

AGGREGATE SUMMARY FORM 306: If the taxpayer has multiple zone locations, the taxpayer must complete an aggregate summary Form 306. [The Forms 306-1, 306-2, 306-3 and 306-4 are completed only on a separate location basis.] Enter the taxpayer name and employer identification number or social security number as shown on the tax return. Indicate the period covered by the taxable year (in an MM/DD/YYYY format). Enter "aggregate summary" at the top of page 1 of Form 306.

Specific Instructions

Complete the name and taxpayer identification number section at the top of the form. Indicate the period covered by the taxable year (in an MM/DD/YYYY format). Attach the completed form to the tax return.

All returns, statements, and other documents filed with the department require a taxpayer identification number (TIN). The TIN for a corporation, S corporation, or a partnership is the taxpayer's employer identification number. The TIN for an individual is the taxpayer's social security number or an IRS individual taxpayer identification number. Taxpayers that fail to include their TIN may be subject to a penalty.

Part I - Business Information

AGGREGATE SUMMARY FORM 306: Leave this section blank.

Lines 1 through 4 -

On line 1, enter the name of the business which is at a site located in a military reuse zone.

On line 2, enter the address of the business's actual location in the military reuse zone, not the business's mailing address.

On line 3, enter the employer identification number of the business which is at a site located in a military reuse zone.

On line 4, enter the name of the military reuse zone in which the business is located.

Part II - Net Increase in Employment

AGGREGATE SUMMARY FORM 306: Leave this section blank.

The military reuse zone credit is based on net increases in employment of full-time employees working at a business location in a military reuse zone. The net increase in employment is determined by comparing the average full-time employment during the current taxable year with the employment baseline for the preceding taxable year. The employment baseline is the total number of full-time employees working at a location in the military reuse zone included in the preceding year's fourth quarter report to the Department of Economic Security for unemployment insurance purposes.

Line 5 -

Enter the average full-time employment in the military reuse zone for the current taxable year.

Complete the worksheet below to determine the average full-time employment during the current taxable year.

On lines 1 through 12 below, enter the number of full-time employees employed at the end of each month by the business located in the military reuse zone.

Average Full-Time Employment Worksheet		Line 5 Column - Current Taxable Year
1	January	
2	February	
3	March	
4	April	
5	May	
6	June	
7	July	
8	August	
9	September	
10	October	
11	November	
12	December	
13	Total - Add lines 1 through 12.	
14	Total number of months during the taxable year in which the employer was in business.	
15	Average - Divide the amount on line 13 by the amount on line 14. Do not round the quotient.	

Line 6 -

Enter the employment baseline.

A newly established business in a military reuse zone would not have any full-time employment within the zone during the immediately preceding taxable year. The employment baseline for this employer is zero.

An established business already located in an area which subsequently becomes a designated military reuse zone would have full-time employment at this location during the immediately preceding taxable year. This employer would enter the employment baseline established with the Department of Economic Security for the fourth quarter of the preceding year.

Line 7 -

Subtract the amount on line 6 from the amount on line 5. If this amount is less than one, enter zero. If this amount contains a decimal, round down to the next whole number. This is the net increase in employment.

Part III - Maximum Number of New Employees

AGGREGATE SUMMARY FORM 306: Leave this section blank. Do not complete an aggregate summary Form 306-1 or an aggregate summary Form 306-3.

Lines 8 through 12 and Form 306-1 and Form 306-3

The maximum number of new employees for which the business may claim the military reuse zone credit is limited to the lesser of the total number of new employees or the net increase in employment. Complete Form 306-1 listing each dislocated military base employee in the first year of employment in the military reuse zone. Complete Form 306-3 listing each non-dislocated military base employee in the first year of employment in the military reuse zone.

Line 8 -

Enter the total number of new employees employed in the zone who are dislocated military base employees from the Form(s) 306-1. "Dislocated military base employee" means a civilian who previously had permanent full-time civilian employment on the military facility at the date the closure of the facility was finally determined under federal law, as certified by the Arizona Department of Commerce.

Line 9 -

Enter the total number of new employees employed in the zone who are not dislocated military base employees from the Form(s) 306-3.

Line 10 -

Add line 8 and line 9 and enter the total.

Line 11 -

Enter the net increase in employment from Part II, line 7.

Line 12 -

Enter the lesser of line 10 or line 11. This is the maximum number of new employees for which the business may claim the military reuse zone credit.

Part IV - Credit Calculation for Dislocated Military Base Employees

AGGREGATE SUMMARY FORM 306: Complete this section. Do not complete an aggregate summary Form 306-2.

Lines 13 through 18 and Form 306-2

Before completing lines 13 through 18, complete the Form 306-2 listing each dislocated military base employee for whom the business is claiming a credit.

Line 13, column (a) -

Enter the number of dislocated military base employees from Form 306-2, line 26, column (c1).

NOTE: The maximum number of dislocated military base employees entered on line 13, column (a), cannot exceed the maximum number of new employees entered on Part III, line 12. If the business is claiming the military reuse zone credit for dislocated military base employees and non-dislocated military base employees, the total number of employees claimed in both categories cannot exceed the maximum number of new employees from Part III, line 12.

Line 13, column (c) -

Multiply the amount entered on line 13, column (a) by the amount on line 13, column (b). Enter the result on line 13, column (c). This is the allowable credit for new dislocated military base employees in the first year of employment in the zone.

Line 14, column (a) -

Enter the total number of dislocated military base employees in the second year of continuous employment in the zone from Form 306-2, line 26, column (c2).

Arizona's statutes do not require that the dislocated military base employee who is claimed in the second year of continuous employment be the same dislocated military base employee who was claimed in the first year of employment. Therefore, if one of the originally claimed new dislocated military base employees leaves employment in year two, the business can claim the second year credit for another dislocated military base employee who is in the second year of continuous employment in the zone.

Line 14, column (c) -

Multiply the amount entered on line 14, column (a) by the amount on line 14, column (b). Enter the result on line 14, column (c). This is the allowable credit for dislocated military base employees in the second year of continuous employment in the zone.

Line 15, column (a) -

Enter the total number of dislocated military base employees in the third year of continuous employment in the zone from Form 306-2, line 26, column (c3).

Arizona's statutes do not require that the dislocated military base employee who is claimed in the third year of continuous employment be the same dislocated military base employee

who was claimed in the second year of employment. Therefore, if one of the originally claimed new dislocated military base employees leaves employment in year three, the business can claim the third year credit for another dislocated military base employee who is in the third year of continuous employment in the zone.

Line 15, column (c) -

Multiply the amount entered on line 15, column (a) by the amount on line 15, column (b). Enter the result on line 15, column (c). This is the allowable credit for dislocated military base employees in the third year of continuous employment in the zone.

Line 16, column (a) -

Enter the total number of dislocated military base employees in the fourth year of continuous employment in the zone from Form 306-2, line 26, column (c4).

Arizona's statutes do not require that the dislocated military base employee who is claimed in the fourth year of continuous employment be the same dislocated military base employee who was claimed in the third year of employment. Therefore, if one of the originally claimed new dislocated military base employees leaves employment in year four, the business can claim the fourth year credit for another dislocated military base employee who is in the fourth year of continuous employment in the zone.

Line 16, column (c) -

Multiply the amount entered on line 16, column (a) by the amount on line 16, column (b). Enter the result on line 16, column (c). This is the allowable credit for dislocated military base employees in the fourth year of continuous employment in the zone.

Line 17, column (a) -

Enter the total number of dislocated military base employees in the fifth year of continuous employment in the zone from Form 306-2, line 26, column (c5).

Arizona's statutes do not require that the dislocated military base employee who is claimed in the fifth year of continuous employment be the same dislocated military base employee who was claimed in the fourth year of employment. Therefore, if one of the originally claimed new dislocated military base employees leaves employment in year five, the business can claim the fifth year credit for another dislocated military base employee who is in the fifth year of continuous employment in the zone.

Line 17, column (c) -

Multiply the amount entered on line 17, column (a) by the amount on line 17, column (b). Enter the result on line 17, column (c). This is the allowable credit for dislocated military base employees in the fifth year of continuous employment in the zone.

Line 18 -

Add the numbers in column (a) on lines 13, 14, 15, 16, and 17. Enter the total in column (a) on line 18. The number

shown on line 18, column (a), is the total number of dislocated military base employees for which the business is claiming the military reuse zone credit.

Add the amounts in column (c) on lines 13, 14, 15, 16, and 17. Enter the total in column (c) on line 18. The amount shown on line 18, column (c) is the total allowable military reuse zone credit for dislocated military base employees for the current taxable year.

Part V - Credit Calculation for Non-Dislocated Military Base Employees

AGGREGATE SUMMARY FORM 306: Complete this section. Do not complete an aggregate summary Form 306-4.

Lines 19 through 24 and Form 306-4

Before completing lines 19 through 24, complete the Form 306-4 listing each non-dislocated military base employee for whom the business is claiming a credit.

Line 19, column (a) -

Enter the number of non-dislocated military base employees from Form 306-4, line 26, column (c1).

NOTE: The maximum number of non-dislocated military base employees entered on line 19, column (a), cannot exceed the maximum number of new employees entered on Part III, line 12. If the business is claiming the military reuse zone credit for dislocated military base employees and non-dislocated military base employees, the total number of employees claimed in both categories cannot exceed the maximum number of new employees from Part III, line 12.

Line 19, column (c) -

Multiply the amount entered on line 19, column (a) by the amount on line 19, column (b). Enter the result on line 19, column (c). This is the allowable credit for new non-dislocated military base employees in the first year of employment in the zone.

Line 20, column (a) -

Enter the total number of non-dislocated military base employees in the second year of continuous employment in the zone from Form 306-4, line 26, column (c2).

Arizona's statutes do not require that the non-dislocated military base employee who is claimed in the second year of continuous employment be the same non-dislocated military base employee who was claimed in the first year of employment. Therefore, if one of the originally claimed new non-dislocated military base employees leaves employment in year two, the business can claim the second year credit for another non-dislocated military base employee who is in the second year of continuous employment in the zone.

Line 20, column (c) -

Multiply the amount entered on line 20, column (a) by the amount on line 20, column (b). Enter the result on line 20, column (c). This is the allowable credit for non-dislocated military base employees in the second year of continuous employment in the zone.

Line 21, column (a) -

Enter the total number of non-dislocated military base employees in the third year of continuous employment in the zone from Form 306-4, line 26, column (c3).

Arizona's statutes do not require that the non-dislocated military base employee who is claimed in the third year of continuous employment be the same non-dislocated military base employee who was claimed in the second year of employment. Therefore, if one of the originally claimed new non-dislocated military base employees leaves employment in year three, the business can claim the third year credit for another non-dislocated military base employee who is in the third year of continuous employment in the zone.

Line 21, column (c) -

Multiply the amount entered on line 21, column (a) by the amount on line 21, column (b). Enter the result on line 21, column (c). This is the allowable credit for non-dislocated military base employees in the third year of continuous employment in the zone.

Line 22, column (a) -

Enter the total number of non-dislocated military base employees in the fourth year of continuous employment in the zone from Form 306-4, line 26, column (c4).

Arizona's statutes do not require that the non-dislocated military base employee who is claimed in the fourth year of continuous employment be the same non-dislocated military base employee who was claimed in the third year of employment. Therefore, if one of the originally claimed new non-dislocated military base employees leaves employment in year four, the business can claim the fourth year credit for another non-dislocated military base employee who is in the fourth year of continuous employment in the zone.

Line 22, column (c) -

Multiply the amount entered on line 22, column (a) by the amount on line 22, column (b). Enter the result on line 22, column (c). This is the allowable credit for non-dislocated military base employees in the fourth year of continuous employment in the zone.

Line 23, column (a) -

Enter the total number of non-dislocated military base employees in the fifth year of continuous employment in the zone from Form 306-4, line 26, column (c5).

Arizona's statutes do not require that the non-dislocated military base employee who is claimed in the fifth year of continuous employment be the same non-dislocated military base employee who was claimed in the fourth year of employment. Therefore, if one of the originally claimed new non-dislocated military base employees leaves employment in year five, the business can claim the fifth year credit for another non-dislocated military base employee who is in the fifth year of continuous employment in the zone.

Line 23, column (c) -

Multiply the amount entered on line 23, column (a) by the amount on line 23, column (b). Enter the result on line 23, column (c). This is the allowable credit for non-dislocated military base employees in the fifth year of continuous employment in the zone.

Line 24 -

Add the numbers in column (a) on lines 19, 20, 21, 22, and 23. Enter the total in column (a) on line 24. The number shown on line 24, column (a), is the total number of non-dislocated military base employees for which the business is claiming the military reuse zone credit.

Add the amounts in column (c) on lines 19, 20, 21, 22, and 23. Enter the total in column (c) on line 24. The amount shown on line 24, column (c) is the total allowable military reuse zone credit for non-dislocated military base employees for the current taxable year.

Part VI - S Corporation Credit Election and Shareholder's Share of Credit**Line 25 -**

This portion of the Form 306 must be completed by the S corporation in order for the S corporation or its shareholders to claim the military reuse zone credit. The S corporation must make an irrevocable election either to claim the credit or to pass the credit through to its shareholders. The election statement must be signed by one of the officers of the S corporation who is also a signatory to the Form 120S.

AGGREGATE SUMMARY FORM 306: If the S corporation elects to claim the credit itself, do not complete Section VI on the aggregate summary.

Lines 26 through 29 -

Single zone location: If the S corporation has one business location in a military reuse zone, it must complete Form 306, Parts I through V. Then, it must complete Part VI, lines 26 through 29, separately for each shareholder. The S corporation must furnish each shareholder with a copy of the completed Form 306.

AGGREGATE SUMMARY FORM 306: If the S corporation has multiple zone locations, it must complete an aggregate summary Form 306. Enter the taxpayer name and employer identification number as shown on the tax return. Indicate the period covered by the taxable year (in an MM/DD/YYYY format). Enter "aggregate summary" at the top of page 1 of Form 306. Complete Parts IV and V. Then, complete Part VI, lines 26 through 29, separately for each shareholder. The S corporation must provide each shareholder a copy of the completed aggregate summary Form 306 and the completed Forms 306 for each zone location. The S corporation does not have to provide each shareholder with a copy of the Forms 306-1, 306-2, 306-3 and 306-4.

Each shareholder must complete Parts VIII and IX.

Part VII - Partner's Share of Credit

Lines 30 through 33 -

Single zone location: If the partnership has a single zone location in a military reuse zone, the partnership must complete Form 306, Parts I through V. Then, complete Part VII, lines 30 through 33, separately for each partner. The partnership must furnish each partner with a copy of the completed Form 306.

AGGREGATE SUMMARY FORM 306: If the partnership has multiple zone locations, it must complete an aggregate summary Form 306. Enter the taxpayer name and employer identification number as shown on the tax return. Indicate the period covered by the taxable year (in an MM/DD/YYYY format). Enter "aggregate summary" at the top of page 1 of Form 306. Complete Parts IV and V. Then, complete Part VII, lines 30 through 33, separately for each partner. The partnership must provide each partner a copy of the completed aggregate summary Form 306 and the completed Forms 306 for each zone location. The partnership does not have to provide each partner with a copy of the Forms 306-1, 306-2, 306-3 and 306-4.

Each partner must complete Parts VIII and IX.

Part VIII - Available Credit Carryover

AGGREGATE SUMMARY FORM 306: *Complete this section.* [Exception: Partnerships and S corporations that elected to pass the credit through to their shareholders do not complete this section on the aggregate summary Form 306.]

The business should complete Part VIII only if its allowable military reuse zone tax credit for prior taxable years exceeded its Arizona income tax liability for those taxable years.

Since the first military reuse zone in Arizona (Williams Gateway Airport) was established on August 2, 1996, there is no available carryover of this credit from taxable years ending prior to that date. The Williams Gateway Airport military reuse zone was renewed for an additional five year period by the Governor in Executive Order 2001-14. Since the second military reuse zone in Arizona (Phoenix/Goodyear Airport) was established on December 10, 2002, there is no available carryover of this credit FOR THAT ZONE from taxable years ending prior to that date.

NOTE: *The business is allowed to carry forward the amount of the unused military reuse zone credit, for a period not to exceed five taxable years, provided the business remains in the military reuse zone. However, if the business relocates outside of the military reuse zone or the military reuse zone is terminated, the carryover of the tax credit is lost. If a portion of the business is moved outside of the military reuse zone, the portion of the carryforward attributable to that portion of the business is lost.*

Partners of a partnership or shareholders of an S corporation should complete Part VIII only if their allowable military reuse zone tax credit for prior taxable years exceeded their Arizona income tax liability for those taxable years.

PARTNERSHIPS AND S CORPORATIONS THAT ELECTED TO PASS

THE CREDIT THROUGH TO THEIR SHAREHOLDERS: In order for a partner of a partnership or an S corporation shareholder to be eligible for a military reuse zone credit carryover, the business must remain in the military reuse zone. Therefore, a partnership or an S corporation that passed the credit through to its partners or shareholders must furnish each partner or shareholder with a statement indicating that the business is still located in the military reuse zone.

Each partner or S corporation shareholder must complete Part VIII for the computation of the available carryover of the credit passed through by the partnership or S corporation.

Line 34 -

Enter the applicable taxable year(s) in columns (a) through (e).

Line 35 -

In columns (a) through (e), enter the amount of the original tax credit earned for that taxable year.

Line 36 -

In columns (a) through (e), enter the amount of the tax credit for that taxable year which has been previously used.

Line 37 -

In columns (a) through (e), subtract the amount on line 36 from the amount on line 35. Enter the result in the applicable columns on line 37. This is the tentative carryover.

Line 38 -

In columns (a) through (e), enter the amount of the credit which is unallowable because the business is no longer located in the military reuse zone or the military reuse zone has been terminated.

Line 39 -

In columns (a) through (e), subtract the amount on line 38 from the amount on line 37. Enter the result in the applicable columns on line 39. This is the carryover available from prior taxable years.

Line 40 -

Add the amounts in columns (a) through (e) on line 39. Enter the total in column (f) on line 40. This is the total military reuse zone credit carryover for the current taxable year.

Partners and S corporation shareholders:

A partner of a partnership or a shareholder of an S corporation is eligible for a military reuse zone credit carryover, if the business remains in the military reuse zone. Therefore, a partnership or an S corporation that passed the credit through to its partners or shareholders must furnish each partner or shareholder with a statement indicating that the business is still located in the military reuse zone.

Each partner or S corporation shareholder must complete Part VIII for the computation of the available carryover of the credit passed through by the partnership or S corporation.

AGGREGATE SUMMARY FORM 306: If the partner or shareholder has multiple partnership or S corporation interests, the taxpayer must complete an aggregate summary Form 306. The taxpayer should attach a schedule detailing the use of the credit carryover BY LOCATION from each partnership or S corporation.

Part IX - Total Available Credit

AGGREGATE SUMMARY FORM 306: *Complete this section.* [Exception: Partnerships and S corporations that elected to pass the credit through to their shareholders, do not complete this section on the aggregate summary Form 306.]

Line 41 -

Individuals and corporations (including S corporations that elected to claim the credit) - Enter the current year's credit for dislocated military base employees from Part IV, line 18, column (c).

S corporation shareholders - Enter the amount from Part VI, line 28.

Partners of a partnership - Enter the amount from Part VII, line 32.

AGGREGATE SUMMARY FORM 306: If the business is claiming the military reuse zone tax credit for more than one business location, the business should attach a separate schedule to the aggregate summary Form 306 which details the use of the credit BY LOCATION.

NOTE FOR S CORPORATIONS: If the S corporation has elected to pass the military reuse zone tax credit for qualified employment positions through to its shareholders (refer to Part VI), enter zero.

Partners and S corporation shareholders:

AGGREGATE SUMMARY FORM 306: If the partner or shareholder has multiple partnership or S corporation interests, the taxpayer must complete an aggregate summary Form 306 and attach copies of all Forms 306 received from the partnerships and S corporations. The taxpayer should attach a separate schedule to the aggregate summary Form 306 which details the use of the credit BY LOCATION.

Line 42 -

Individuals and corporations (including S corporations that elected to claim the credit) - Enter the current year's credit for non-dislocated military base employees from Part V, line 24, column (c).

S corporation shareholders - Enter the amount from Part VI, line 29.

Partners of a partnership - Enter the amount from Part VII, line 33.

AGGREGATE SUMMARY FORM 306: If the business is claiming the military reuse zone tax credit for more than one business location, the business should attach a separate schedule to the aggregate summary Form 306 which details the use of the credit BY LOCATION.

NOTE FOR S CORPORATIONS: If the S corporation has elected to pass the military reuse zone tax credit for qualified employment positions through to its shareholders (refer to Part VI), enter zero.

Partners and S corporation shareholders:

AGGREGATE SUMMARY FORM 306: If the partner or shareholder has multiple partnership or S corporation interests, the taxpayer must complete an aggregate summary Form 306 and attach copies of all Forms 306 received from the partnerships and S corporations. The taxpayer should attach a separate schedule to the aggregate summary Form 306 which details the use of the credit BY LOCATION.

Line 43 -

Enter the amount from Part VIII, line 40, column (f). This is the total available credit carryover.

AGGREGATE SUMMARY FORM 306: If the business is claiming an military reuse zone tax credit carryover for more than one business location, the business should attach a separate schedule to the aggregate summary Form 306 which details the use of the credit carryover BY LOCATION.

Partners and S corporation shareholders:

Each partner or S corporation shareholder must complete Part VIII for the computation of the available carryover of the credit passed through by the partnership or S corporation.

AGGREGATE SUMMARY FORM 306: If the partner or shareholder has multiple partnership or S corporation interests, the taxpayer must complete an aggregate summary Form 306. The taxpayer should attach a schedule detailing the use of the credit carryover BY LOCATION from each partnership or S corporation.

Line 44 -

Add lines 41, 42, and 43. This is the total available military reuse zone credit which may be applied to the current taxable year's tax liability. Enter the total here and on Form 300, Part I, line 4, or Form 301, Part I, line 4.

AGGREGATE SUMMARY FORM 306: *If the military reuse zone credit is being claimed for more than one business location, enter the aggregate total available credit on Form 300, Part I, line 4, or Form 301, Part I, line 4.*