Arizona Commerce Authority

Return all application forms and attachments to:

Quality Jobs Tax Credit Program

Arizona Commerce Authority

333 North Central Avenue, Suite 1900

Phoenix, AZ 85004

Questions regarding the program can be directed to: michellev@azcommerce.com

Quality Jobs Tax Credit Program

APPLICATION FOR QUALITY JOBS

INCOME OR PREMIUM TAX CREDITS

(A.R.S. §41-1525)

**NOTE:** Failure to timely report and certify to Arizona Commerce Authority disqualifies the taxpayer from the credit. See Section 3 of the Program Guidelines for details on Application Deadlines.

A separate form must be completed for each tax year and for each business location at which the business is claiming tax credits and. Submit this report to Commerce before filing form 345 with the Arizona Department of Revenue *(*[*http://www.azdor.gov/*](http://www.azdor.gov/)*) or* form E-TAX with the Arizona Department of Insurance *(*[*http://www.azinsurance.gov*](http://www.azinsurance.gov)), as applicable. See Section 7 of the Program Guidelines for additional information on Claiming the Tax Credit.

###### *Section A: General Information*

|  |  |
| --- | --- |
| Business Name: |  |
| Mailing Address: |  |
| City: |  | State: |  | Zip: |  |
| Business Structure (select one): |
|  | [ ]  | Sole Proprietorship | [ ]  | Corporation | [ ]  | S-Corporation | [ ]  | Partnership | [ ]  | LLC |
| Business Contact: |  | Contact Title: |  |
| Contact Phone: |  | Contact Fax: |  |
| Contact Email: |  |
| Physical Address where credits are being claimed: |  |
| City: |  | State: |  | Zip: |  |
| Tax Year Reported: |  | Tax Year End Date: |  |
| Tax ID # |  | NAICS Code (3-6 digits) |  |
| Is the business reporting [ ]  Income Tax Credits or [ ]  Premium Tax Credits at this location? |
| Please select the primary business activity (more than 75%) at the location. |
| [ ]  Aerospace & Defense | [ ]  Education & Healthcare | [ ]  Finance, Insurance, R.E. |
| [ ]  Manufacturing  | [ ]  Personal & Professional Services | [ ]  Renewable Energy |
| [ ]  Research & Development | [ ]  Retail  | [ ]  Science & Technology |
| [ ]  Other |  |

###### *Section B: Income Tax and Premium Tax Credit Information*

|  |
| --- |
| Calculate the average net new employment number at the location using the following table. Include only full time employees who were **employed at least 90 days during the taxable year**. Credits are not allowed for leased or contract employees or for employees acting as independent contractors.Companies filing a combined or consolidated tax return are considered to be one taxpayer. Limitations such as the 400 maximum qualified employment positions in a tax year apply to the combined or consolidated group. Taxpayers filing combined or consolidated returns that aggregate more than 400 new qualified employment positions for the tax year shall **adjust the number of employees for whom credits are claimed at each location to ensure the 400 limit is not exceeded.** |
|  |  |  |
| ***Worksheet for Net Increase in Employees*** | # of full-time employees in Current Taxable Year | # of full-time employees in Preceding Taxable Year |
| 1. |  | January 31st  |  |  |
| 2. |  | February 28th or 29th  |  |  |
| 3. |  | March 31st  |  |  |
| 4. |  | April 30th  |  |  |
| 5. |  | May 31st  |  |  |
| 6. |  | June 30th  |  |  |
| 7. |  | July 31st  |  |  |
| 8. |  | August 31st  |  |  |
| 9. |  | September 30th  |  |  |
| 10. |  | October 31st  |  |  |
| 11. |  | November 30th  |  |  |
| 12. |  | December 31st  |  |  |
| 13. |  | Total (lines 1-12) |  |  |
| 14. |  | Total # of months during the taxable year in which you were in business. |  |  |
| 15. |  | Average (Divide # on line 13 by the # on line 14. Do not round) | (A) |  | (B) |  |
| **I** | Net Increase in Employees at the Location |  |
|  | Subtract 15(B) from 15(A) from the worksheet on the previous page.Write remainder here. If number is less than one, enter zero. If amount contains a decimal, round down to the next whole number. If line I equals zero, you are not eligible for any first year tax credits. |  |
| II | New Qualified Employment Positions Created |  |
|  | Enter the number of qualified employment positions created at the location during the taxable year (*count only full-time positions filled at least 90 days and paying at or more than the county median wage with at least 65% of health insurance cost for employee paid by employer).*”New” means not employed within the preceding 12 months, unless relocated from out of state to Arizona during the tax year. |  |
|  |  |  |
| III | **Net Increase in Employees in the State of Arizona**  |  |
|  | 1. *Current Employment* **-** Enter the average number of full-time employees of the taxpayer in the State of Arizona during the taxable year.
 |  |
|  | 1. *Previous Years Employment* - Enter the average number of full-time employees of the taxpayer in the State of Arizona during the preceding taxable year.
 |  |
|  | Net Increase in Employees in the State of Arizona - Subtract III(B) from III(A) and write remainder here. If number is less than one, enter zero. If amount contains a decimal, round down to the next whole number. |  |
| **IV** | Maximum Qualified Employment Positions per Taxpayer | 400 |
| **V** | Maximum Eligible First Year Tax Credits |  |
|  | Maximum number of new qualified employment positions for which the taxpayer may claim credits. Enter the smallest number of lines I, 2 or III(c). |  |
| **VI** | **Estimated Number and Dollar Amount of CreditsClaimed, Used and Carried Forward** | **Number** |  | **Dollar Amount** |
|  | 1. Qualified Employment Positions for which business is claiming ***first year*** tax credits this year. Enter number from line VI and the total dollar amount of credits claimed.
 |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1. Qualified Employment Positions for which business is claiming ***second year*** tax credits this year. *(Limited to positions for which first year credits were claimed on the original return, not an amended return.)*
 | **[[1]](#footnote-1)** |  | **\*** |
|  | 1. Qualified Employment Positions for which business is claiming ***third year*** tax credits this year. *(Limited to positions for which first and second year credits were claimed on the original return, not an amended return.)*
 | **\*** |  | **\*** |
|  | 1. Enter **Total** amount of tax credits claimed this year.
 |  |  |  |
|  | 1. Enter the estimated amount of tax credits to be **used** in this tax year to offset tax liability.
 |  |  |  |
|  | 1. Enter the estimated amount of tax credits available for **carry forward** in all tax years.
 |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **VIII** | **Number and Dollar Amount of Credits Claimed, Used and Carried Forward on Prior Year’s Tax Return(Note: The use and carry forward of credits passed through to shareholders or partners must be reported.)**  |  |  |  |
|  | 1. Qualified Employment Positions for which business earned and claimed ***first year*** tax credits on the prior year’s tax return.
 | **[[2]](#footnote-2)** |  | **†** |
|  | 1. Qualified Employment Positions for which business earned and claimed ***second year*** tax credits on the prior year’s tax return.
 | **†** |  | **†** |
|  | 1. Qualified Employment Positions for which business earned and claimed ***third year*** tax credits on the prior year’s tax return.
 | **†** |  | **†** |
|  | 1. Enter **total** amount of tax credits claimed on the prior year’s tax returns. (Should equal the sum of lines (a), (b) and (c) above.)
 | **†** |  | **†** |
|  | 1. Enter the amount of tax credits used to offset tax liabilities on the prior year’s tax return. *(The use of credits passed through to shareholders or partners must be reported.)*
 |  |  | **†** |
|  | 1. In the table below, **enter** the amount of tax credits reported as carry forward on the prior years’ tax returns. *(The carry forward of credits passed through to shareholders or partners must be reported.)*
 |  |  |  |
|  |  | **(a)** | **(b)** | **(c)** | **(d)** | **(e)** |
|  | Enter the tax year of the carry forward credit (in ascending order) | **†** | **†** | **†** | **†** | **†** |
|  | Original credit amount | **†** | **†** | **†** | **†** | **†** |
|  | Amount previously used | **†** | **†** | **†** | **†** | **†** |
|  | Tentative carry forward (*Subtract line 3 from line 2)* | **†** | **†** | **†** | **†** | **†** |
|  | Amount unallowable  | **†** | **†** | **†** | **†** | **†** |
|  | Available carry forward *(Subtract line 5 from line 4)* | **†** | **†** | **†** | **†** | **†** |
| 1. ***Total dollar amount available for carry forward:***Enter sum of (6.a) + (6.b) + (6.c) + (6.d) + (6.e)
 | **†** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *Section C: Capital Investment Information*

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| --- |
| What amount of capital investment was made during the current tax year and the prior tax year at the business location? |
|  | **Current Tax Year** |  | **Prior Tax Year** |
| Land: | $  |  Land: | $ |
| Buildings: | $ |  Buildings: | $ |
| Machinery & Equipment | $ |  Machinery & Equipment | $ |
| Fixtures: | $ |  Fixtures: | $ |
| **Total:** | **$** |  **Total:** | **$** |
|  |

*Section D: Payroll Information*

|  |  |
| --- | --- |
| What is the gross payroll for this tax year at this location? | $ |
| What is the average annual wage paid to all full-time employees this tax year at this location? | $ |
| What is the total payroll for ***Qualified Employment Positions*** at this location? | $ |
| What is the average annual wage for employees in ***Qualified Employment Positions*** at this location? | $ |
|  |

*Section E: Health Insurance Information*

|  |
| --- |
| Employer must offer to pay at least 65% of the health insurance cost for employees that is provided by: |
| Policy # |  | Effective Dates |  | to |  |
| Company Name |  | Agent or Contact |  |
| Percent paid by company | % | Phone Number |  |
| Is the company self-insured? | [ ]  | Yes | [ ]  | No |
|  |

 |

###### *Section F: Supplemental Information*

###### (See ACA Ruling 12-02 for additional details)

|  |  |
| --- | --- |
| [ ]  | To receive a Tax Credit Allocation Letter a processing will must be submitted. **Do not, however, submit a processing fee at this time.** Commerce will request the appropriate fee prior to issuing a Tax Credit Allocation Letter.  |
| [ ]  | Attach proof of participation in the federal [E-Verify program](http://www.uscis.gov/e-verify). A copy of the screen shot once logged in and their information is viewable or a copy of the Memorandum of Understanding (MOU) will suffice. |
| [ ]  | Attach evidence of the capital investment made during the current tax year. Documentation can include, but is not limited to, the following:Copies of cancelled checks, bank statements or completed wire transfers and their associated invoices and, a real estate settlement sheet, most recent county affidavit of property value, most recent Arizona business property statement, copies of leases with associated proof of payment, or a Federal IRS Form 4562 and all supporting schedules that identify, at a minimum, the piece of equipment, the date acquired, where placed in service and the cost. |
| [ ]  | If employer is self-insured, attach documentation showing employer pays at least 65% of the fixed cost of the plan exclusive of claims payments, e.g. a copy of the Summary of the Plan or table of administrative fees and, etc. |
| [ ]  | If the business name, address or ownership changed during the tax year, attach a description/explanation of the change. |
| [ ]  | If the business files a consolidated or combined Arizona tax return, attach a list of the names and addresses of the member companies.  |
|  | Please also provide the Tax Identification Number used when filing the consolidated or combined return. |  |
| [ ]  | Complete and submit a hard copy of QJTC Form 2. Also provide the QJTC Form 2 electronically. Acceptable electronic media must be either Microsoft Excel spreadsheet or pdf file on a CD-ROM or DVD. The chosen media must be Microsoft Windows compatible. |
|  |

###### *Section G: Program Evaluation*

How important a factor was the QJTC program in the applicant’s decision to locate, expand or remain in Arizona?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| [ ]  | Very important | [ ]  | Important | [ ]  | Not important |
| How did you learn about the QJTC program? |
|  |
|  |
|  |
| Please share comments regarding your experience with the QJTC program: |
|  |
|  |
|  |

###### *Section H: Affidavit*

As an officer of the applicant business, I certify under penalty of perjury that the information contained herein is true and correct according to my best belief and knowledge after a reasonable investigation of the facts. I understand that if the documents contain information that is materially false, the company will be ineligible for the tax credits under the Quality Jobs Tax Credit Program and will be subject to recovery of the amount of tax incentives allowed in this and preceding taxable years based on the false information, plus penalties and interest.

Further, the undersigned swears that:

* 1. All Qualified Employment Positions (QEP’s) for all years:
		1. Are new full time permanent positions (at least 1,750 per year).
		2. Pay at least the “County Median Wage.”
		3. Provide health insurance for which the company offers to pay at least 65%of the premium or membership cost.
		4. Filled at least 90 days in the first taxable year and filled the entire taxable year during the second and third years of continuous employment
	2. All Employees for whom credits are taken:
		1. Are residents of the state of Arizona
		2. Are authorized to work legally in the U.S.
		3. Have not been previously employed by the taxpayer within 12 months of the current date of hire.
		4. Performed their job duties primarily (more than 50%) at the location of the business where the credit is being claimed.
	3. First, second and third year credits are taken only for positions on which credits were taken on the original, not amended, return.
	4. In accordance with A.R.S. §§ 23-214(b) and 35-397, all applicant employers must be participating in the E-Verify program in order to receive QJTC tax credits. Secondly, pursuant to the above statutes, by signing this application, the applicant is certifying that the business does not have scrutinized business operations in Iran or Sudan and is not otherwise lawfully precluded from participating in any public funding activity with any Federal, State or Local Government. Signing the application without disclosing all pertinent information about business investments and business operations in Iran or Sudan shall result in rejection or cancellation of the application. The State may also exercise any other remedy available by law.
	5. Information collected for purposes of the QJTC program is confidential taxpayer information. Commerce is ONLY authorized to release this information with consent of the taxpayer and as required by A.R.S. §41-1525(J). Do you consent to the release of the confidential taxpayer information pursuant to A.R.S. §41-1525(F)?

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  | Yes | [ ]  | No |

|  |  |
| --- | --- |
|  |  |
| Print Name of Officer  |
|  |  |  |
| Signature Date |
|  |

1. |  |
| --- |
|  No second or third year tax credits can be claimed at this time. |

 [↑](#footnote-ref-1)
2. No carry forward is available at this time. [↑](#footnote-ref-2)