

Enterprise Zone Jobs Credit

Attach to Wisconsin Form 1, 1NPR, 2, 3, 4, 4I, 4T, 5, or 5S

2007

Wisconsin Department
of Revenue

Read instructions before filling in this schedule

Name	Identifying Number
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Note: This credit may not be claimed for taxable years beginning before July 1, 2007.

Part I Regular Credit

Enter base year: Taxable year beginning ___/___/_____ and ending ___/___/_____

1 Enter number of full-time Wisconsin employees employed in the enterprise zone in the current taxable year whose wages are more than \$30,000	1	
2 Enter number of full-time Wisconsin employees employed in the enterprise zone in the base year whose wages were more than \$30,000	2	
3 Subtract line 2 from line 1	3	
4 Enter number of full-time Wisconsin employees in the current taxable year whose wages are more than \$30,000	4	
5 Enter number of full-time Wisconsin employees in the base year whose wages were more than \$30,000	5	
6 Subtract line 5 from line 4	6	
7 Enter total wages attributable to services performed in an enterprise zone in current taxable year by full-time Wisconsin employees whose annual wages are more than \$30,000. Do not include wages exceeding \$100,000 for any employee	7	
8 Divide line 7 by line 1	8	
9 Subtract \$30,000 from amount on line 8	9	
10 Lesser of line 3 or line 6	10	
11 Multiply line 9 by line 10	11	
12 Multiply line 11 by 7%	12	

Part II Supplemental credit for skill development and training for employees who work in an enterprise zone

13 Enter amount paid in the taxable year to upgrade or improve the job-related skills of full-time employees, to train full-time employees on the use of new job-related technologies, or to provide job-related training to full-time employees whose employment with the claimant represents the employee's first full-time job. Do not include amounts relating to employees who do not work in an enterprise zone	13	
14 Add lines 12 and 13. This is the enterprise zone jobs credit before pass-through credits	14	
15 Enter enterprise zone jobs credit passed through from other entities	15	
16 Add lines 14 and 15. This is the available enterprise zone jobs credit	16	

Instructions for 2007 Schedule EC

Purpose of Schedule EC

Use Schedule EC to claim the enterprise zone jobs credit, which is available for qualifying taxpayers doing business in a Wisconsin enterprise zone designated by the Wisconsin Department of Commerce. **Note: The enterprise zone jobs credit is not available for tax years beginning before July 1, 2007.**

To be eligible for the enterprise zone jobs credit, businesses must first be certified by the Department of Commerce. For information regarding how to become certified, visit the Department of Commerce web site at www.commerce.wi.gov or write to the Wisconsin Department of Commerce, P.O. Box 7970, Madison, WI 53707-7970.

Who is Eligible to Claim the Credit

Any individual, estate, trust, partnership, limited liability company (LLC), corporation, or tax-exempt organization that is conducting business in an enterprise zone and has been certified by the Department of Commerce may be eligible for the credit. **Note: No claimant with a taxable year beginning before July 1, 2007 may claim an enterprise zone jobs credit for the taxable year beginning in 2007.**

Partnerships, LLCs treated as partnerships, and tax-option (S) corporations cannot claim the credits, but the credits attributable to the entity's business operations pass through to the partners, members, or shareholders.

Caution

- The credit you compute on Schedule EC is income and must be reported on your Wisconsin franchise or income tax return in the year computed.
- The enterprise zone jobs credit is not allowable for expenditures which are included in the basis for another Wisconsin income or franchise tax credit, such as the research expense credit or research facilities credit.

Part I – Regular Enterprise Zone Jobs Credit

Base Year: Enter the base year. The “base year” is the taxable year beginning during the calendar year prior to the year in which the enterprise zone where the claimant is located takes effect.

Line 1: Enter the number of full-time Wisconsin employees in the taxable year beginning in 2007 who work in an enterprise zone and whose wages are more than \$30,000.

For line 1 and all subsequent lines of Part I, “wages” means wages under section 3306(b) of the Internal Revenue code, without regard to dollar limitations.

For line 1 and all subsequent lines of Part I, “full-time employee” means an individual who is employed in a regular, nonseasonal job and who, as a condition of employment, is required to work at least 2080 hours per year, including paid leave and holidays.

For line 1 and all subsequent lines of Part I, an employee is considered a Wisconsin employee if:

1. The individual's service is performed entirely within Wisconsin.
2. The individual's service is performed within and outside Wisconsin, but the service performed outside Wisconsin is incidental to the individual's service within Wisconsin.
3. A portion of the service is performed within Wisconsin and the individual's base of operations is in Wisconsin.
4. A portion of the service is performed within Wisconsin and, if there is no base of operations, the place from which the individual's service is directed or controlled is in Wisconsin.
5. A portion of the service is performed within Wisconsin and neither the base of operations of the individual nor the place from which the service is directed or controlled is in any state in which some part of the service is performed, but the individual's residence is in Wisconsin.
6. The individual is neither a resident of nor performs services in Wisconsin but is directed or controlled from an office in Wisconsin and returns to Wisconsin periodically for business purposes and the state in which the individual resides does not have jurisdiction to impose income or franchise taxes on the claimant.

Line 2: Enter the number of full-time Wisconsin employees in the base year who worked in an enterprise zone and whose wages were more than \$30,000.

Line 4: Enter the total number of full-time Wisconsin employees in the taxable year beginning in 2007 whose wages are more than \$30,000.

Line 5: Enter the total number of full-time Wisconsin employees in the base year whose wages were more than \$30,000.

Line 7: Enter the total wages attributable to services performed in an enterprise zone in the taxable year beginning in 2007 by full-time Wisconsin employees whose annual wages are more than \$30,000. Do not include wages exceeding \$100,000 for any employee.

Part II – Supplemental Credit

Line 13: Enter the amount the claimant paid in the taxable year for any of the following purposes, **relating to employees who work in an enterprise zone:**

- To upgrade or improve the job-related skills of any of the claimant's full-time employees,
- To train any of the claimant's full-time employees on the use of new job-related technologies, or
- To provide job-related training to any full-time employee whose employment with the claimant represents the employee's first full-time job.

A “full-time employee” means an individual who is employed in a regular, nonseasonal job and who, as a condition of employment, is required to work at least 2,080 hours per year, including paid leave and holidays.

Line 15: If applicable, fill in the amount of enterprise zone jobs credit passed through from tax-option (S) corporations (from Schedule 5K-1), partnerships and LLCs treated as partnerships (from Schedule 3K-1), and estates and trusts (from Schedule 2K-1).

Line 16: For estates or trusts, show only the estate's or trust's portion of the credit on line 16, and show the beneficiaries' portion of the credit to the left of line 16. Label it “Beneficiaries' portion.” Prorate the beneficiaries portion among the beneficiaries on Schedule 2K-1. For tax-option (S) corporations, partnerships, and LLCs treated as partnerships, show the entire amount of credit on line 16 and prorate that amount among the shareholders, partners, or members on Schedule 5K-1 or 3K-1.

Required Attachments to Return

Attach your completed Schedule EC to your Wisconsin franchise or income tax return. Also, attach a copy of your certification to claim tax benefits and the verification of your expenses, which you obtain from the Department of Commerce. Shareholders of tax-option (S) corporations, partners of partnerships, members of LLCs treated as partnerships, and beneficiaries of estates or trusts must attach a copy of Schedule 5K-1, 3K-1 or 2K-1, as appropriate, to Schedule EC instead of the certification to claim tax benefits and verification of expenses.

Additional Information

For more information, you may:

- E-mail your question to corp@revenue.wi.gov
- Call (608) 266-2772 [TTY (608) 267-1049]
- Send a FAX to (608) 267-0834
- Write to the Audit Bureau, Wisconsin Department of Revenue, Mail Stop 5-144, P.O. Box 8906, Madison, WI 53708-8906