

LONG-TERM ENTERPRISE ZONE FACILITIES CREDIT

Corporation Name (as shown on return)	Business Identification Number	Federal Identification Number	Tax Year
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Computation of Non-Urban Enterprise Zone Credit

1. Payroll and employee benefit costs	1	
2. Credit percentage (62.5%)	2	0.625
3. Tentative credit (line 1 × line 2)	3	
4. Total Oregon excise or income tax	4	\$

Computation of tax credit threshold amount (see instructions)

5. a. \$1,000,000	5a	\$1,000,000
b. Product of i, ii, or iii (whichever is applicable):	5b	
i. \$10,000 × number of full-time employees in county with population of 10,000 or less		
ii. \$12,500 × number of full-time employees in county with population of 40,000 or less		
iii. \$15,000 × number of full-time employees for facility meeting investment and location requirements in ORS 285B.789(3) not described in (i) and (ii) above		
6. Tax credit threshold amount: smaller of line 5a or 5b (if no amount on line 5b, enter \$1,000,000)	6	
7. Excess tax available to offset (line 4 minus line 6)	7	\$

Percent of tax attributable to the facility (see instructions)

8. If the qualifying facility is the only property or operation in Oregon, enter 100% (if line 8 is not 100%, go to line 9 or 11 to compute percentage)	8	100%
9. If you have other property or operations in Oregon, and income is computed under GAAP, compute the percentage as follows:		
a. Net income of the facility	9a	
b. Oregon net income	9b	
10. Percentage (line 9a ÷ 9b)	10	%
11. If you have other property or operations in Oregon and income isn't computed under GAAP, compute the percentage as follows:		
a. Compensation at facility	11a	
b. Compensation in Oregon	11b	
c. Intrastate payroll factor (line 11a ÷ 11b)	11c	%
d. Book value of property at facility	11d	
e. Book value of property in Oregon	11e	
f. Intrastate property factor (line 11d ÷ 11e).....	11f	%
12. Average intrastate factors ((line 11c + 11f) ÷ 2)	12	%
13. Applicable percentage (line 8, 10, or 12)	13	
14. Qualified tax liability available for offset (line 7 × line 13)	14	
15. Credit allowable (line 3 or 14, whichever is smaller)	15	

INSTRUCTIONS FOR LONG-TERM ENTERPRISE ZONE FACILITIES CREDIT

What qualifies a business to claim this credit?

A tax credit is available for subchapter C corporations that own or lease and operate a facility in a non-urban enterprise zone.

What is the applicable law?

Oregon Revised Statute (ORS) 317.124.

How is the amount of credit determined?

The amount of the credit is equal to 62.5 percent of the taxpayer's payroll and employee benefit costs, including but not limited to workers' compensation insurance and payroll taxes, relating to the qualifying facility. The credit is available for a period of at least five but not more than 15 consecutive tax years. The tax credit may be used to offset any corporate excise or income taxes; gross receipt taxes; sales and use taxes, except vehicle and vehicular fuel taxes; or any other similar taxes levied or imposed by the State of Oregon relating to the facility.

This credit is not in lieu of any deduction for depreciation, amortization, payroll costs, or any other expense to which the taxpayer is entitled. Tax credits allowable under this section may not be used to offset the first \$1 million, or a lesser amount that is allowed under ORS 317.124 of corporate excise or income taxes paid by the corporation to this state in any taxable year. The first \$1 million paid or any lesser amount that is allowed and paid includes taxes generally attributable to operations of the taxpayer throughout this state.

Tax credits, other than this credit, are not considered payments and may not be used to offset the first \$1 million or any lesser amount allowed under ORS 317.124.

This tax credit may not be transferred to another taxpayer.

What happens if the credit exceeds the tax?

For tax years beginning on or after January 1, 2001, a taxpayer claiming a credit against tax must claim the full amount of any credit that is allowed for the tax year, to the extent of the tax liability.

The credit is limited to your tax liability for the tax year. Unused tax credit not used by the taxpayer in a particular tax year may be carried forward and used by the taxpayer for a period of up to five years.

Credits cannot be used to offset the minimum excise tax.

What evidence must be kept to verify the claimed credit?

Attach this form to your return. Keep a copy with your tax records. Upon audit or examination, a copy may be requested by the department to verify the credit claimed.

Line instructions

Computation of threshold amount—computing the tentative credit amount (see instructions)

The cost of improvements and property at the facility must equal or exceed 0.5 percent of taxable property in the county; you must hire at least 50 full-time employees at the facility by the end of the third calendar year. And the facility must be 10 or more miles from Interstate 5.

Percent of tax attributable to the facility

If the taxpayer maintains other Oregon property or operations in addition to the qualifying facility, determine the amount of income or excise taxes relating to the facility.

Taxpayer assistance

For assistance, contact the Oregon Economic and Community Development Department:

Telephone 1-800-233-3306
Internet www.econ.state.or.us
E-mail corp.help.dor@state.or.us

For forms, contact the Oregon Department of Revenue:

Salem 503-378-4988
Toll-free within Oregon 1-800-356-4222
Internet www.dor.state.or.us

Or write to: Forms
Oregon Department of Revenue
PO Box 14999
Salem OR 97309-0990

TTY (hearing or speech impaired; machine only): 503-945-8617 (Salem) or 1-800-886-7204 (toll-free within Oregon).

Americans with Disabilities Act (ADA): This information is available in alternative formats. Call 503-378-4988 (Salem) or 1-800-356-4222 (toll-free within Oregon).

Asistencia en español. Llame al 503-945-8618 en Salem.