



Instructions for Completing Form F-1156Z Florida Enterprise Zone Jobs Credit Certificate of Eligibility for Corporate Income Tax

F-1156ZN
R. 07/05

General Instructions

Who must file? Every business claiming the enterprise zone jobs credit for employees shall complete and attach Form F-1156Z, along with all applicable schedules, to its corporate tax return for each tax year in which the credit is claimed.

When may a business take the credit? This credit is not available if the business claims the enterprise zone jobs credit against sales tax.

Who may qualify for the credit? Corporations that are subject to the Florida Corporate Income Tax Code, increase the average number of full-time jobs in an enterprise zone, and employ qualified new employees are eligible for the credit. A “new employee” must fit in one of the following categories:

- Is a resident of a Florida enterprise zone and works in a Florida enterprise zone for a qualified business located in a Florida enterprise zone. Welfare transition program participants are not required to reside in an enterprise zone to be eligible, but must meet all other eligibility criteria.
- Is a resident of a rural county in Florida, and works in a Florida rural enterprise zone for a qualified business located in a Florida rural enterprise zone.
- Is a leased employee who is a resident of a Florida enterprise zone or a rural county in Florida, and works in a Florida enterprise zone or Florida rural enterprise zone for a qualified business located in a Florida enterprise zone or Florida rural enterprise zone. Qualified leased employees must have been employed by an eligible business for an average of at least 36 hours per week for more than six (6) months and meet all other credit eligibility criteria.

Part-time employees are not eligible for the credit. New employees must not have been employed by the taxpayer within the previous 12 months.

The credit is computed on the actual wages paid during the taxable year which are subject to unemployment tax and is based on monthly wages paid to each new employee for up to 24 consecutive months.

A “small business” is defined in section 288.703(1), Florida Statutes, as an independently owned and operated business employing 200 or fewer permanent full-time employees and whose total net worth is \$5 million or less, or any firm based in this state which has a Small Business Administration 8(a) certification.

The enterprise zone jobs credit is state financial assistance subject to the auditing and reporting requirements of the Florida Single Audit Act, per s. 215.97, F.S. Tax Information Publication (TIP) 05ADM-01 provides more details. The TIP is posted on the Department’s Internet site at www.myflorida.com/dor.

Specific Instructions

Part I. Demonstration of New Jobs Created

Complete Part I to determine if the business is eligible to claim the enterprise zone jobs credit against corporate income tax.

Line 1. Enter the number of permanent, full-time jobs on the date of application. Employees in these jobs must have worked at least three (3) months and average at least 36 hours per week.

Line 2. Add the number of permanent, full-time jobs for each of the 12 months prior to the date of the application and divide this sum by 12. Employees holding jobs included in this computation must have worked at least three (3) months and have averaged at least 36 hours per week.

Line 3. Subtract the amount on Line 2 from the amount on Line 1 and enter the result on Line 3. If the amount on Line 3 is zero or less, the corporation is not eligible to claim the credit.

Explanation of Credits and Schedules

Business in Enterprise Zone - 20 Percent Credit (Use Schedule A)

To qualify, the business must be located in a Florida enterprise zone and new employees must reside in a Florida enterprise zone.

Business in Enterprise Zone – 30 Percent Credit (Use Schedule B)

To qualify, the business must be located in an enterprise zone, new employees must reside in an enterprise zone, and 20 percent of all full-time employees must reside in an enterprise zone. Use Subschedule F to determine if the business meets this 20 percent test.

Business in Rural Enterprise Zone – 30 Percent Credit (Use Schedule C)

To qualify, the business must be located in a Florida rural enterprise zone and new employees must reside in a Florida rural county.

Business in Rural Enterprise Zone – 45 Percent Credit (Use Schedule D)

To qualify, the business must be located in a rural enterprise zone, new employees must reside in a rural county, and 20 percent of all full-time employees must reside in a rural enterprise zone. Use Subschedule F to determine if the business meets this 20 percent test.

Business in Enterprise Zone and Employees in Welfare Transition Program – 40 to 44 Percent Credit (Use Schedule E)

To qualify, the business must be located in a Florida enterprise zone and new employees must be welfare transition program participants.

Instructions for Completing Form F-1156Z

The credit is calculated as follows:

- 40 percent of the monthly wages paid if the hourly rate is \$4 above the hourly federal minimum wage rate.
- 41 percent if the hourly rate is \$5 above the hourly federal minimum wage rate.
- 42 percent if the hourly rate is \$6 above the hourly federal minimum wage rate.
- 43 percent if the hourly rate is \$7 above the hourly federal minimum wage rate.
- 44 percent if the hourly rate is \$8 above the hourly federal minimum wage rate.

Preparation of Schedules A through E

Form F-1156Z contains formats for Schedules A through E. Use these formats to create a list of employees for each applicable job credit. Complete the appropriate credit computation schedule to determine the credit for each new employee. Attach the schedules to your Form F-1156Z.

Instructions for completing Columns A through J

Column A. Enter the name and place of residence of each new employee for whom credit is claimed. The place of residence shall be the employee's residence on the date shown in Column E.

Column B. Enter the social security number (SSN) of the new employee. SSNs are used by the Florida Department of Revenue as unique identifiers for the administration of Florida's taxes. SSNs are confidential under ss. 213.053 and 119.0721, F.S., and not subject to disclosure as public records.

Column C. Place a check mark in this column if the employee is a leased employee.

Column D. If applicable, enter the enterprise zone number or name of the rural county in which the new employee resides. Exception: Schedule E. Column D is used to indicate the credit percentage taken.

Column E. Enter the date that the new employee began employment in the operations of the business.

Column F. Enter the last day of business of the tax year for which credit is claimed. If the employee is no longer employed on that date, enter the last day of the last calendar month the employee was employed.

Column G. Enter the amount of wages paid to the new employee on which the credit is computed for the taxable year.

Column H. Enter the number of months of wages on which the credit is based. Since the credit is computed on wages paid during the taxable year, the period of up to 24 consecutive months over which credit may be allowable may include three (3) calendar years.

Column I. Multiply the Actual Monthly Wages (Column G) by the Total Months (Column H) and enter the result here.

Column J. Multiply the applicable credit by Total Wages (Column I) and enter the result here.

Preparation of Schedule F. If claiming the credit on Schedule B or Schedule D, complete Schedule F and its subschedule, and attach a list of all other permanent, full-time employees.

Subschedule F. Computation of Allowable Credit

Line 1. Enter the total number of permanent, full-time employees who live in an enterprise zone or rural enterprise zone. These employees must have worked at least three (3) months and average at least 36 hours per week.

Line 2. Enter the total number of permanent, full-time employees who have worked at least three (3) months and have averaged at least 36 hours per week.

Line 3. Divide Line 1 by Line 2 and enter the result.

Part II. Tax Liability Limitation and Computation of Credit

Line 1. The amount of credit on Line 1, which was computed on wages paid to new employees during the taxable year, shall be applied against and limited to the corporate income or franchise tax liability for the taxable year; therefore, enter on this line the amount of total tax due from Form F-1120 (Florida Corporate Income Tax Return), Page 1, Line 11.

Line 2. The amount of credit allowed is limited to the total corporate income or franchise tax due after certain credits are applied. Enter on Lines 2(a) and 2(b) the appropriate amounts of other credits as listed on Form F-1120, Schedule V (Credits against the tax). Instructions for Form F-1120 explain the computations of these other credits.

Line 3. The tax liability limitation is the total tax due on Line 1 minus the sum of the credits on Line 2.

Line 4. Enter the total credit claimed based upon the actual monthly wages paid to eligible new employees during this taxable year from Part I - Schedules A, B, C, D, and E, Column J.

Line 5. The unused portion of the total enterprise zone jobs credit may be carried forward from taxable years ended after July 1, 1995, to the next succeeding taxable year.

Line 6. The total credit available (before application of the tax liability limitation) is the sum of the credit for the current taxable year (Line 4) plus the unused credit (if any) carried forward from the immediately preceding year (Line 5).

Line 7. Enter the lesser of Line 3 (Tax liability limitation) or Line 6 (Total credit available) as the allowable credit used this taxable year.

Line 8. Enter the amount of any unused credit available to be used in the next succeeding taxable year (Line 6 less Line 7).