State of Oklahoma

INVESTMENT/NEW JOBS CREDIT

TITLE 68 O.S. SECTION 2357.4

FORM **506** 2008

Enclose with Oklahoma income tax return - Form 511, 511NR, 512, 512-S, 513, 513NR, or 514.
Please read carefully the information on reverse side.

Name as Shown on Return	CHECK ONE	Social Security Number
	Sole Proprietorship ☐	
	Partnership ☐	Federal Identification Number
	S-Corporation ☐	
Name of Business	Corporation ☐	Mfg. Sales/Exemption Permit (MSEP) (required for a manufacturing facility)
	Fiduciary ☐	

Please furnish the exact location of the manufacturing facility or web search portal establishment for which the credit is being claimed. Also provide a full explanation of the type of manufacturing or activity in which you are engaged.

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NEW JOBS CREDIT

Employee must be paid at least $7,000 in wages or salary subject to Oklahoma income tax withholding in the year credit is claimed. Any new employees in subsequent years must be entered on a new Form 506.

Monthly average of qualified full-time employees engaged in manufacturing for 4th quarter	Number of full-time employees engaged in manufacturing during base year	Net increase (decrease)	Total credit for additional employees
Taxable Year	2007	Column 1 - Column 2	Column 3 x $500
(1)	(2)	(3)	(4)
2008			
2009			
2010			
2011			
2012			

Notice: Credit may be claimed for either new jobs or investment, but not both. **Complete both calculations.**

INVESTMENT CREDIT

Investment in Oklahoma Qualified Depreciable Property placed into service in 2008. This investment must be at least $50,000.

Amount invested	Rate 1%	Credit Allowed
(5)	(6)	(7)
2008	**(1%)**	
2009	**(1%)**	
2010	**(1%)**	
2011	**(1%)**	
2012	**(1%)**	

ALLOWABLE CREDIT

Credits not used may be carried over, in order, to each of the fifteen years following the initial five year period.

Tax Year Available	Credit from Column 4 or 7	Amount of Credit Used	Carryover
(8)	(9)	(10)	(11)
2008			
2009			
2010			
2011			
2012			

The credit shall be allowed in each of the four subsequent tax years only if the level of new employees is maintained or qualified property is not sold, disposed of, or transferred. New jobs credit cannot be claimed as a result of investment in equipment on which investment credit was claimed in previous years. This form must be used for each of the four remaining years in which the credit is claimed.

Enterprise Zone: The credit is doubled per Title 62 O.S. Section 690.4 if the facility is located in an enterprise zone.

Check here if located in an enterprise zone: ☐

Notice...

- Credit may not be claimed if you are qualified under the *"Oklahoma Quality Jobs Program Act" (Title 68 O.S. Section 3601)*, the *"Small Employer Quality Jobs Incentive Act" (Title 68 O.S. Section 3901)* or the *"Oklahoma Quality Investment Act" (Title 68 O.S. Section 4101)* for the same activity for which the incentive was received.
- Credit may not be claimed for jobs created or capital investments made as a direct result of bond proceeds which are provided in accordance with the *"Oklahoma Quality Jobs Incentive Leverage Act" pursuant to a second irrevocable election. (Title 68 O.S. Section 3651)*

Form 506 Instructions

General...

Taxpayers who may claim the credit are individuals (including the pass-through credit from Partnerships and Sub-Chapter S Corporations), Partnerships, Fiduciaries, Corporations and Sub-Chapter S Corporations. When this credit is claimed as a pass-through from a partnership or Sub-Chapter S Corporation, the Form 506 must have the name of the Partnership or Sub-Chapter S Corporation entered in the space provided at the top of the Form.

New Jobs Credit *...

a) For Column 1 and Column 2, "full-time-employee" refers to job positions that pay more than $7,000 and in which someone is employed during the final quarter regardless of whether the person occupying the job position has actually earned $7,000.

b) **No employee may be included in Column 3, for which a credit is being claimed on any other Form 506.**

c) No employee may be included in Column 3, if the increase in employees is the result of an investment in qualified depreciable property for which an income tax credit has been claimed and allowed on any other Form 506.

d) No employee may be included in Columns 1 or 2, who is not actually engaged in manufacturing or support of the manufacturing of a product. Employees engaged in administrative, legal, accounting, clerical, sales, delivery, housekeeping and yard upkeep are not generally considered support personnel and may not be included.

e) In the first year a credit is claimed based on jobs, a new employee may be included in Column 1 if the employee's wages are less than the $7,000 only if the following conditions are met:

1) the employee was hired in any of the last three quarters of the tax year, and
2) has wages or salary which will result in annual paid wages in excess of $7,000, and
3) the taxpayer submits an affidavit stating that the employee's position will be retained the following tax year and result in the payment of wages in excess of $7,000.

Column 1: Enter the average number of qualified full-time employees engaged in manufacturing, including support, employed in the State of Oklahoma during the 4th quarter and during the taxable year received over $7,000 in wages or salary subject to Oklahoma income tax withholding. The fourth quarter is generally defined as the last quarter of your taxable year.

Column 2: Enter the average number of qualified full-time employees engaged in manufacturing, including support, employed in the State of Oklahoma during the 4th quarter and during the base year received over $7,000 in wages or salary subject to Oklahoma income tax withholding. The base year is the preceding taxable year before the increase in employees.

Column 3: Net increase or decrease in employees. Subtract Column 2 from Column 1. The credit, once established, is also allowed in each of the four subsequent years if the level of new employees is maintained. For subsequent tax years, Column 3 is limited to the number of new employees in Column 3 of the initial tax year. **Enclose a schedule showing the computation of the employee count for all Columns. Include name, social security number, brief job description and annual wages for each employee.**

Column 4: The credit is $500 per new employee engaged in manufacturing including support personnel. Multiply the amount of Column 3 by $500. This is the amount of the allowable credit, if you qualify for the New Jobs Credit.

*** Web search portal establishments do not qualify for the New Jobs portion of the credit.**

Investment Credit...

Column 5: Enter the amount invested in qualified depreciable property placed in service, in the State of Oklahoma, during the taxable year. The investment must be at least $50,000 in qualified depreciable property used in manufacturing or in a web search portal establishment in this state. The credit shall not be allowed if such investment is the direct cause of a decrease in the number of employees. Qualified property shall be limited to machinery, fixtures, equipment, buildings or substantial improvements thereto, placed in service in this state during the taxable year. The investment in Oklahoma Qualified Property must be reduced when the property is sold, disposed of or transferred. **Enclose a detailed schedule showing the description of the qualified property, the amount invested (cost), and the date the assets were placed in service.**

Column 7: The credit is one percent of the cost of the qualified depreciable property. Multiply the amount of Column 5 by Column 6. This is the amount of the allowable credit if you qualify for the Investment Credit.

Allowable Credit - Carryover...

Column 9: The credit is allowed for the greater of New Jobs Credit or Investment Credit, but not both. Enter the greater amount from Column 4 or Column 7. Once the type of allowable credit is determined in the first year, that type of credit will be used in all remaining tax years on that particular Form 506.

Column 10: Enter the amount of credit used this tax year.

Column 11: Enter the amount of credit not used this tax year. Any credit claimed and not used in any taxable year may be carried over, in order, to each of the four years following the year of qualification and to the extent not used in those years, in order, to each of the fifteen years following the initial five-year period. To the extent not used, any credit from qualified depreciable property may be utilized in subsequent tax years after the initial twenty-year period. Enclose schedule showing all carryover credits by tax year claimed and used.

Notice...

If the business entity manufactures any product described in Division D of Part I of the Standard Industrial Classification Manual, latest revision, they may be entitled to double their Investment/New Jobs Credit. To qualify for the double credit the total cost of qualified depreciable property used in the manufacture of such product must be at least $40 million dollars and be placed in service in this state within 3 years from the date of the initial qualifying expenditure. The credit for each new employee in Column 4 will be $1,000 and the rate for qualified depreciable property in column 6 will be 2%. Enter the amount of doubled credit in Column 4 and/or Column 7 and note the reason for the double credit.