

# SMALL BUSINESS GUARANTY FEE CREDIT



FORM **529** 2011

Before you begin, please read the information on reverse side carefully.

Name as shown on return	Social Security Number	Type of Small Business <b>(check one)</b> <i>Note: not applicable for banks or credit unions</i> <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> S Corporation <input type="checkbox"/> Corporation <input type="checkbox"/> Fiduciary
	Federal Employer Identification Number	
Name of Small Business (if different from above) <i>Note: not applicable for banks or credit unions</i>	FEIN of Small Business (if different from above) <i>Note: not applicable for banks or credit unions</i>	

## INSTRUCTIONS - See Tax Credit Moratorium on page 2.

**Important:** Enclose the first page of the Authorization received from SBA or some other proof of the guaranty fee.

Line 1: • If you are not a bank or credit union and your fiscal year ends after June 30, 2012, enter the guaranty fee paid on or after July 1, 2012. If you are a bank or credit union, enter the guaranty fee paid during tax year 2011. If you are a partner or a shareholder, enter your pro rata share of the guaranty fee paid by the partnership or corporation.

**Banks and credit unions:** Attach a separate schedule showing the name, FEIN, and type of each small business. For each small business, include the amount of guaranty fee paid and the date paid.

• Enter the credit(s) allowed but not used in prior years. Enclose a copy of the Form 529 for the year the credit was originally established and for all subsequent years.

Lines 2 - 6: These lines are used to determine the credit limitation.

Line 7: This is the amount of the credit allowed this year. If the credit available on line 1 exceeds the amount allowed on line 7, the difference may be carried over for a period not to exceed 5 years from the date the credit was established. You will need to complete a Form 529 for the carryover year(s).

## COMPUTATION

1. Loan guaranty fee paid during tax year 2011 which is eligible for the credit and unused carryover from tax year(s): .....			00
2. Net income from the small business or Oklahoma taxable income for banks and credit unions .....		00	
3. Oklahoma adjusted gross income for individuals or Oklahoma taxable income for corporations and fiduciaries.....		00	
4. Percentage (line 2 ÷ line 3).....		%	
5. Tax per return.....		00	
6. Credit limitation (line 5 X line 4).....			
7. Credit allowed this year - enter the smaller of line 1 or line 6 (carry to Form 511CR).....			00

## SMALL BUSINESS GUARANTY FEE CREDIT

### CREDIT AVAILABLE FOR SMALL BUSINESS

68 Oklahoma Statutes (OS) Section 2357.30

#### **NOTE: TAX CREDIT MORATORIUM ON CREDIT AVAILABLE FOR SMALL BUSINESS**

No credit may be claimed for guaranty fee paid during the period of July 1, 2010 through June 30, 2012, for which the credit would otherwise be allowable under 68 OS Sec. 2357.30. This credit may be claimed for tax year 2012 and subsequent tax years, for guaranty fees paid on or after July 1, 2012.

Note: Credit Carryover - Credits established before July 1, 2010 are eligible to be claimed under normal carryover provisions, if applicable.

As used in this section, "small business" means any corporation, partnership, sole proprietorship or other business entity qualifying as "small" under the standards contained in Section 121 of Title 13 of the Code of Federal Regulations.

Every small business operating within this state shall be entitled to claim as a credit any amount paid to the U.S. Small Business Administration as a guaranty fee pursuant to the obtaining of financing guaranteed by the Small Business Administration. The credit shall be claimable only by the small business which is the primary obligor in the financing transaction and which actually paid the guaranty fee.

The credit shall only be claimed against the tax liability resulting from income generated by the small business. If an income tax return upon which this credit is claimed includes taxable income from sources other than the small business, the credit shall only be allowed to be claimed upon a percentage of the income tax liability which does not exceed the percentage of income generated by the small business as compared to the total Oklahoma adjusted gross income for individuals or Oklahoma taxable income for corporations and fiduciaries.

If the credit exceeds the amount of income taxes due or if there are no state income taxes due on the income of the taxpayer, the amount of the credit not used may be carried forward as a credit against subsequent income tax liability for a period not to exceed five years.

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### CREDIT AVAILABLE FOR BANKS AND CREDIT UNIONS

68 OS Sec. 2370.1

Note: There is no tax credit moratorium on credit available for banks and credit unions.

There shall be a credit against the tax imposed by 68 OS Sec. 2370 for any state banking association, national banking association and credit union organized under the laws of this state for the amount of the guaranty fee paid by the banking association or credit union to the United States Small Business Administration (SBA) pursuant to the "7(a)" loan guaranty program.

No credit may be claimed pursuant to this section if, pursuant to the agreement between the banking association or credit union and the entity to which proceeds are made available, the banking association or credit union adds the amount of the SBA 7(a) loan guaranty fee to the amount financed by the borrower or in any other way recovers the guaranty fee from the borrower.

If the credit exceeds the amount of income taxes due or if there are no state income taxes due on the income of the taxpayer, the amount of the credit not used may be carried forward as a credit against subsequent income tax liability for a period not to exceed five years.

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### NOTICE

**Effective July 1, 2011**

Tax credits transferred or allocated must be reported on Oklahoma Tax Commission Form 569. Failure to file Form 569 will result in the affected credits being denied by the Oklahoma Tax Commission pursuant to 68 OS Sec. 2357.1A-2.