State of Oklahoma

Research and Development New Jobs Credit

Title 68 O.S. Section 54006 and Rule 710:50-15-105

FORM **563** 2007

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 ☐	Standard Industrial Classification Code (SIC)
	Fiduciary ☐	

Please furnish the exact location of the facility for which the credit is being claimed.
Also provide a full explanation of the type of industry in which you are engaged.

Employees must be paid at least $35,000 in wages or salary subject to Oklahoma income tax withholding in the year credit is claimed. Any new employee in subsequent years must be entered on a new Form 563.

Monthly average of qualified full-time employees for 4th quarter	Number of qualified full-time employees during base year	Net increase (decrease)	Limitation	Total credit for new employees	Amount of Credit Used	Carryover
(1) Taxable Year	(2) 2006	(3) Column 1 minus Column 2	(4) Lesser of Column 3 or "50"	(5) Column 4 x $500	(6) Enter on Form 511CR	(7) Carryover
2007						
2008						
2009						
2010						
2011						
2012						
2013						
2014						
2015						

The credit shall be allowed in each of the eight subsequent tax years only if the level of new employees is maintained. This form must be used for each of the eight remaining years in which the credit is claimed.

Notice...

• Credit may not be claimed if you are qualified under the "Oklahoma Quality Jobs Program Act" (Title 68 O.S. Section 3601) or the "Small Employer Quality Jobs Incentive Act" (Title 68 O.S. Section 3901) for the same activity for which the incentive was received.

Form 563 Instructions
For Research and Development New Jobs Credit Established in Tax Year 2007

General

Taxpayers who may claim the credit are Individuals (including the pass-through credit from Partnerships and S Corporations), Partnerships, Fiduciaries, Corporations and S Corporations. When this credit is claimed as a pass-through from a partnership or S corporation, the Form 563 must have the name of the Partnership or S Corporation entered in the space provided at the top of the Form.

New Jobs Credit

There shall be allowed a credit for a net increase in the number of full-time-equivalent employees engaged in computer services or data processing as defined under Industrial Group Numbers 7372, 7373, 7374 and 7375 -or- in research and development as defined under Industrial Group Numbers 8731, 8732, 8733 and 8734 of the SIC Manual, latest revision. Entities primarily engaged in computer services and data processing (as defined under Industrial Group Number 7374 of the SIC Manual [latest revision] must also have a minimum of $100,000 in purchases of computers, data processing equipment, related peripherals, telephone, telegraph, or telecommunication services or telecommunication equipment. All qualified entities must derive 50% of revenues from out-of-state buyers or consumers. All qualified entities must annually file an affidavit with the Oklahoma Tax Commission stating that the business so qualifies.

For Column 1 and Column 2, “full-time employee” refers to job positions that pay at least $35,000 and in which someone is employed during the final quarter regardless of whether the person occupying the job position has actually earned $35,000.

No employee may be included in Column 1 or 2, who is not actually engaged in computer services, data processing, research and development, or the support thereof. Employees engaged in administrative, legal, accounting, clerical, sales, delivery, housekeeping and yard upkeep are not generally considered support personnel and may not be included.

Do not include the existing employee positions of any business enterprise that is directly or beneficially owned by a corporation, trust, joint venture, proprietorship, or partnership doing business in Oklahoma as of January 1, 2005.

Column 1: Enter the average number of qualified full-time employees, who were employed in the State of Oklahoma during the 4th quarter and during the taxable year received at least $35,000 in wages or salary subject to Oklahoma income tax withholding. The 4th quarter is generally defined as the last quarter of your taxable year.

Column 2: Enter the average number of qualified full-time employees, who were employed in the State of Oklahoma during the 4th quarter and during the base year received at least $35,000 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 eight 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: Enter the lower of the number in Column 3 or the number 50. The credit cannot be based on more than fifty new employees.

Allowable Credit and Carryover

Column 5: The credit is $500 for each new qualified employee, but not to exceed fifty new employees. Multiply the number in Column 4 by $500; this is the amount of the allowable credit.

Column 6: Enter the amount of credit used this tax year. Enter here and on the applicable line of Form 511CR.

Column 7: Enter the amount of credit not used this tax year. Unused credits 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 initial four years in order to each of the following five years.