

AEROSPACE INDUSTRY CREDIT

FORM **581**

TITLE 68 O.S. SECTION 2357.202

Name	Federal Identification Number
Address	North American Industry Classification System (NAICS) Code
City, State and Zip Code	

GENERAL INFORMATION:

For taxable years beginning after December 31, 2005 and ending not later than December 31, 2008, there is allowed a refundable credit equal to 15% of "qualified expenditures", "qualified wages" or "qualified training expenses" incurred by a qualified business enterprise who is engaged in the manufacture of wing components for large commercial aircraft and other aerospace structures and components for commercial and government aerospace products. The total credits claimed during the fiscal year ending June 30, 2007, fiscal year ending June 30, 2008 or fiscal year ending June 30, 2009 cannot exceed \$150,000.00 each year.

Credit Computation

1	Qualified Expenditures	<input type="text"/>
2	Qualified Wages	<input type="text"/>
3	Qualified Training Expenses	<input type="text"/>
4	Total Qualified Expenditures - add lines 1 - 3..... (cannot exceed \$1,000,000.00)	<input type="text"/>
5	Refundable Credit – multiply line 4 by 15%	<input type="text"/>
	(cannot exceed \$150,000.00)	

FILING INSTRUCTIONS AND DUE DATE:

If the Aerospace Industry Credit is being filed with an income tax return, the credit must be claimed as a refundable credit on the tax return. The income tax return claiming such credit must be filed no later than the original due date of the tax return. An extension of time for filing an income tax return does not extend the time period for claiming the credit. The credit should be claimed on the estimated tax line of the income tax return. Enclose Form 581 with the income tax return.

If the Aerospace Industry Credit is not being filed with an income tax return, the Form 581 may be filed as a stand alone form. The claim must be filed no later than the original due date of the income tax return. Claims filed during the fiscal year ending June 30, 2007, shall not be filed earlier than July 1, 2006, and the claims for each subsequent taxable year may be filed no earlier than July 1 of each of the two succeeding years. Mail Form 581 to the following address:

**Oklahoma Tax Commission
Audit Division – Corporate
Post Office Box 53403
Oklahoma City, OK 73152-3403**

Under penalties of perjury, I declare that I have examined this return, including any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. If prepared by person other than the taxpayer, his/her declaration is based on all information of which he/she has any knowledge.

Signature of Officer	Date
Title	
Phone Number	

Signature of Preparer	Date
Preparer's Address	
Phone Number	

**CREDIT FOR MANUFACTURERS OF WING COMPONENTS
FOR LARGE COMMERCIAL AIRCRAFT AND OTHER AEROSPACE STRUCTURES
AND COMPONENTS FOR COMMERCIAL AND GOVERNMENT AEROSPACE PRODUCTS.
TITLE 68 O.S. SECTION 2357.202**

INSTRUCTIONS

Lines 1 - 3

Enter the qualified expenditures upon which the credit will be computed. Expenditures incurred January 1, 2005 through December 31, 2008 may be used for purposes of the credit calculation. Qualified expenses may be added together or considered independently, but the total upon which the credit is based cannot exceed \$1,000,000.00. Qualified expenditures incurred, but not used due to the \$1,000,000.00 limit, may be used on a succeeding year's Form 581.

Line 4

Total qualified expenditures. Add lines 1 - 3; cannot be more than \$1,000,000.00.

Line 5

Multiply line 4 by 15%. The maximum credit allowed during the fiscal year ending June 30, 2007; June 30, 2008 or June 30, 2009 is \$150,000.00. **Note:** If claiming this credit on an income tax return, the credit should be entered on the estimated tax line of such return.

DEFINITIONS

“Qualified business enterprise” means an entity:

- a. organized as a corporation, partnership, limited partnership, limited liability company, business trust or other entity, if such entity is registered to do business within the state, or is otherwise lawfully conducting business within the state,
- b. whose principal business activity in Oklahoma is described by the North American Industry Classification System by Industry No. 336413, as reflected in the 1997 edition of such publication, and is engaged in the manufacture of wing components for large commercial aircraft and other aerospace structures and components for commercial and government aerospace products, and
- c. that makes at least 75% of its sales to out-of-state customers or buyers which shall be determined in the same manner as provided for purposes of determining eligibility for the incentive payment pursuant to the Oklahoma Quality Jobs Program Act.

“Qualified expenditures” means:

- a. costs incurred by the qualified business enterprise during the taxable year for the acquisition of personal property used, or to be used, in business operations within the state, to the extent a depreciation deduction is allowed or allowable for federal income tax purposes with respect to such property pursuant to Section 167, Section 168 or Section 179 of the Internal Revenue Code of 1986, as amended, in the taxable year for which the credit authorized by this section is claimed, and
- b. costs incurred during the taxable year to refurbish, repair or maintain any existing personal property located within the state whether or not such costs are capitalized by the taxpayer.

“Qualified wages” means gross compensation and benefits paid by the taxpayer during the taxable year, including any employer-paid health care benefits, to full-time or part-time employees of the qualified business enterprise, if such employees are full-time residents of this state as of the time the services for which such qualified wages are received are performed.

“Qualified training expenses” means those costs, whether or not deductible as a business expense pursuant to the Internal Revenue Code of 1986, as amended, incurred during the taxable year to locate, interview, hire and train employees and prospective employees of the qualified business enterprise who have not previously been employed as employees by the qualified business enterprise, either full-time or part-time, at any time within the five prior taxable years, and are full-time residents of the state as of the end of the taxable year for which the credit is claimed.