

## Tax Year



A separate Form 304 must be completed for each major business facility or qualified job expansion.

**Fiscal Year Filers:** Begin Date \_\_\_\_\_, and End Date \_\_\_\_\_

Name of Company		FEIN or Social Security Number									
Street Address				City, State and ZIP Code							
Entity Type: (Check One) <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> LLC <input type="checkbox"/> Other _____											
1a. Enter the North American Industry Classification System (NAICS) Code for the Company's Primary Business in Va.: _____											
1b. Enter the Industry Description _____											
2a. <input type="checkbox"/> Check here if two or more affiliated companies have aggregated the number of jobs created for purposes of qualifying for this credit and attach a separate schedule showing the name of the affiliated company, the Virginia Account Number, the Federal Employer Identification Number, the NAICS code, and the voting percentage (as defined in Va. Code § 58.1-439(R)).											
2b. Qualifying Threshold (Check Only One):     Tier 1 <input type="checkbox"/> 100 (50 for expansions beginning on or after 1/1/10) Tier 2 <input type="checkbox"/> 50 (25 for expansions beginning on or after 1/1/10)											
2c. This Major Business Facility is Located in City / County of _____ , Virginia.  Date Facility Expanded or Established _____ <input type="checkbox"/> This is a new facility. <input type="checkbox"/> This is an expanded facility.											
2d. Date Range from which the Credit is Based _____  Expansion Period (12 months) _____      Credit Year _____  Filing Sequence <input type="checkbox"/> 1st Year <input type="checkbox"/> 2nd Year <input type="checkbox"/> 3rd Year <input type="checkbox"/> 4th Year <input type="checkbox"/> 5th Year <input type="checkbox"/> 6th Year											
2e. Have you ever had an expansion before? <input type="checkbox"/> Yes or <input type="checkbox"/> No. If yes, what year _____ and number of qualified employees _____ ?											
3. Number of Qualifying Employees (See instructions.):  If completing this form for the credit year, (the first taxable year following the taxable year in which the major business facility was established or expanded), complete Schedules A and B, then enter the total on Line 3a.  For each of the five taxable years after the credit year, enter on Line 3a the average number of qualifying employees for the credit year and enter on Line 3b the average number of qualifying employees, based on your quarterly filings with the Virginia Employment Commission for the current year. See the instructions for guidance on computing the amount on Line 3b. (If the number of qualifying employees in any of these five years is less than in the initial credit year, a credit recapture may be required on Line 12. See the instructions for Line 12 for additional information.)											
3a.    Number of Qualifying Employees in the Credit Year							3a.			:	
3b.    Number of Qualifying Employees in the Current Year							3b.			:	
4. Threshold Amount - Enter amount from 2b.							4.			:	
5. Number of Credit Year Qualifying Employees - Subtract Line 4 from Line 3a.							5.			:	
6. Total Credit Allowed Over Three Taxable Years for This Major Business Facility or Expansion - Multiply Line 5 by \$1,000							6.			:	
7. Current Year Credit - Multiply Line 6 by <input type="checkbox"/> 1/2 if your credit year's taxable year begins on or after January 1, 2009 but before January 1, 2013 or <input type="checkbox"/> 1/3 for all others.							7.			:	
8. Credit to Be Recaptured This Year, If Applicable (Attach schedule showing computation.)							8.			:	
9. Adjusted Credit - Subtract Line 8 from Line 7.							9.			:	

## Declaration

I, the undersigned officer or other person authorized to act on behalf of the business entity, have read and understand the limitations and restrictions set forth for this application and the associated tax credit.

Authorized Signature	Title	Date
Printed Contact Name	Phone Number	

## Schedule A (Form 304)

## List of Qualifying Full-time Employees

- Attach a list of all full-time and full-time equivalent employees used to qualify for this credit.
- List must be in the format shown in the sample below.
- No more than two part-time employees can be used as the equivalent of one full-time employee.

Two or more affiliated companies may elect to aggregate the number of jobs created for qualified full-time employees as the result of the establishment or expansion by the individual companies to qualify for this credit. "Affiliated companies" means two or more companies related to each other such that one company owns at least 80% of the voting power of the other (or others) or at least 80% of the voting power of two or more companies is owned by the same interests. For each month, enter the total number of qualifying full-time or equivalent full-time employees on Schedule B.

Each qualifying full-time position must:

- (a) be of indefinite duration, created by the taxpayer as a result of the establishment or expansion of a major business facility in Virginia; and
- (b) require a minimum of 35 hours per week for the entire year (minimum of 48 weeks); **or**
- (c) require a minimum of 35 hours a week for the portion of the taxable year in which the employee was initially hired for, or transferred to, the facility in Virginia.

Note that the hours of two qualifying part-time employees may be combined to qualify as one "equivalent" full-time employee. Seasonal or temporary positions and jobs created when a job function is shifted from an existing location in Virginia to the new major business facility and positions in building and grounds maintenance, security and other such positions which are ancillary to the principal activities performed by the employees at a major business facility do not qualify.

"Qualified full-time employees" may include the employees of a contractor or a subcontractor if permanently assigned to the taxpayer's major business facility. The taxpayer must be able to provide evidence to the Virginia Department of Taxation of a contractual agreement with the contractor or subcontractor prohibiting the contractor or subcontractor from also claiming these employees in order to receive a credit under this section.

In addition to including your name as it appears on the Form 304, your FEIN or Social Security Number, and the location of your major business facility or date of expansion, your list must include the following columns:

Columns A and B: Enter the name and Social Security Number of each qualifying employee. If claiming a qualifying employee of a contractor or affiliated company (see paragraph above), make a notation beside each such employee in Column A and attach a separate schedule showing the corresponding affiliated company or contractor.

Column C: Enter the number of **full months** that the employee was employed in a qualifying position during the credit year.

Column D: Enter a brief position description for the qualifying employee.

Column E: *Part-time employee hours per week.* \* **Enter the number of hours worked per week by the qualifying part-time employee. No more than two qualifying part-time employees may be combined to qualify as an "equivalent" full-time employee.**

	Column A Employee Name (Use Additional Schedules As Necessary)	Column B Social Security Number	Column C Number of Full Months Employed During the Credit Year	Column D Brief Position Description	Column E Part-time Employee* (Number of Hours Per Week)
1					
2					
3					
4					
5					
6					
7					

# SCHEDULE B      Qualified Employees Schedule (Form 304)



Name as it Appears on Form 304	FEIN or Social Security Number
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Starting with the first month of the taxable period for this return, enter the total number of qualifying full-time or equivalent full-time employees from Schedule A for each month. The instructions on Schedule A define qualifying full-time and equivalent full-time employees. The total number of qualifying employees for the taxable year will be computed on Line N below and transferred to Form 304, Line 3a. For additional information, see the instructions for Line 3.

	Column A Number of Qualified or Equivalent Full-Time Employees	Column B Number of Full Months Employed During The Credit Year	Column C Multiply Column A by Column B
A		12 months	
B		11 months	
C		10 months	
D		9 months	
E		8 months	
F		7 months	
G		6 months	
H		5 months	
I		4 months	
J		3 months	
K		2 months	
L		1 month	
M	Add Amounts in Column C, Lines A Through L		
N	Divide Line M Above by 12. Enter here and on Form 304, Line 3a.		

# SCHEDULE C Pass-Through Entity Identification (Form 304)



Name as it Appears on Form 304	FEIN or Social Security Number
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- **Tier 1 and Tier 2 pass-through entities must complete this form.**
- Complete this section to identify each taxpayer (individual or business) to which a portion of this credit is distributed. Enter in Columns D and E the percentage and amount of the current year credit from Form 304, Line 7 that is distributed to each partner, shareholder, or other pass-through entity. Attach a separate schedule if additional space is needed. Indicate below the type of pass-through entity which earned this credit:  
☐ Limited Liability Company    ☐ Partnership    ☐ S Corporation    ☐ Other (specify) \_\_\_\_\_

	Column A Name	Column B FEIN or SSN	Column C Address	Column D Percentage	Column E Credit
1				%	
2				%	
3				%	
4				%	
5				%	
6				%	
7				%	
8				%	
9				%	
10				%	

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## Instructions for Completing Form 304, Major Business Facility Job Tax Credit

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### Qualifying for the Credit

Individuals, estates, trusts, corporations, banks, insurance companies and telecommunications companies may claim a Virginia Jobs Tax Credit if the taxpayer creates new full-time jobs in excess of the threshold amounts established for one of the two credit tiers. This credit is not available to retail businesses if retail trade is the principal activity of the facility. The taxpayer cannot claim both the Major Business Facility Job Tax Credit and the Coalfield Employment Enhancement Tax Credit, the Clean Fuel Vehicle and Advanced Cellulosic Biofuels Job Credit or the Green Job Creation Tax Credit.

The thresholds for the two credit tiers are as follows:

**Tier 1:** The qualifying threshold amount for Tier 1 is 100 new jobs for the establishment or expansion of a major business facility in Virginia. Please note that for taxpayers whose expansion year begins on or after January 1, 2010 the threshold has been reduced to 50 new jobs.

**Tier 2:** The qualifying threshold amount for Tier 2 is 50 new jobs for the establishment or expansion of a major business facility in a locality identified by the Virginia Economic Development Partnership as an economically distressed area or has been designated as an Enterprise Zone. Please note that for taxpayers whose expansion year begins on or after January 1, 2010 the threshold has been reduced to 25 new jobs.

Taxpayers can qualify for and claim a credit for only one tier per facility. Credits are subject to recapture if employment decreases during the five years following the credit year.

### Computing and Claiming the Credit; Due Date for Form 304

- A company cannot file Form 304 and claim this credit until the first taxable year following the taxable year in which the company becomes eligible for the credit by establishing or expanding a Major Business Facility in Virginia.
- Complete Form 304 to compute your credit and forward it to the Tax Credit Unit at the address below at least 90 days prior to the due date of your tax return. You will receive a certification letter confirming your credit amount.

### Where to File Form 304

Send your completed Form 304 to: **Tax Credit Unit; Virginia Department of Taxation; P.O. Box 715; Richmond, Virginia 23219.**

Please Note: Form 304 must be filed for a total of six taxable years following each expansion.

Do **NOT** attach Form 304 to your tax return.

### Where To Get Help

**Write to the Virginia Department of Taxation, P. O. Box 715, Richmond, VA 23218-0715 or call (804) 786-2992.**

Forms and instructions are available for download from our website **[www.tax.virginia.gov](http://www.tax.virginia.gov)** or by calling **(804) 440-2541**.

Forms are also available from the office of your local Commissioner of the Revenue, Director of Finance or Director of Tax Administration.

### Form Instructions

- Lines not specifically mentioned below are self-explanatory.
- Fiscal year filers: Using your Federal tax period, complete the line at the top of the form.
- Name, Account Number and Federal Employer Identification Number or Social Security Number: Enter the information requested.

**Lines 1 through 2d:** Provide information for the credit year.

**Line 3:** Number of qualifying employees: Complete Line 3a and/or 3b as explained on the form. You may use substitute Schedules A and B if they contain the same data.

**Line 3a:** If this is the credit year (the first taxable year following the taxable year in which the major business facility was established or expanded), complete Schedules A and B, and enter the amount from Schedule B, Line N.

**Line 3b:** Enter the average number of qualified full-time employees reported on the quarterly employment tax reports made to the Virginia Employment Commission for the current year. The average number of qualified employees must be calculated to two decimal places.

**Line 6:** Multiply amount on Line 5 by \$1,000.

**Line 7:** For the credit year and the subsequent taxable year, enter  $\frac{1}{3}$  of the amount on Line 6. However, you may enter  $\frac{1}{2}$  of the credit amount on Line 6 if your credit year's taxable year begins on or after January 1, 2009 but before January 1, 2013.

**Exception:** Affiliated companies that aggregated jobs to qualify for this credit and file separate Virginia returns must enter the prorated current year credit amount here and attach a statement reflecting the prorated amount for each affiliated company. In all cases, for the third through tenth years subsequent to the credit year, enter zero on this line.

**Line 8:** Credit to be recaptured this year: If the average number of qualifying employees, as determined by your current year quarterly filings with the Virginia Employment Commission (Line 3b) is less than the average number of qualifying employees for your credit year (Line 3a), you may be required to recapture all or a portion of the major business facility job tax credit.

Recapture is based on qualified full-time employees, but is not contingent upon specific employees. Consequently, recapture will not occur as a result of employee turnover if average employment does not decrease.

### **General Carryover Credit Information Based on Form 304**

The Major Business Facility Job Tax Credit is computed in the credit year and allowed over a two or three year period. This is a nonrefundable credit. Any amount unused may be carried forward for the next ten taxable years.

#### **Schedule A**

Complete Schedule A to identify each qualifying employee according to the instructions provided. Please complete this section for each year (1 - 6) that Form 304 is filed.

#### **Schedule B**

Complete Schedule B to compute the average number of qualifying employees on a monthly basis.

#### **Lines A through L:**

- Column A** On each line, enter the number of qualified full-time or equivalent full-time employees who filled new permanent (indefinite duration) full-time positions in Virginia and were employed for the same number of months during the credit year.
- Column B** The number of months preprinted in Column B should be the number of months that the qualifying employees in Column A on the same line worked during the credit year.
- Column C** For each line, multiply the amount in Column A by the amount in column B.

#### **Lines M and N:**

- Line M** Add the amounts in Column C, Lines A through L.
- Line N** Divide Line M by 12. Enter here and on Form 304, Line 3a.

#### **Schedule C**

Tier 1 and Tier 2 pass-through entities must complete Schedule C for each year that a credit is earned (generally years 1 - 3).

In addition, a pass-through entity is also required to complete a Form 502 and send each participant a copy of the pass-through entity's certification letter to attach to their income tax return and a Schedule VK-1.