



Carryover to Future Years

16 Maximum amount of credits for conversion to ten-year carryover status:

Year	a. Unused credits from prior years and current year credit	b. Portion used this year	c. Unused credit available Subtract col. b from col. a	
			Amount	For
2004	(2012 Sch. EOAC, line 17, col. c) _____	_____	_____	2014
2005	(2012 Sch. EOAC, line 17, col. c) _____	_____	_____	2014–2015
2006	(2012 Sch. EOAC, line 17, col. c) _____	_____	_____	2014–2016
2007	(2012 Sch. EOAC, line 17, col. c) _____	_____	_____	2014–2017
2008	(2012 Sch. EOAC, line 17, col. c) _____	_____	_____	2014–2018
2009	(2012 Sch. EOAC, line 17, col. c) _____	_____	_____	2014–2019
2010	(2012 Sch. EOAC, line 17, col. c) _____	_____	_____	2014–2020
2011	(2012 Sch. EOAC, line 17, col. c) _____	_____	_____	2014–2021
2012	(2012 Sch. EOAC, line 17, col. c) _____	_____	_____	2014–2022
2013	(2013 Sch. EOAC, line 9) _____	_____	_____	2014–2023
17 Totals	_____	_____	_____	

Schedule EOAC Instructions

General Information

What Is the Economic Opportunity Area Credit?

The Economic Opportunity Area Credit (EOAC) is a tax credit equal to 5% of the cost of property purchased for business use within a Certified Project in an EOA. The credit covers all property that is 1) eligible for the current 3% Investment Tax Credit (ITC) and 2) used exclusively in a certified project in an EOA. The 5% EOAC and the 3% ITC **cannot** be taken for the same property. In the case of a taxpayer having property which meets the criteria for both credits, the taxpayer may choose either of the credits, but may not take both credits for the same property.

What Is an EOA?

An economic opportunity area is an area that has been designated by the Economic Assistance Coordinating Council (EACC) to be a "decadent area" or a "blighted open area" which is detrimental to the sound growth of a community and unlikely to be developed by the ordinary operation of private enterprise.

Who Is Eligible to Take the EOA Credit?

The credit is available to all businesses regardless of whether the business is a sole proprietorship, partnership, corporate trust or corporation. It is also available to financial institutions, insurance companies and public service corporations.

What If My Economic Opportunity Area Credit Originated from a Pass-Through Entity?

If this credit originated from a pass-through entity, for example, a partnership, you must enter the name and identification number of that pass-through entity and begin completing this schedule at line 10.

What Is a Certified Project?

A Certified Project is a business proposal that has been approved by the EACC. To qualify as a valid business proposal, the proposal must include a workable plan to increase employment in the EOA and must be approved by the municipality located in the EOA.

What Type of Property Is Eligible for the Credit?

Property purchased for business use in a certified project may be used in the calculation of the credit. This property must qualify for the credit allowed under Massachusetts General Laws (MGL) Ch. 63, sec. 31A.

Are There Limitations to the Credit?

Yes. Taxpayers subject to tax under MGL Ch. 62 (sole proprietorships, trusts and partnerships) are allowed to use the EOAC to offset up to 50% of their tax due. Corporations may offset up to 50% of the excise due with the EOAC. Corporations cannot use the credit to lower their excise below the minimum. The 50% limitation does apply to financial institutions, insurance companies and public service corporations.

May Excess Credits Be Carried Over from Year to Year?

Yes. Taxpayers subject to tax under MGL Ch. 62 may carryover unused credits for ten years. Taxpayers subject to tax under MGL Ch. 63 may carry over for ten years any credits not used due to the minimum excise limitation. However, any credits not used due to the 50% limitation can be carried over for an unlimited period of time.

Line Instructions

Line 1. Check the type of business for which the property is being used.

Line 2. Enter the type of return that you file. Enclose a copy of this schedule with your return.

Line 3. The location of the certified project should be entered here.

Line 4. Enter the date the project was certified by the EACC.

If you are an S corporation shareholder, you will be notified by the S corporation of the amount to enter in line 9. If you are a general or limited partner you will be notified by the partnership of the amount to enter in line 9.

Line 5. Enter here an accurate description of the qualifying property for the 5% EOAC. The credit is limited to property purchased for business use within the EOA.

Line 6. Enter the total cost of the property purchased for business use in the certified project as approved by the EACC.

Line 7. Enter the amount taken for any U.S. basis reduction.

Line 8. Subtract line 7 from line 6. This is the total cost of the property after deducting any U.S. basis reduction.

Line 9. Multiply line 8 by 5% (.05). This equals the available current year EOAC.

Credit allowable in the current year. Most taxpayers can offset up to 50% of their tax due with the EOAC.

Line 10. Enter in line 10 your total tax from Form 1, line 28; Form 1-NR/PY, line 32; or Form 2, line 41; Form 355, line 6; Form 355S, line 9; Form 355U, Schedule U-ST, line 37. All other taxpayers subject to MGL Ch. 63 must enter the amount from the appropriate line on their return.

Line 11. Taxpayers filing Form 1, Form 1-NR/PY or Form 2, add the Limited Income Credit, Credit for Income Taxes Paid to Other Jurisdictions, Lead Paint Credit, Economic Development Incentive Program Credit, Septic Credit, Low-Income Housing Credit, Historic Rehabilitation Credit, Film Incentive Credit, Medical Device Credit, Brownfields Credit and Employer Wellness Program Credit, if any. Enter the result in line 11. All other taxpayers enter "0."

Line 12. Subtract line 11 from line 10 and enter the result here. Do not enter less than "0."

Line 13. Enter 50% of line 12 in line 13.

Line 14. Add line 9 and any prior years unused EOAC from 2012, Schedule EOAC, line 17, column c. Enter the result in line 14.

Line 15. For taxpayers filing Form 1, Form 1-NR/PY or Form 2, if line 13 is greater than or equal to line 14, enter line 14 here. If line 13 is less than line 14, enter line 13 here. Corporations filing Form 355U and eligible to share the credit with other members of the combined group may exceed the amount on line 13 if the additional credits will be shared. See Form 355U instructions.

Enter the amount from line 15 on Form 1, Schedule Z; Form 1-NR/PY, Schedule Z; Form 2, line 44. Taxpayers filing Form 355U, enter the amount from line 15 on Schedule U-IC, line 4. All other taxpayers subject to MGL Ch. 63 enter the amount from line 15 on the appropriate schedule or line item of their return.

Line 16. Taxpayers with more credits available (line 14) than credits used (line 15) may be eligible to carry over the unused credits for up to 10 years. Corporations unable to use credits because of the 50% limitation may carry such credits over for an unlimited number of years. Taxpayers with credits eligible for carryover to 2014 complete lines 16 and 17.

Any credits not used in the current year due to the 50% limitation may be carried over for an unlimited number of years.