

For the calendar year 2010 or  
fiscal year beginning                          and ending                         .

**Attach to your return.**

|  |   |
|--|---|
| Name(s) as shown on Form 140, 140PY, 140NR, 140X, 120, 120A, 120S, 120X or 165 | Your Social Security Number or Employer Identification Number |
|--|---|

**Part I Business Information**

- 1 Business name: \_\_\_\_\_
- 2 Business location: \_\_\_\_\_
- 3 Employer Identification Number: \_\_\_\_\_

**Part II Net Increase in Qualified Employment Positions**

|   |          |  |
|---|----------|--|
| 4 Average number of qualified employment positions during the current taxable year .....                | <b>4</b> |  |
| 5 Average number of qualified employment positions during the immediately preceding taxable year .....  | <b>5</b> |  |
| 6 Net increase in the number of qualified employment positions: <i>Subtract</i> line 5 from line 4..... | <b>6</b> |  |
| 7 Number of positions on line 6 that are eligible for any other income tax credit under Arizona law.... | <b>7</b> |  |
| 8 Maximum number of positions eligible for the credit: <i>Subtract</i> line 7 from line 6.....          | <b>8</b> |  |

**Part III Qualifying New Employees**

|  |           |  |
|--|-----------|--|
| 9 New employees hired during the year .....  | <b>9</b>  |  |
| 10 Qualified new employees.....  | <b>10</b> |  |
| 11 Maximum number of qualifying net new employees: <i>Enter the smaller of line 8 or line 10</i> ..... | <b>11</b> |  |

**Part IV Credit Calculation for Qualified Employees**

|  | (a)<br>No. of Qualifying<br>Employees | (b)<br>Qualifying Wages | (c)<br>Percentage | (d)<br>Allowable Credit |
|--|---------------------------------------|-------------------------|-------------------|-------------------------|
| 12 Qualifying Net New Employees..... <b>12</b>   |                                       |                         | <b>25%</b>        |                         |
| 13 Previously Qualified Employees in the Second Year of Continuous Employment..... <b>13</b> |                                       |                         | <b>33 1/3%</b>    |                         |
| 14 Previously Qualified Employees in the Third Year of Continuous Employment..... <b>14</b>  |                                       |                         | <b>50%</b>        |                         |
| 15 TOTALS..... <b>15</b>   |                                       |                         |                   |                         |

**Part V S Corporation Credit Election and Shareholder's Share of Credit**

16 The S corporation has made an irrevocable election for the taxable year ending:                          to **(check only one box)**:

- Claim the credit for employment of TANF recipients, as shown on Part IV, line 15, column (d) for the taxable year mentioned above;
- OR
- Pass the credit for employment of TANF recipients, as shown on Part IV, line 15, column (d) for the taxable year mentioned above, through to its shareholders.

\_\_\_\_\_  
Signature Title Date

*If passing the credit through to the shareholders, complete lines 17 through 19 separately for each shareholder. Furnish each shareholder with a copy of the completed Form 320.*

- 17 Name of shareholder: \_\_\_\_\_
- 18 Shareholder's TIN: \_\_\_\_\_
- 19 Shareholder's share of the amount on Part IV, line 15, column (d) ..... **19**

|                            |  |
|----------------------------|--|
| Name(s) as shown on page 1 | Social Security or Employer Identification No. |
|----------------------------|--|

**Part VI Partner's Share of Credit**

Complete lines 20 through 22 separately for each partner. Furnish each partner with a copy of the completed Form 320.

20 Name of partner: \_\_\_\_\_

21 Partner's TIN: \_\_\_\_\_

22 Partner's share of the amount on Part IV, line 15, column (d) ..... **22**

|  |  |
|--|--|
|  |  |
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**Part VII Available Credit Carryover**

|    | (a)<br>Carryover From<br>Taxable Year Ending | (b)<br>Original<br>Credit Amount | (c)<br>Amount<br>Previously Used | (d)<br>Available Carryover:<br><i>Subtract column (c) from column (b).</i> |
|----|--|----------------------------------|----------------------------------|--|
| 23 | <b>2005</b>                                  |                                  |                                  |  |
| 24 | <b>2006</b>                                  |                                  |                                  |  |
| 25 | <b>2007</b>                                  |                                  |                                  |  |
| 26 | <b>2008</b>                                  |                                  |                                  |  |
| 27 | <b>2009</b>                                  |                                  |                                  |  |
| 28 | TOTAL AVAILABLE CARRYOVER .....              |                                  |                                  |  |

**Part VIII Total Available Credit**

29 Current year's credit: Individuals, corporations, or S corporations that are claiming the credit, enter the amount from Part IV, line 15, column (d) ..... **29**

|  |  |
|--|--|
|  |  |
|--|--|

- S corporation shareholders: Enter the amount from Part V, line 19.
- Partners of a partnership: Enter the amount from Part VI, line 22.

30 Available carryover from Part VII, line 28, column (d)..... **30**

|  |  |
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|  |  |
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31 Total available credit. Add lines 29 and 30..... **31**

|  |  |
|--|--|
|  |  |
|--|--|

• Enter the total here and on Form 300, Part I, line 9, or Form 301, Part I, line 12.

**Form 320-1 (2010)****Qualifying Employees**

|    | (a)<br>Employee's Name | (b)<br>Social Security Number | (c)<br>Date of Hire | (d)<br>Was this employee an Arizona resident on date of hire? | (e)<br>Was this employee receiving TANF benefits on date of hire? |
|----|------------------------|-------------------------------|---------------------|---|---|
| 1  |                        |                               |                     |   |   |
| 2  |                        |                               |                     |   |   |
| 3  |                        |                               |                     |   |   |
| 4  |                        |                               |                     |   |   |
| 5  |                        |                               |                     |   |   |
| 6  |                        |                               |                     |   |   |
| 7  |                        |                               |                     |   |   |
| 8  |                        |                               |                     |   |   |
| 9  |                        |                               |                     |   |   |
| 10 |                        |                               |                     |   |   |
| 11 |                        |                               |                     |   |   |
| 12 |                        |                               |                     |   |   |
| 13 |                        |                               |                     |   |   |
| 14 |                        |                               |                     |   |   |
| 15 |                        |                               |                     |   |   |
| 16 |                        |                               |                     |   |   |
| 17 |                        |                               |                     |   |   |
| 18 |                        |                               |                     |   |   |
| 19 |                        |                               |                     |   |   |
| 20 |                        |                               |                     |   |   |
| 21 |                        |                               |                     |   |   |
| 22 |                        |                               |                     |   |   |
| 23 |                        |                               |                     |   |   |
| 24 |                        |                               |                     |   |   |
| 25 |                        |                               |                     |   |   |

*If you have more than 25 qualifying employees, complete additional schedules.*

Name(s) as shown on Form 320, page 1

Social Security or Employer Identification Number

**Form 320-2 (2010)**

**Qualifying Employees for Which You are Taking a Credit**

|                  | (a)<br>Employee's Name  | (b)<br>Social Security Number | (c)<br>Type of Employee<br><i>Check the appropriate box. This employee is a:</i> |  |  | (d)<br>Total Wages Less Wages<br>Subsidized as Provided by<br>ARS §46-299 Paid to the<br>Employee During the<br>Current Taxable Year | (e)<br>Maximum Allowable Wages<br><i>Enter the lesser of column (d) or the maximum<br/>allowed below.</i> |                        |                        |
|------------------|---|-------------------------------|--|--|--|--|---|------------------------|------------------------|
|                  |   |                               | 1 <sup>st</sup> Year<br>Employee<br>c1   | 2 <sup>nd</sup> Year<br>Employee<br>c2 | 3 <sup>rd</sup> Year<br>Employee<br>c3 |  | Year 1<br>\$2000<br>e1  | Year 2<br>\$3000<br>e2 | Year 3<br>\$3000<br>e3 |
| 1                |   |                               | <input type="checkbox"/>   | <input type="checkbox"/>               | <input type="checkbox"/>               |  |   |                        |                        |
| 2                |   |                               | <input type="checkbox"/>   | <input type="checkbox"/>               | <input type="checkbox"/>               |  |   |                        |                        |
| 3                |   |                               | <input type="checkbox"/>   | <input type="checkbox"/>               | <input type="checkbox"/>               |  |   |                        |                        |
| 4                |   |                               | <input type="checkbox"/>   | <input type="checkbox"/>               | <input type="checkbox"/>               |  |   |                        |                        |
| 5                |   |                               | <input type="checkbox"/>   | <input type="checkbox"/>               | <input type="checkbox"/>               |  |   |                        |                        |
| 6                |   |                               | <input type="checkbox"/>   | <input type="checkbox"/>               | <input type="checkbox"/>               |  |   |                        |                        |
| 7                |   |                               | <input type="checkbox"/>   | <input type="checkbox"/>               | <input type="checkbox"/>               |  |   |                        |                        |
| 8                |   |                               | <input type="checkbox"/>   | <input type="checkbox"/>               | <input type="checkbox"/>               |  |   |                        |                        |
| 9                |   |                               | <input type="checkbox"/>   | <input type="checkbox"/>               | <input type="checkbox"/>               |  |   |                        |                        |
| 10               |   |                               | <input type="checkbox"/>   | <input type="checkbox"/>               | <input type="checkbox"/>               |  |   |                        |                        |
| 11               |   |                               | <input type="checkbox"/>   | <input type="checkbox"/>               | <input type="checkbox"/>               |  |   |                        |                        |
| <b>12 TOTAL:</b> | <ul style="list-style-type: none"> <li>• For column (c), <i>add the number of employees</i> in each column c1, c2 and c3 and <i>enter the total for each column</i> on line 12.</li> <li>• For columns (d) and (e), <i>add the amounts in each column</i> and <i>enter the total for each column</i> on line 12.....</li> </ul> |                               |  |  |  |  |   |                        |                        |

*If you have more than 11 qualifying employees, complete additional schedules.*