

For the calendar year 2011 or
fiscal year beginning MM,DD,YYYY and ending MM,DD,YYYY.

All healthy forest credit forms must be attached to your return.

ALL BUSINESSES MUST BE CERTIFIED BY THE ARIZONA COMMERCE AUTHORITY AND SUBMIT A COPY OF THE CERTIFICATION TO THE DEPARTMENT OF REVENUE FOR APPROVAL BEFORE USING THE CERTIFICATION FOR THE PURPOSE OF ANY TAX INCENTIVE.

| | |
|--|--|
| Name(s) as shown on Form 140, 140PY, 140NR, 140X, 120, 120A, 120S, 120X or 165 | Social security number or employer identification number |
|--|--|

Check one box to indicate the year this form represents for claiming the credit:

- First Year
 Second Year
 Third Year
 Fourth Year
 Fifth Year
 Sixth Year or more

Part I Business Information

- 1 Name of Healthy Forest Enterprise 1. _____
- 2 Employer identification number 2. _____

Part II Average Number of Full-Time Employees

| | | |
|---|----------|--|
| 3 Average number of full-time employees in the Healthy Forest Enterprise during the current taxable year | 3 | |
| 4 Average number of full-time employees in the Healthy Forest Enterprise during the immediately preceding taxable year | 4 | |
| 5 Net increase in average number of full-time employees - <i>subtract line 4 from line 3</i> | 5 | |

Part III Net Increase in Qualified Employment Positions

| | | |
|--|----------|--|
| 6 Total number of filled, qualified employment positions created in the current year..... <i>The business must create at least three new qualified employment positions in the first taxable year in which the credit is claimed.</i> | 6 | |
| 7 Net increase in average number of full-time employees - <i>enter the number from Part II, line 5</i> | 7 | |
| 8 Net increase in qualified employment positions for this Healthy Forest Enterprise - <i>enter the lesser of line 6 or line 7</i> | 8 | |

Part IV Limitation on Number of Qualified Employment Positions

| | | |
|--|-----------|------------|
| 9 Maximum number of filled, qualified employment positions on which a credit may be calculated..... | 9 | 200 |
| 10 Maximum number of new qualified employment positions on which you may claim the credit - <i>enter the lesser of line 8 or line 9</i> | 10 | |

Part V Credit Calculation for Qualified Employment Positions

| | | (a) Number of qualifying employees | (b) Qualifying wages | (c) Percentage | (d) Allowable credit |
|----|--|---------------------------------------|-------------------------|-------------------|-------------------------|
| 11 | Qualified new employees | | | 25% | |
| 12 | Previously qualified employees in the second year of continuous employment | | | 33 1/3% | |
| 13 | Previously qualified employees in the third year of continuous employment | | | 50% | |
| 14 | Totals | | | | |

Part VI Credit Recapture

| | | |
|--|----|----|
| 15 Taxable year in which the certification of the business as a Healthy Forest Enterprise was revoked or terminated.. | 15 | |
| 16 First taxable year in which the Credit for Healthy Forest Enterprises was allowed | 16 | |
| 17 Number of years between when the credit was first allowed and when the certification was revoked or terminated | 17 | |
| 18 Enter percent based on the number of years entered on line 17 - see instructions | 18 | % |
| 19 Full amount of all credits previously allowed | 19 | 00 |
| 20 Total recapture of Credit for Healthy Forest Enterprises. Multiply line 19 by the percentage on line 18 | 20 | 00 |

Part VII S Corporation Credit Election and Shareholder's Share of Credit and Credit Recapture

21 The S Corporation has made an irrevocable election for the taxable year ending _____ to:

(CHECK ONLY ONE BOX)

Claim the credit for healthy forest enterprises, as shown on Part V, line 14, column (d) (for the taxable year mentioned above);

OR

Pass the credit for healthy forest enterprises, as shown on Part V, line 14, 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 22 through 24 separately for each shareholder.
If passing credit recapture through to the shareholders, also complete line 25 separately for each shareholder.
Furnish each shareholder with a copy of the completed Form 332.

22 Name of shareholder _____

23 Shareholder's TIN _____

24 Shareholder's share of amount on Part V, line 14, column (d) 24 00

25 Shareholder's share of the credit recapture from Part VI, line 20..... 25 00

Part VIII Partner's Share of Credit and Credit Recapture

Complete lines 26 through 28 separately for each partner.
If passing credit recapture through to the partners, also complete line 29 separately for each partner.
Furnish each partner with a copy of the completed Form 332.

26 Name of partner _____

27 Partner's TIN _____

28 Partner's share of amount on Part V, line 14, column (d) 28 00

29 Partner's share of the credit recapture from Part VI, line 20 29 00

Part IX Credit Recapture Summary

30 Enter the taxable year(s) in which you took a credit or credit carryover for the disqualified Healthy Forest Enterprise _____

| | | | | |
|----|---|----|--|----|
| 31 | Enter the total amount of credit originally allowable for the disqualified Healthy Forest Enterprise | 31 | | 00 |
| 32 | Enter the total amount of the credit to be recaptured | | | |
| | <ul style="list-style-type: none"> Individuals, corporations, and S corporations - enter the amount from Part VI, line 20. S corporation shareholders - enter the amount from Part VII, line 25. Partners of a partnership - enter the amount from Part VIII, line 29..... | 32 | | 00 |
| 33 | Subtract line 32 from line 31 and enter the result. This is the amount of credit allowable for the disqualified Healthy Forest Enterprise | 33 | | 00 |
| 34 | Amount of credit on line 31 that you have claimed on prior years' returns | 34 | | 00 |
| 35 | Subtract line 34 from line 33 and enter the result..... | 35 | | 00 |

If the result is a *positive* number, that is the amount of credit carryover remaining that you may use in future taxable years. Enter this positive number in Part X, column (d), on the line for the year in which the disqualified credit arose.

If the result is a *negative* number, that is the amount of credit you must recapture. If a negative number, enter "zero" in Part X, column (d), on the line for the year in which the disqualified credit arose.

- Corporations, also enter this amount as a *positive* number on Form 300, Part II, line 25.
- Individuals, also enter this amount as a *positive* number on Form 301, Part II, line 33.

Part X Available Credit Carryover

| | (a) Taxable year | (b) Original credit amount | (c) Amount previously used | (d) Available credit carryover - subtract column (c) from column (b) |
|----|---------------------------|-------------------------------|-------------------------------|---|
| 36 | | | | |
| 37 | | | | |
| 38 | | | | |
| 39 | | | | |
| 40 | | | | |
| 41 | Total available carryover | | | |

Part XI Total Available Credit

42 Current year's credit. Individuals, corporations, or S corporations - enter the amount from Part V, line 14, column (d).
 S corporation shareholders - enter the amount from Part VII, line 24.
 Partners of a partnership - enter the amount from Part VIII, line 28.....

| | | |
|----|---|----|
| 42 | | 00 |
| 43 | Available credit carryover from Part X, line 41, column (d)..... | 00 |
| 44 | Total available credit. Add line 42 and line 43. Corporations and S corporations - enter total here and on Form 300, Part I, line 12. Individuals - enter total here and on Form 301, Part I, line 18..... | 00 |

Form 332-1 (2011) Qualified Employees of Healthy Forest Enterprise

Complete a Form 332-1 for each qualified employee of the Healthy Forest Enterprise. See instructions for Form 332-1 (included with Instructions for Form 332, page 3) about providing the requested information in an alternative format.

1 Employee name _____

2 Employee's taxpayer identification number (TIN) _____

3 Did employee reside in Arizona on date of hire? Yes No

4 Brief description of employee's job duties:

5 Current date of employment _____

6 If employee was previously employed by the business, list the previous date of employment. (See instructions.)

7a Is the employee in a permanent full time position? Yes No

7b If the answer to line 7a is yes, list the number of hours the employee worked during the taxable year _____

7c If the answer to line 7b is less than 1550 hours annually, explain:

8 Employee's annual compensation for the taxable year \$ _____

9a Total cost of health insurance provided by employer for employee. (See instructions.) \$ _____

9b Total cost of health insurance for employee paid by employer. (See instructions.) \$ _____

10 Is this employee in a new qualified employment position? Yes No

11 **Check only one box.** first year employee second year employee third year employee

Qualified Employees for Which You are Taking a Credit

If you have more than 10 qualified employees, complete additional schedules.

| (a) Employee name | (b) Social Security Number | (c) Year of Employee | | | (d) Total Wages Paid to the Employee during the Current Tax Year | (e) Maximum Allowable Wages | | |
|--|-----------------------------------|---|------------------------------|------------------------------|---|--|---------------------------|---------------------------|
| | | <i>Check the appropriate box. This employee is:</i> | | | | <i>Enter the lesser of column (d) or the maximum allowed below</i> | | |
| | | 1st year employee (c)1 | 2nd year employee (c)2 | 3rd year employee (c)3 | | year 1 \$2,000 (e)1 | year 2 \$3,000 (e)2 | year 3 \$3,000 (e)3 |
| 1 | | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |
| 4 | | | | | | | | |
| 5 | | | | | | | | |
| 6 | | | | | | | | |
| 7 | | | | | | | | |
| 8 | | | | | | | | |
| 9 | | | | | | | | |
| 10 | | | | | | | | |
| 11 Total - Add lines 1 through 10. Enter the total here..... | | | | | | | | |

Name: _____
TIN: _____