

**NEW JERSEY CORPORATION BUSINESS TAX
ECONOMIC RECOVERY TAX CREDIT
FOR TAXABLE PERIODS ENDING ON AND AFTER JULY 31, 2008**

Name as Shown on Return	Federal ID Number	NJ Corporation Number
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READ THE INSTRUCTIONS BEFORE COMPLETING THIS FORM

PART I TAXPAYER AND EMPLOYEE PRELIMINARY QUALIFICATIONS

1. Is the taxpayer receiving a benefit under the New Jersey Urban Enterprise Zones Act? YES NO
2. Did the new full-time position at the qualifying location exist prior to credit year one? YES NO
3. Is the full-time position filled by an employee of the taxpayer on a temporary or seasonal basis? YES NO
4. Is the employee of the taxpayer an individual with an ownership interest in the business, that individual's spouse or dependent, or that individual's ancestor or descendant? YES NO

NOTE: IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES", DO NOT COMPLETE THE REST OF THIS FORM. THE TAXPAYER DOES **NOT** QUALIFY FOR THE ECONOMIC RECOVERY TAX CREDIT, OTHERWISE, COMPLETE QUESTIONS #5 AND #6 AND GO TO PART II.

5. Enter the address of the qualifying location of the new or expanded operations. _____

6. Enter the date of when the new or expanded operation began at the qualifying location. _____

PART II QUALIFYING EMPLOYEE INFORMATION

Enter the required information for each of the taxpayer's qualifying employees reported in PART III of this Tax Credit Form. (If more space is needed, attach a rider with the additional qualifying employee's information).

Social Security Number	Name	Employment Dates	
		From	To
a.			
b.			
c.			
d.			
e.			

PART III CALCULATION OF THE ECONOMIC RECOVERY TAX CREDIT

7. Enter the number of new full-time positions at the location in credit year one _____ x \$2,500 ..	7.	
8. Enter the number of new full-time positions at the location in credit year two _____ x \$1,250 ..	8.	
9. Enter the amount of carryover from prior year's Form 313, PART V	9.	
10. Total Economic Recovery Tax Credit Available (add lines 7, 8 and 9)	10.	

PART IV CALCULATION OF THE ALLOWABLE CREDIT AMOUNT

11. Enter the tax liability from page 1, line 11 of Form CBT-100 or BFC-1, or line 6 of Form CBT-100S.	11.	
12. Enter the required minimum tax liability as indicated in instruction (b) for PART IV	12.	
13. Subtract line 12 from line 11	13.	
14. Enter 50% (.50) of the tax liability reported on line 11	14.	
15. Enter the lesser of line 13 or line 14.	15.	

PART IV CALCULATION OF THE ALLOWABLE CREDIT AMOUNT (Continued)

16. Tax Credits taken on current year's return:

- a) Urban Transit Hub Tax Credit
- b) HMO Assistance Fund Tax Credit
- c) New Jobs Investment Tax Credit
- d) Urban Enterprise Zone Tax Credit
- e) Redevelopment Authority Project Tax Credit
- f) Recycling Equipment Tax Credit
- g) Manufacturing Equipment and Employment Investment Tax Credit
- h) Research and Development Tax Credit
- i) Small New Jersey-Based High-Technology Business Investment Tax Credit
- j) Neighborhood Revitalization State Tax Credit
- k) Effluent Equipment Tax Credit

Total 16.

17. Subtract line 16 from line 15. If the result is less than zero, enter zero 17.

18. Allowable credit for the current tax period - Enter the lesser of line 10 or line 17 here and on Schedule A-3 of the CBT-100, the CBT-100S or the BFC-1 18.

PART V ECONOMIC RECOVERY TAX CREDIT CARRYOVER

Complete this schedule if the allowable tax credit is less than the total credit available for the current year or if a tax credit was carried forward from a previous tax year. Read the instructions for Part V before completing this schedule.

	A 2004	B 2005	C 2006	D 2007	E 2008	F 2009
1. Enter the tax credit calculated for each tax year *						
2. Enter the amount used in tax year:						
a) 2004						
b) 2005						
c) 2006						
d) 2007						
e) 2008						
f) 2009						
3. Carryover amount - Line 1 minus Lines 2(a) through 2(f)						
4. Total tax credit carryover, total of line 3, columns A through F						

* Exclude the amount of any tax credit carried over from a prior tax year.

Instructions for Form 313

Economic Recovery Tax Credit

The purpose of the Economic Recovery Tax Credit is to foster business investment in qualified municipalities established under the authority of the "Qualified Municipality Open For Business Incentive Program". A taxpayer that is engaged in the conduct of business within a qualified municipality and is not receiving a benefit under the New Jersey Urban Enterprise Zones Act, P.L.1983, c.303 (C.52:27H-60 et seq.) may apply to receive a tax credit against the amount of tax otherwise imposed under the Corporation Business Tax Act (1945), P.L.1945, c.162 (C.54:10A-1 et seq.) equal to: \$2,500 for each new full-time position at that location in credit year one and \$1,250 for each new full-time position at that location in credit year two. No taxpayer shall be allowed more than a single 24 month continuous period in which credits shall be allowed for activity at a location within a qualified municipality. The credit allowable under this section shall not exceed 50% of the tax liability otherwise due and shall not reduce the tax liability to an amount less than the statutory minimum. If the taxpayer claims this credit on Form CBT-100, Form CBT-100S or Form BFC-1, a completed Form 313 must be attached to the return to validate the claim.

Any unused credit may be carried forward, if necessary, for use in the five privilege periods following the privilege period for which the credit is allowed. The credit allowed for credit year one may be refundable at the close of the privilege period in which or with which credit year two ends. That amount of the credit received for credit year one remaining, if any, after the liabilities for the privilege period in which or with which credit year two ends and for any prior privilege period have been satisfied, multiplied by the sustained effort ratio, shall be an overpayment for the purposes of section R.S.54:49-15 for the privilege period in which or with which credit year two ends; that amount of the credit received for credit year one remaining, if any, that is not an overpayment may be carried forward.

DEFINITIONS

Credit year one means the first twelve calendar months following the initial or expanded operations at a location within a qualified municipality.

Credit year two means the twelve calendar months following credit year one.

Employee of the taxpayer does not include an individual with an ownership interest in the business, that individual's spouse or dependents, or that individual's ancestors or descendants.

Full-time position means a position filled by an employee of the taxpayer for at least 140 hours per month on a permanent basis, which does not include employment that is temporary or seasonal.

New full-time position means a position that did not exist prior to credit year one. New full-time positions shall be measured by the increase, from the twelve month period preceding credit year one to the measured credit year, in the average number of full-time positions and full-time position equivalents employed by the taxpayer at the location within a qualified municipality. The hours of employees filling part-time positions shall be aggregated to determine the number of full-time position equivalents.

Part-time position means a position filled by an employee of the taxpayer for at least 20 hours per week for a t least 3 months during the credit year.

Sustained effort ratio means the proportion that the credit year two new full-time positions bear to the credit year one new full-time positions, not to exceed one.

SPECIFIC INSTRUCTIONS FOR FORM 313

PART I

TAXPAYER AND EMPLOYEE PRELIMINARY QUALIFICATIONS

Questions 1 through 4 pertain to the taxpayer and the employee qualifications that must be met prior to taking the Economic Recovery Tax Credit. If the answer to any of these questions is "YES", the taxpayer is not eligible to take this tax credit. If the answer to all of the questions is "NO", the taxpayer must first fill in

line items 5 and 6, and then complete the balance of the form computing the amount of tax credit that is allowed to be taken on the current tax return.

PART II

QUALIFYING EMPLOYEE INFORMATION

Complete the information requested for each qualifying employee entered in PART III of this form. Attach a rider if additional space is required.

PART III

CALCULATION OF THE ECONOMIC RECOVERY TAX CREDIT

The tax credit is computed in this section, and is equal to \$2,500 for each new full-time position at the qualified location in credit year one and \$1,250 for each new full-time position at the location in credit year two.

Line 7 - Enter the information for line 7 on the form filed for credit year one only.

Line 8 - Enter the information for line 8 on the form filed for credit year two only.

PART IV

CALCULATION OF THE ALLOWABLE CREDIT AMOUNT

a) The allowable Economic Recovery Tax Credit for the current period is calculated in PART IV. The amount of this credit in addition to the amount of any other tax credits taken is limited to 50% of the taxpayer's total tax liability and cannot exceed an amount which would reduce the total tax liability below the statutory minimum.

b) The minimum tax is assessed based on the New Jersey Gross Receipts as follows:

New Jersey Gross Receipts	Minimum Tax
Less than \$100,000	\$500
\$100,000 or more but less than \$250,000	\$750
\$250,000 or more but less than \$500,000	\$1,000
\$500,000 or more but less than \$1,000,000	\$1,500
\$1,000,000 or more	\$2,000

provided however that for a taxpayer that is a member of an affiliated or controlled group which has a total payroll of \$5,000,000 or more for the return period, the minimum tax shall be \$2,000. Tax periods of less than 12 months are subject to the higher minimum tax if the prorated total payroll exceeds \$416,667 per month.

- c) The priorities set forth in this Corporation Business Tax form follow Regulation N.J.A.C. 18:7-3.17.

PART V

Economic Recovery Tax Credit Carryover

Complete this schedule if the allowable tax credit is less than the total credit available for the current year or if a tax credit has been carried forward from a previous tax year.

Line 1 - Enter the tax credit calculated for each applicable tax year excluding the amount of any credit carried over from a prior tax year.

Line 2(a) - (f) - Enter the allowable tax credit amount from Part IV, line 18 of the economic recovery tax credit form filed for the applicable tax year. Apply the allowable credit amount for each year to the earliest calculation year until line 3 for that particular column equals zero. This credit can only be carried forward for five years at which time any remaining amount is forfeited.

Line 3 - Subtract the amount(s) reported on lines 2(a) through 2(f) from the amount reported on line 1 for the appropriate tax year listed in columns A through F. The amount calculated on line 4 represents the total tax credit carryover to be reported on line 9, Part III of next year's form.