

Name(s) _____ SSN or FEIN _____

Pass-Through Entity (if applicable) _____

Pass-Through FEIN _____ Tax Period Ending Date _____

Tax credit certificate number for 260E agreement with a community college _____

If you claimed the New Jobs Tax Credit under this agreement in a prior tax year, you are NOT eligible to claim it again for the same new jobs.

Part I - Eligibility for New Jobs Tax Credit

- 1. Base employment level at the location with the 260E agreement 1. _____
- 2. Number of new jobs directly resulting from the project covered by the agreement for which the tax credit is being claimed from line 1 of Schedule A... 2. _____
- 3. Number of new jobs directly related to the jobs in line 2 for which the tax credit is being claimed from line 1 of Schedule B..... 3. _____
- 4. Total new jobs claimed. Add lines 2 and 3. If partial jobs were reported, round down to the nearest whole number 4. _____
- 5. Total employment level in the current tax year at the location with the 260E agreement..... 5. _____
- 6. Total employment gain at the location with the 260E agreement. Subtract line 1 from line 5..... 6. _____
- 7. Total eligible new jobs. Enter the smaller of line 4 or line 6..... 7. _____
- 8. Increased employment percentage. Divide line 7 by line 1 and round to three decimals (ex. 10.3%). If line 1 equals zero, report 10.0%. If this number is less than 10.0%, you are not eligible for the New Jobs Tax Credit for this tax year; do not claim this tax credit..... 8. _____ %

Part II - Calculation of the New Jobs Tax Credit

- 9. Qualifying taxable wages for new jobs for which the tax credit is being claimed in tax year 2018. Add total qualifying taxable wages from line 2 of Schedule A and line 2 of Schedule B 9. _____
- 10. New Jobs Tax Credit. Multiply line 9 by the tax credit rate of 6% (0.06). Enter in column D of Part I on the IA 148 Tax Credits Schedule..... 10. _____

Part III - Pass-through or Carryforward of the New Jobs Tax Credit

- 11. Pass-through New Jobs Tax Credit from partnership, LLC, S corporation, estate or trust. Enter in column D of Part I and complete Part IV on the IA 148 Tax Credits Schedule 11. _____
- 12. Carryforward of New Jobs Tax Credit from tax year 2017 under the tax credit certificate number listed above. Enter in column C of Part I on the IA 148 Tax Credits Schedule 12. _____

IA 148 Tax Credits Schedule must be completed.



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2018 IA 133 New Jobs Tax Credit Instructions

A New Jobs Tax Credit can be claimed by a taxpayer who has entered into an Iowa Industrial New Jobs Training (260E) agreement with a community college and who has increased employment over the base employment level by at least 10.0%. The tax credit can be claimed in any tax year that either begins or ends during the term of the 260E agreement. However, the tax credit may not be taken until the base employment level has been exceeded by at least 10.0%. In the case of a taxpayer without a base employment level, the tax credit can be claimed for all eligible new jobs for the tax year selected by the taxpayer. The tax credit can only be claimed once for each new job.

Base employment level means the number of full-time jobs a business employs at the location covered by the 260E agreement on the date of the agreement. The number of full-time jobs is the total number of full-time equivalent jobs where part-time jobs are expressed as a share of a full-time job as explained below in the instructions for Column E of Schedules A and B.

In determining if the taxpayer has increased employment over the base employment level by at least 10.0%, only those new jobs directly resulting from the project covered by the agreement and those directly related to those new jobs are eligible. New jobs directly resulting from a project do not include jobs of recalled workers or replacement jobs or other jobs that formerly existed in the state. New jobs directly related to the new jobs resulting from the project means those jobs which directly support the new jobs. However, those new jobs do not include an in-state employee transferred to a position which would be considered a new job directly related to the new jobs resulting from the project unless the transferred employee's vacant position is filled by a new employee. The burden of proof that a new job is directly related to the new jobs resulting from the project is on the taxpayer.

Example: A taxpayer who has entered into a chapter 260E agreement to train new employees for a new product line transfers an in-state employee to be foreman of the new product line and fills the transferred

employee's position with a new employee. The new foreman's position would be considered a job directly related to new jobs because it directly supports the new jobs and the transferred employee's old position was filled by a new employee.

Any credit in excess of the tax liability for the tax year may be credited to the tax liability for the following 10 tax years or until depleted, whichever is earlier. If you are only claiming a New Jobs Tax Credit carryforward from a prior tax year, skip lines 1 through 11.

A separate IA 133 must be completed for each different 260E agreement under which a New Jobs Tax Credit, new or carryforward, is claimed.

Apportionment of Tax Credit

If the business is a partnership, LLC, S corporation, estate, or trust, the tax credit must be apportioned to the members. The pass-through entity must file the completed IA 133 with its return. On Schedule K-1 or on an attachment to Schedule K-1, report the tax credit for each member, including the tax credit certificate number for the 260E agreement. Instruct the members to report the apportioned tax credit on line 9 of form IA 133 and include the form with their tax returns. Also direct members to report their share of the New Jobs Tax Credit on Part I of the IA 148 Tax Credits Schedule with the tax credit certificate number assigned to the 260E agreement.

Schedules A and B New Jobs Details

Schedules A and B must be completed to demonstrate eligibility for the New Jobs Tax Credit. In Schedule A, provide the name, SSN, and job title for employees in the new jobs directly resulting from the project covered by the agreement. In Schedule B, provide the name, SSN, and job title for employees in the new jobs directly related to the new jobs reported in Schedule A. Complete multiple schedules if more lines are needed. Also report total wages paid to each employee during tax year 2018 in column D. Column E equals the employee's share of hours toward a full-time job based on the average number of hours worked each week. Enter 1 if the average was 35 hours or

more; enter 0.75 if the average was 25 hours or more but under 35 hours; enter 0.5 if the average was 15 hours or more but under 25 hours; enter 0.25 if the average was under 15 hours. If the employee worked full-time and was only in the job for a portion of the year, enter the share of months. For example, enter 0.5 if the employee worked 6 months; enter 0.83 if the employee worked 10 months. If the employee worked part-time for a portion of the year, multiply the two pro-rated numbers and enter to two decimal places.

Column F equals qualifying taxable wages for the employees in jobs for which the taxpayer is claiming the New Jobs Tax Credit this tax year. Enter the lesser of column D or \$29,900 multiplied by the hours share in column E to calculate qualifying taxable wages in column F. If the taxpayer claimed a tax credit for the job of the listed employee in a prior tax year, leave column F blank. If the taxpayer chooses to not claim a tax credit this tax year for the job of a listed employee, leave column F blank.

In line 1 of each schedule, total column E including partial jobs. In line 2 of each schedule, total column F. Enter line 1 of Schedule A in line 2 of the IA 133. Enter line 1 of Schedule B in line 3 of the IA 133. Add lines 2 of Schedules A and B and enter that sum in line 9 of the IA 133.

2018 IA 133 Line Instructions

Provide your name, SSN or FEIN, and tax period ending date. Also report the tax credit certificate issued with the 260E agreement.

Line 2: Number of new jobs claimed

Report the number of new jobs in line 1 of Schedule A on the IA 133; add additional schedules if more than fifteen employees. Report the sum with partial jobs if applicable.

Line 3: Number of jobs directly related to the new jobs claimed

Report the number of jobs directly related to the new jobs in line 1 of Schedule B on the IA 133; add additional schedules if more than six employees. Report the sum with partial jobs if applicable.

Line 4: Total new jobs claimed

Add lines 2 and 3. If partial jobs were reported, round down to the nearest whole number. The

credit can only be claimed for full-time jobs or an aggregation of part-time jobs that equal a full-time job.

Line 9: Qualifying taxable wages

For 2018, qualifying taxable wages are the first \$29,900 paid to employees in new jobs or in jobs directly related to those new jobs, pro-rated by the average hours worked. For 2018, \$29,900 is the amount of taxable wages on which an employer is required to pay unemployment taxes.

If the taxpayer is a C corporation, the amount in line 10 of this form must be placed in column D of Part I on the IA 148 Tax Credits Schedule; use tax credit code 08 in column A. Enter the tax credit certificate number awarded with the 260E agreement in column B. Use the IA 148 Tax Credits Schedule to determine the allowable credit that can be claimed in the current tax year and any carryforward. Any carryforward from prior year(s) claimed under the same 260E contract must be reported in line 12 of this form and placed in column C of the same line on the IA 148. If the taxpayer is only reporting carryforward, skip lines 1 through 11.

If the taxpayer has received any new pass-through New Jobs Tax Credit from a partnership, LLC, S corporation, estate, or trust, indicate that amount on line 11 of this form. Also enter the amount in column D of Part I on the IA 148 Tax Credits Schedule. If you have a carryforward tax credit received from a pass-through in a prior tax year, indicate that amount on line 12 of this form. Also enter the amount in column C of Part I on the IA 148 Tax Credits Schedule. For either a new claim or carryforward claim, use tax credit code 08 in column A and report the 260E certificate number in column B. Provide the pass-through name in column M and FEIN in column N of Part IV on the IA 148 Tax Credits Schedule as well as on the top of this form.

File a separate IA 133 for each pass-through New Jobs Tax Credit received. Also list the claims separately on Part I of the IA 148 Tax Credits Schedule with each tax credit certificate number and provide each pass-through name and FEIN in Part IV.

Include this form and the IA 148 with your IA1040, IA 1041, or IA 1120.