

Form 305

Clean-Fuel Vehicle and Advanced Cellulosic Biofuels Job Creation Tax Credit



Tax Year \_\_\_\_\_

Credit Expired December 31, 2014. Use This Form for Taxable Years Prior to January 1, 2015 Only.

For calendar year. If FISCAL YEAR filer, enter beginning date \_\_\_\_\_, \_\_\_\_\_ and ending date \_\_\_\_\_, \_\_\_\_\_ and check here.

Table with 3 columns: Name of Company, Virginia Account Number, Federal Employer Identification Number

The Clean-Fuel Vehicle and Advanced Cellulosic Biofuels Job Creation Tax Credit (Va. Code § 58.1-439.1), provides a corporation income tax credit for the creation of full-time clean-fuel vehicle and biofuel jobs. The allowable credit is \$700 per qualifying job created for the first 3 taxable years, for a maximum "per job" credit of \$2,100. Unused credits may be carried forward for up to 5 years. Corporations claiming this credit based on qualifying jobs cannot also claim the Major Business Facility Job Tax Credit, computed on Form 304. In the case of a partnership or limited liability company, the credit will be allocated to the corporate partners or corporate members in proportion to their ownership or interest in the partnership or limited liability company; the credit is not distributed to individuals, estates or trusts.

Part I - Credit Qualification

1. Qualification based on business type:

Primary business in Virginia: NAICS \_\_\_\_\_. Check the applicable box below.

- A. Manufacture of major components of the energy storage, energy supply, or engine, motor, and power train mechanisms unique to a vehicle fueled by clean special fuels.
B. Manufacture of components uniquely used to convert vehicles designed to operate on gasoline or diesel fuel to operate on clean special fuels or advanced biofuels.
C. Manufacture of vehicles designed to operate on clean special fuels.
D. Conversion of vehicles designed to operate on gasoline or diesel fuel to operate on clean special fuels or advanced biofuels.
E. The manufacture of components designed to produce, store, and dispense clean special fuels or advanced biofuels.
F. The production of advanced biofuels.

2. For each job that the credit is claimed, ALL of the following must apply:

- A. The job was created by the corporation during the taxable year that the credit is claimed (new credits expired December 31, 2014) or was continued from the previous taxable year that the credit was claimed;
B. The qualifying job must have been filled by an individual working at least 40 hours per week during at least forty weeks during the taxable year; and
C. Employment level in qualifying jobs in the taxable year that the credit is first claimed increased over the previous taxable year.

Part II - Credit Computation

3. This credit is claimed for clean-fuel vehicle and advanced cellulosic biofuels jobs created in the city/county of \_\_\_\_\_, Virginia.

4. Number of qualifying jobs: Complete Schedule A (Form 305), then enter the number of qualifying jobs from Schedule A, Part II (See instructions).

- 4a. Number of first time qualifying jobs for the current taxable year. EXPIRED December 31, 2014..4a. \_\_\_\_\_
4b. Number of qualified jobs continued from the first preceding year. EXPIRED December 31, 2014..4b. \_\_\_\_\_
4c. Number of qualified jobs continued from the second preceding year. EXPIRED December 31, 2014..4c. \_\_\_\_\_

5. Clean fuel vehicle job creation tax credit: Multiply the total of Lines 4b and 4c by \$700 .....5. \_\_\_\_\_

6. If claiming a credit distribution received from a pass-through entity, enter the credit amount (See instructions). EXPIRED December 31, 2014 .....6. \_\_\_\_\_

7. Carryover credit from prior year(s) .....7. \_\_\_\_\_

8. Total credit accumulated this year: Add amounts on Lines 5, 6 and 7 .....8. \_\_\_\_\_

9. Total tax on tax return after priority credits (See instructions).....9. \_\_\_\_\_

10. Job creation tax credit allowable this year: Enter the lesser of the amount on Line 8 or Line 9 here and on the applicable credit line of your Virginia income tax return. ....10. \_\_\_\_\_

Part III - Carryover Tax Credit

11. Excess credit carryover to next year: If Line 8 is greater than Line 9, subtract Line 9 from Line 8. (This information will be used when computing the credit on your income tax return next year) ... 11. \_\_\_\_\_

**Schedule A**

Form 305

Tax Year \_\_\_\_\_

**List of Qualifying Clean-Fuel Vehicle and Advanced Cellulosic Biofuels Jobs And Employees**



Attach to Form 305, Clean-Fuel Vehicle and Advanced Cellulosic Biofuels Job Creation Tax Credit.

If more space is needed, attach additional schedules or a list containing the information below.

Page \_\_\_\_ of \_\_\_\_

Name of Company	Virginia Account Number	Federal Employer Identification Number
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Complete Columns A through D for each employee, listing all qualifying employees performing jobs that qualify for the credit. Jobs created during 2015 do not qualify. This information will be used when completing Form 305, Lines 4b and 4c. Complete a separate Schedule A for each location. See Part I of Form 305 to determine whether a job qualifies as a full-time, clean-fuel vehicle job for purposes of this credit. Directions for completing Columns A through D follow.

- Column A. Enter the company's tracking number (position number, job number, etc.) for the qualifying position. If this job has been held by more than one employee during the period in which the credit is computed for the current taxable year, attach a statement of explanation which includes the number of the other employee(s) holding this position.
- Column B. Enter the employee's name and social security number.
- Column C. Enter the date that qualifying employment began. If the employee leaves the qualifying job, whether through promotion, transfer or termination, enter the ending date in parenthesis.
- Column D. When completing Column D, enter only the number of full weeks worked by the employee during the taxable credit year.

If more space is needed, attach additional schedules or a list containing the information below.

<b>PART I Identify Qualifying Employees and Jobs</b>				
	<b>Column A</b> Position Number or Job Number	<b>Column B</b> Employee's Name and SSN	<b>Column C</b> Beginning Date of Qualifying Employment (Ending Date)	<b>Column D</b> No. Qualifying Full Weeks Employed During Taxable Year
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

**PART II Compute the Number of Qualifying Employees**

- A. Enter the number of jobs above that qualify for the clean-fuel vehicle job creation tax credit. Enter here and the applicable amounts on Form 305, Lines 4b and 4c . . . . . \_\_\_\_\_

# Schedule B Pass-Through Entity Identification

Form 305

Tax Year \_\_\_\_\_



Attach to Form 305, Clean-Fuel Vehicle and Advanced Cellulosic Biofuels Job Creation Tax Credit.

Page \_\_\_\_\_ of \_\_\_\_\_

Name of Company	Virginia Account Number	Federal Employer Identification Number
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Complete this schedule to identify each owner of the pass-through entity to which a portion of this credit is distributed. *Attach a separate schedule or a list containing the information below if additional space is needed.* Distribution is to be based on each taxpayer's proportion of ownership or interest in the entity. While the pass-through entity may consist of both corporate and non-corporate members, the credit may only be claimed against the corporate income tax. List all pass-through entity owners, regardless of credit qualification. For non-qualifying entity owners, enter "Non-qualifying" in Column A, then complete Columns D and E. Check the box below to indicate the type of entity which earned this credit.

Limited Liability Company    Partnership    S Corporation    Other (Specify) \_\_\_\_\_

	Column A Name of Entity Owners	Column B FEIN	Column C Address	Column D Percentage	Column E Credit
1.				%	
2.				%	
3.				%	
4.				%	
5.				%	
6.				%	
7.				%	
8.				%	
9.				%	
10.				%	
11.				%	
12.				%	
13.				%	
14.				%	
15.				%	
<b>Total</b>				%	

## Instructions for Completing Form 305, Clean-Fuel Vehicle and Advanced Cellulosic Biofuels Job Creation Tax Credit

The Clean-Fuel Vehicle and Advanced Cellulosic Biofuels Job Creation Tax Credit expired on December 31, 2014. No new jobs created after the expiration date qualify for the credit. Any unused credit may be carried forward for up to five years. Complete Part XI of Schedule 500CR to compute the amount of carryover credit available.

- This credit may not be claimed if the corporation is claiming a Major Business Facility Job Tax Credit.
- The Clean-Fuel Vehicle and Advanced Cellulosic Biofuels Job Creation Tax Credit is a nonrefundable credit. However, any excess credit can be carried forward for up to 5 years.

**Fiscal year filers:** Complete this line only if your taxable year is NOT from JANUARY 1 to DECEMBER 31. You must use the same taxable period that you used on your federal return.

**Name, Account Number and Federal Employer Identification Number or Social Security Number:** Enter the information for the taxpayer claiming this credit.

### Definitions:

"Advanced biofuel" means a fuel derived from any cellulose, hemicellulose, or lignin that is derived from renewable biomass or algae.

"Clean special fuel" means any product or energy source used to propel a highway vehicle, the use of which, compared to conventional gasoline or reformulated gasoline, results in lower emissions of oxides of nitrogen, volatile organic compounds, carbon monoxide or particulates or any combination thereof. The term includes compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, hythane (a combination of compressed natural gas and hydrogen), or electricity.

"Job" means the full-time employment of an individual in Virginia by a corporation for at least 40 hours per week during at least 40 weeks during the calendar year whose primary work activity is related directly to any of the activities listed in *Va. Code* § 58.1-439.1 (B).

"Vehicle" has the same meaning as provided in Internal Revenue Code §§ 179A and 30.

Skip to Line 6 if your only Clean-Fuel Vehicle and Advanced Cellulosic Biofuels Tax Credit is from a pass-through entity (partnership, S corporation, etc).

**Lines 1 and 2:** Complete Lines 1 and 2, providing the NAICS code and checking the applicable boxes, to show qualification for the credit. Note that all of the qualifications on Line 2 must be met in order to qualify for the credit.

**Line 3:** Enter the name of the city or county in Virginia in which the clean-fuel vehicle job(s) was created.

**Line 4:** Number of qualifying jobs: Complete Schedule A, then enter the number of qualifying jobs on Lines 4b and 4c. Printouts containing the same information may be substituted for Schedule A.

**NOTE:** If a clean-fuel vehicle and advanced cellulosic biofuels job does not qualify for this credit solely because less than 40 weeks remained in the taxable year after it was created and filled, the credit may still be claimed. However, the forty week requirement must be met in the next taxable year or the credit must be recaptured through the filing of an amended return. This treatment will also apply for the next two subsequent taxable years involving that job.

**Line 5:** Multiply the total of Lines 4b and 4c by \$700.

**Line 6:** Complete this line if claiming a current year clean-fuel vehicle job tax credit distributed to you from another entity. *See the instructions for Schedule B in the next column for additional information concerning pass-through entities.*

**Line 7:** Enter the carryover credit from the prior year.

**Line 8:** Add amounts on Lines 5, 6 and 7.

**Line 9:** Total tax on return after priority credits: In general, claim priority credits in the following order:

- Claim nonrefundable credits without a carryforward provision;
- Claim carryover credits from prior years in the order which such carryover amounts are set to expire;
- Claim current year credits in the order of their carryover provisions; and
- Report any unused credits as carryovers for succeeding taxable years to the extent allowed.

**Line 10:** Clean-Fuel Vehicle and Advanced Cellulosic Biofuels Job Creation Tax Credit allowable this year: Enter the lesser of the amount on Line 8 or Line 9 here and on the applicable credit line of your Virginia income tax return.

**Line 11:** Excess credit carryover to next year. If the amount on Line 8 is larger than the amount on Line 9, subtract the amount on Line 9 from the amount on Line 8.

### Schedule B (Form 305)

#### Pass-Through Entity Identification

If distributing all or a portion of this credit, complete Schedule B to identify all pass-through entity owners and each taxpayer to whom a portion of the credit is distributed. Note that this credit may only be used to offset the corporate income tax. Attach a separate schedule if additional space is needed. Printouts containing the same information may be substituted for Schedule B.

Schedule B should contain the name, federal identification number (FEIN), Virginia account number (if known), address and amount of credit for each qualifying pass-through entity owner, and the total percentage and credit not distributed to non-qualifying entities such as individuals. The total credit in Column E should be the current year credit amount from Form 305, Part 1, Line 5.

Each corporate taxpayer in Column A must receive a copy of the pass-through entity's Form 305 or a statement that identifies the taxpayer earning the credit (name, address, and state and federal identification numbers) and provides all information set forth on Form 305. Each taxpayer receiving a distribution will enter the amount received on its own Form 305, Line 7. Note that this credit is only applicable as a credit against the Virginia corporate income tax.

#### Where to Get Help

For additional information, write the **Virginia Department of Taxation, P. O. Box 5126, Richmond, VA 23220-0126** or call **(804) 367-8037**.

Tenemos servicios disponible en Español.

To order forms, call **(804) 367-8031**. If you have access to the internet, you can obtain most Virginia income tax forms and additional tax information by visiting the Department's website: **[www.tax.virginia.gov](http://www.tax.virginia.gov)**.

Forms are also available from the office of your local Commissioner of the Revenue, Director of Finance or Director of Tax Administration.