

Include with your return.

For the calendar year 2019 or fiscal year beginning M M D D 2 0 1 9 and ending M M D D Y Y Y Y .

All businesses must be certified by the Arizona Commerce Authority and the Department of Revenue before applying for this credit.

Name as shown on Form 140, 140PY, 140NR, 140X, 99T, 120, 120A, 120S, 120X or 165

Social Security or Employer Identification Number

Part 1 Healthy Forest Enterprise Information

- 1 Name of Healthy Forest Enterprise: _____
- 2 Employer identification number: _____
- 3 Reserved
- 4 Check one box to indicate the year this form represents for claiming the employment credit under A.R.S. §§ 43-1076 or 43-1162:
 First Year Second Year Third Year Fourth Year Fifth Year Sixth Year or more

Part 2 Average Number of Full-Time Employees

5 Average number of full-time employees in the healthy forest enterprise during the current taxable year.....	5	
6 Average number of full-time employees in the healthy forest enterprise during the immediately preceding taxable year.....	6	
7 Net increase in average number of full-time employees: Subtract line 6 from line 5. Enter the difference.	7	

Part 3 Net Increase in Qualified Employment Positions

8 Total number of filled, qualified employment positions created in the current year.....	8	
9 Net increase in average number of full-time employees: Enter the amount from Part 2, line 7.....	9	
10 Net increase in qualified employment positions for this healthy forest enterprise: Enter the lesser of line 8 or line 9.	10	

Part 4 Limitation on Number of Qualified Employment Positions

11 Maximum number of filled, qualified employment positions on which a credit may be calculated.....	11	200
12 Maximum number of new qualified employment positions on which you may claim the credit: Enter the lesser of line 10 or line 11.....	12	

Part 5 Employment Credit Calculation

	(a) Number of Qualifying Employees	(b) Qualifying Wages	(c) Percentage	(d) Allowable Credit
13 Qualified new employees		00	25%	00
14 Previously qualified employees in the second year of continuous employment.....		00	33.33%	00
15 Previously qualified employees in the third year of continuous employment.....		00	50%	00
16 Employment credit passed through from				
16A Partnerships			16A	00
16B S corporations. See instructions.			16B	00
17 Add the amounts in column (d) for lines 13 through 16B. Enter the total. This is the total employment credit.....				00

Continued on page 2 →

Name (as shown on page 1):	EIN:
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Part 6 Recapture of the Employment Credit

18 Enter the taxable year in which the certification of the business as a healthy forest enterprise was revoked or terminated...	18	YYYY	
19 Enter the first taxable year in which the employment credit for healthy forest enterprises was allowed	19	YYYY	
20 Number of years between when the employment credit was first allowed and when the certification was revoked or terminated	20		
21 Enter the recapture percentage based on the number of years entered on line 20. See instructions.....	21		%
22 Enter the total amount of all employment credits previously allowed	22		00
23 Recapture of employment credit for healthy forest enterprises. Multiply line 22 by the percentage on line 21. Enter the result	23		00
24 Enter the total amount of the credit subject to recapture passed through to you from:			
24A Partnerships from Form 332-P, Part 3, line 8, and/or	24A		00
24B S corporations from Form 332-S, Part 3, line 8	24B		00
25 Add lines 23, 24A, and 24B. Enter the total. This is the total amount of the employment credit subject to recapture.....	25		00

Part 7 Recapture of the Training Credit

26 Enter the taxable year in which the certification of the business as a healthy forest enterprise was revoked or terminated...	26	YYYY	
27 Enter the first taxable year in which the training credit for healthy forest enterprises was allowed.....	27	YYYY	
28 Number of years between when the training credit was first allowed and when the certification was revoked or terminated.....	28		
29 Enter the recapture percentage based on the number of years entered on line 28. See instructions.....	29		%
30 Enter the total amount of all training credits previously allowed.....	30		00
31 Recapture of training credit for healthy forest enterprises. Multiply line 30 by the percentage on line 29. Enter the result.	31		00
32 Enter the total amount of the credit subject to recapture passed through to you from:			
32A Partnerships from Form 332-P, Part 3, line 11, and/or.....	32A		00
32B S corporations from Form 332-S, Part 3, line 11.....	32B		00
33 Add lines 31, 32A, and 32B. Enter the total. This is the total amount of the training credit subject to recapture.....	33		00

Part 8 S Corporation Credit Elections

- 34 The S corporation has made an irrevocable election for the taxable year ending MM, MD, D, Y, Y, Y, Y to (check only one box):
- 34a Claim the *employment credit* for healthy forest enterprises, as shown on Part 5, line 17, column (d) (for the taxable year indicated above);
- OR
- 34b Pass the *employment credit* for healthy forest enterprises, as shown on Part 5, line 17, column (d) (for the taxable year indicated above) through to its shareholders.

Signature Title Date

If electing to claim the credit at the corporate level, continue to Part 10.

If passing the credit through to the shareholders, complete Form 332-S for each shareholder.

- Provide a copy of completed Form 332-S to each shareholder.
- Include a copy of each Form 332-S completed with your tax return.
- Keep a copy of each completed Form 332-S for your records.

Part 9 Partner’s Share of Credits and Credit Recaptures

Partnerships qualifying for the credit **must** pass it through to their partners. When passing the credit through to your partners, complete Form 332-P for each partner.

- Provide a copy of completed Form 332-P to each partner.
- Include a copy of each Form 332-P completed with your tax return.
- Keep a copy of each completed Form 332-P for your records.

After completing a Form 332-P for each partner, **STOP**. Do not complete the remainder of this form.

Name (as shown on page 1):	EIN:
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Part 10 Recapture Summary for Employment Credit

35 Enter the taxable year(s) in which you took an employment credit or credit carryover for a disqualified healthy forest enterprise: _____			
36 Enter the total amount of the employment credit originally allowed	36		00
37 Enter the total amount of the employment credit to be recaptured from Part 6, line 25	37		00
38 Subtract line 37 from line 36 and enter the difference. This is the amount of current employment credit allowable.....	38		00
39 Amount of employment credit on line 36 that you have claimed on prior years' returns	39		00
40 Subtract line 39 from line 38 and enter the difference. If the difference is POSITIVE: <ul style="list-style-type: none"> • <i>This is the amount of employment credit carryover you have remaining for use in future years.</i> • Adjust the amounts in Part 12, lines 47 through 51, column (d) so the total amount on line 52 equals the amount of the credit carryover remaining for use in future years. See instructions. If the difference is NEGATIVE: <ul style="list-style-type: none"> • <i>This is the amount of employment credit carryover you must recapture.</i> • Adjust the amounts in Part 12, lines 47 through 51, column (d) to "0". There is no carryover amount for the employment credit. See instructions. • <i>Individuals:</i> Also, enter this amount as a POSITIVE number on <i>Form 301, Part 2, line 32.</i> (If you have a recapture of the employment credit <i>and</i> the training credit, add the amounts on Part 10, line 40 and Part 11, line 46. Enter the total on <i>Form 301, Part 2, line 32.</i>) • <i>C Corporations, S corporations that claimed the training credit at the corporate level, and exempt organizations with UBTI:</i> Also enter this amount as a POSITIVE number on <i>Form 300, Part 2, line 23.</i> (If you have a recapture of the employment credit and the training credit, add the amounts on Part 10, line 40 and Part 11, line 46. Enter the total on <i>Form 300, Part 2, line 23.</i>) 	40		00

Part 11 Recapture Summary for Training Credit

41 Enter the taxable year(s) in which you took a training credit or credit carryover for a disqualified healthy forest enterprise: _____			
42 Enter the total amount of the training credit originally allowed	42		00
43 Enter the total amount of the training credit to be recaptured from Part 7, line 33.....	43		00
44 Subtract line 43 from line 42 and enter the difference. This is the amount of current training credit allowable.....	44		00
45 Amount of credit on line 42 that you have claimed on prior years' returns.....	45		00
46 Subtract line 45 from line 44 and enter the difference. If the difference is POSITIVE: <ul style="list-style-type: none"> • <i>This is the amount of training credit carryover you have remaining for use in future years.</i> • Adjust the amounts in Part 13, lines 53 through 57, column (d) so the total amount on line 55 equals the amount of the credit carryover remaining for use in future years. See instructions. If the difference is NEGATIVE: <ul style="list-style-type: none"> • <i>This is the amount of training credit carryover you must recapture.</i> • Adjust the amounts in Part 13, lines 53 through 57, column (d) to "0". There is no carryover amount for the employment credit. See instructions. • <i>Individuals:</i> Also, enter this amount as a POSITIVE number on <i>Form 301, Part 2, line 32.</i> (If you have a recapture of the employment credit <i>and</i> the training credit, add the amounts on Part 10, line 40 and Part 11, line 46. Enter the total on <i>Form 301, Part 2, line 32.</i>) • <i>C Corporations, S corporations that claimed the training credit at the corporate level, and exempt organizations with UBTI:</i> Also enter this amount as a POSITIVE number on <i>Form 300, Part 2, line 23.</i> (If you have a recapture of the employment credit and the training credit, add the amounts on Part 10, line 40 and Part 11, line 46. Enter the total on <i>Form 300, Part 2, line 23.</i>) 	46		00

Name (as shown on page 1):	EIN:
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Part 12 Available Employment Credit Carryover

	(a) Taxable Year	(b) Original Credit Amount	(c) Amount Previously Used Expired or Recaptured	(d) Available Credit Carryover: Subtract column (c) from column (b).
47		00	00	00
48		00	00	00
49		00	00	00
50		00	00	00
51		00	00	00
52	Total Available Carryover: Add lines 47 through 51 in column (d). Enter the total.....			52 00

Part 13 Available Training Credit Carryover

	(a) Taxable Year	(b) Original Credit Amount	(c) Amount Previously Used Expired or Recaptured	(d) Available Credit Carryover: Subtract column (c) from column (b).
53		00	00	00
54		00	00	00
55		00	00	00
56		00	00	00
57	Total Available Carryover: Add lines 53 through 56 in column (d). Enter the total.....			57 00

Part 14 Total Available Credit

58	Current year's <i>employment credit</i> : <ul style="list-style-type: none"> • <i>Individuals, C Corporations, S corporations claiming this credit at the corporate level, or exempt organizations with UBTI</i>: Enter the amount from Part 5, line 17, column (d) • <i>Partnerships</i>: Enter "0". • <i>S corporations that passed the credit through to shareholders</i>: Enter "0" • <i>Individuals</i>: Also, enter this amount on Form 301, Part 1, line 15, column (a) • <i>Partnerships</i>: Enter "0". • <i>S corporations that passed the credit through to shareholders</i>: Enter "0". • <i>C Corporations, S corporations electing to claim this credit at the corporate level, and exempt organizations with UBTI</i>: Also, enter this amount on Form 300, Part 1, line 10, column (a)..... 	58	00
59	Enter the available <i>employment credit</i> carryover from Part 12, line 52, column (d), if any	59	00
60	Enter the available <i>training credit</i> carryover from Part 13, line 57, column (d), if any. <ul style="list-style-type: none"> • <i>Individuals</i>: Also enter the total of lines 59 and 60 (total carryover) on Form 301, Part 1, line 15, column (b) • <i>C Corporations, S corporations electing to claim the credit at the corporate level, and exempt organizations with UBTI</i>: Also enter the total of lines 59 and 60 (total carryover) on Form 300, Part 1, line 10, column (b)..... 	60	00
61	Total available credit : Add lines 58 through 60. <ul style="list-style-type: none"> • <i>Individuals</i>: Also, enter this amount on Form 301, Part 1, line 15, column (c). • <i>C Corporations, S corporations electing to claim this credit at the corporate level, and exempt organizations with UBTI</i>: Also enter this amount on Form 300, Part 1, line 10, column (c)..... 	61	00

Form 332-1	Qualified Employees of Healthy Forest Enterprise	2019
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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) 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 M M D Y Y Y

6 If employee was previously employed by the business, list the previous date of employment. See instructions. M M D Y Y Y

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 actually 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	\$		00
9a Total cost of health insurance provided by employer for employee. See instructions.	\$		00
9b Total cost of health insurance for employee paid by employer. See instructions.	\$		00

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

Form 332-2 **Qualified Employees for Which You are Taking the Employment Credit** **2019**

	(a) Employee's Name	(b) Social Security Number	(c) Type of Employee			(d) Total Wages Paid to the Employee During the Current Tax Year	(e) Maximum Allowable Wages:		
			Check the appropriate box. This employee is a:				Enter the lesser of column (d) or the maximum allowed below.		
			(c1) 1 st Year Employee	(c2) 2 nd Year Employee	(c3) 3 rd Year Employee		(e1) Year 1 \$2000	(e2) Year 2 \$3000	(e3) Year 3 \$3000
1						00			
2						00			
3						00			
4						00			
5						00			
6						00			
7						00			
8						00			
9						00			
10						00			
11						00			
12						00			
13						00			
14						00			
15 TOTAL:									
	<ul style="list-style-type: none"> • For column (c), add the number of employees in each column (c1), (c2) and (c3), and enter the total for each column on line 15. • For columns (d) and (e), add the amounts in each column and enter the total for each column on line 15 		15			00			

If you have more than 14 qualified employees, complete and include additional sheets of Form 332-2

2019 Credit for Employment by a Healthy Forest Enterprise

CREDITS FOR HEALTHY FOREST ENTERPRISES CONTACT INFORMATION	
Arizona Commerce Authority	
•Certification requirements	•Certification forms
•Program guidelines	
Website: www.azcommerce.com	
Program Manager	(602) 845-1200
Arizona Department of Revenue	
•Tax forms and instructions •Information and assistance	
Website: www.azdor.gov	
Taxpayer assistance	(602) 255-3381
From area codes 520 and 928, toll-free	(800) 352-4090

General Instructions

Training Credit for Healthy Forest Enterprises

Former Arizona Revised Statutes (A.R.S.) §§ 43-1076.01 and 43-1162.01 allowed a business that operated a healthy forest enterprise to receive a nonrefundable training credit against individual and corporate income tax liabilities.

The last year the Training Credit could be established was taxable year 2017. The unused portion of valid Training Credits may be carried forward for the remainder of the five-year carryforward period.

NOTE: *The cancellation of the Training Credit does not affect the Employment Credit for Healthy Forest Enterprises.*

Employment Credit for Healthy Forest Enterprises

A.R.S. §§ 43-1076 and 43-1162 allow a business that operates a healthy forest enterprise to receive a nonrefundable employment credit against individual and corporate income tax.

NOTE: *In order to claim the Employment Credit, the business must be a qualified healthy forest enterprise, as certified by the Arizona Commerce Authority (Commerce). The business must provide a copy of its Commerce certification to the department for approval before using the certification to obtain this credit.*

The credit is available to an exempt organization that is subject to corporate income tax on unrelated business taxable income (UBTI). The credit must result from the activities that generate UBTI.

Co-owners of a business, including partners in a partnership and shareholders of an S corporation, may each claim only a *pro rata* share of the allowable credits based on the ownership interest. The total of the credits allowed all owners may not exceed the amount that would have been allowed for a sole owner of the business.

If the allowable tax credit exceeds the taxes otherwise due or, if there are no taxes due, the amount of the credit not used to offset taxes may be carried forward for not more than five taxable years as a credit against subsequent years' income tax liabilities.

With respect to the same employees, the credit is in lieu of the credit for New Employment, claimed on Arizona Form 345.

In general, a qualified healthy forest enterprise is a business operation that enhances or sustains forest health, sustains or recovers watershed or improves public safety. A qualified healthy forest enterprise must be primarily engaged in the business of harvesting, transporting or processing of qualifying forest products for commercial use. To obtain information regarding additional criteria for qualification, contact Commerce using the contact information shown above.

The credit is based on the net increase in the number of qualified employment positions created and filled by a business operating a healthy forest enterprise.

The employment credit is computed using the wages of qualified employees of the business and the net increase in the number of qualified employment positions.

Positions occupied by employees that meet the following criteria are considered qualified employment positions.

NOTE:

- *If a qualified employment position is filled during the last ninety days of the taxable year, it is considered a new qualified employment position for the next taxable year.*
- *A newly created position is a qualified employment position on the date that it meets all of the requirements for a qualified employment position.*

EMPLOYEES IN QUALIFIED POSITIONS

- Must be Arizona residents on their hire date.
- Must be permanent, full-time employees in positions that require at least 1,550 hours per year. The 1,550 hour requirement does not include overtime hours. If forest closures or weather conditions beyond the taxpayer's control result in a shorter period, this would not disqualify the employee so long as the position is still permanent and full-time, and all other qualifications are met.
- Must have duties that primarily involve or directly support the harvesting, transporting or processing of qualifying forest products for commercial use.
- Must be compensated at wages equal to or greater than the wage offer of the county, as computed annually by the Arizona Department of Economic Security research administration division.
- Cannot have been employed by the business within the twelve months preceding their hire date.
- Must have been employed for at least ninety days during the first taxable year. An employee who is hired during the last ninety days of the taxable year shall be considered a new employee during the following taxable year.
- Must have employer-provided health insurance coverage, a portion of which must be paid for by the employer. The employer must pay for at least twenty-five percent of the premium or membership cost of the insurance program in the third year the employer claims the credit for healthy forest enterprises. The employer must pay at least forty percent of this cost in the fourth year it claims the credit, and at least fifty percent of the cost in the fifth year it claims the credit.

Calculating the Credit

The number of qualified employment positions on which the credit can be computed cannot exceed 200 per year per taxpayer. For example, if a taxpayer has several healthy forest enterprises, the taxpayer would add up the net increase in qualified employment positions for all enterprises and compute the credit on that number, or 200, whichever is the lesser amount. Therefore, although a taxpayer may have more than 200 filled qualified employment positions, the taxpayer must select which of those positions should be used for computing the credit. The same employees who are used to compute the first year credit are used to compute the second and third year credits.

If the net increase is being computed for a group of corporations filing a combined or consolidated Arizona corporate income tax return, that group is considered a single taxpayer and therefore entitled to use no more than 200 positions for its credit calculations. Co-owners of the same enterprise(s) are similarly limited to the lesser of the net increase in qualified employment positions or 200. Each co-owner would get a *pro rata* share of the credits.

NOTE: *The number of qualified employment positions determined in the first year will never increase in the second or third year. Only the same positions that were qualified in the first year can be used to compute the credit in the two subsequent tax years.*

Once the taxpayer has determined which employees it will use to compute the credit, the credit amount allowed per employee is applied. Only employee wages incurred during the period the taxpayer has been certified may be used for this calculation. The credit amount per employee depends on the employee's year of employment, as follows.

First year employees: The lesser of \$500 or one-fourth of the taxable wages paid to an employee in a qualified employment position in the first year or partial year of employment.

Second year employees: The lesser of \$1,000 or one-third of the taxable wages paid to an employee in a qualified employment position in the second year of continuous employment.

Third year employees: The lesser of \$1,500 or one-half of the taxable wages paid to an employee in a qualified employment position in the third year of continuous employment.

NOTE – To claim this credit:

- **Individual taxpayers,** complete this credit form and Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture. Include both completed forms with your tax return.
- **C corporations, S corporations claiming this credit at the corporate level, and exempt organizations with UBTI,** complete this credit form and Arizona Form 300, Nonrefundable Corporate Tax Credits and Recapture. Include both completed forms with your tax return.
- **S corporations electing to pass this credit through to its shareholders,** complete this credit form and Arizona

Form 300, Nonrefundable Corporate Tax Credits and Recapture. Also, complete Form 332-S for each shareholder of the S corporation. Provide each shareholder a copy of his or her completed Form 332-S. Include Form 300, Form 332, and one copy of each completed Form 332-S with your tax return.

- **Partnerships,** complete this credit form. Also, complete Form 332-P for each partner of the partnership. Provide each partner a copy of his or her completed Form 332-P. Include Form 332 and one copy of each completed Form 332-P with your tax return.

Specific Instructions

Complete the name and taxpayer identification number (TIN) section at the top of the form. Indicate the period covered by the taxable year. Include all supporting forms with the tax return.

All returns, statements, and other documents filed with the department require a TIN. The TIN for a corporation, an exempt organization with UBTI, an S corporation, or a partnership is the taxpayer's employer identification number (EIN). The TIN for an individual is the taxpayer's Social Security Number (SSN) or an Internal Revenue Service individual taxpayer identification number. Taxpayers that fail to include their TIN may be subject to a penalty.

Part 1 - Healthy Forest Enterprises Information

NOTE: *Taxpayers claiming only a pass through of this credit from Form 332-P and/or Form 332-S and are claiming the Employment Credit, skip to Part 5, lines 16A and/or 16B, column (d).*

Lines 1 and 2 -

Enter the name and TIN of the healthy forest enterprise. For a corporation, an exempt organization with UBTI, a partnership, or an S corporation, use the taxpayer's EIN.

Line 3 -

Reserved for future use.

Line 4-

Check the box on line 4 to indicate the year this form represents for claiming this credit.

Part 2 - Average Number of Full-Time Employees

Use these lines to calculate the difference in the average number of full-time employees that worked for the healthy forest enterprise in this taxable year and the average for the immediately preceding taxable year. The worksheet on page 3 can be helpful in figuring the average. The column for each year corresponds to line 5 and line 6 on page 1 of Form 332.

On lines 1 through 12 of the worksheet, enter the number of full-time employees employed at the end of each month of the year indicated. If the enterprise was not in operation in the immediately preceding taxable year, that year's average is zero. Once the worksheet is completed, enter the amounts on page 1 of Form 332.

Average Number of Full-Time Employees Worksheet		(a) Line 5 Current Taxable Year	(b) Line 6 Immediately Preceding Taxable Year
1	January		
2	February		
3	March		
4	April		
5	May		
6	June		
7	July		
8	August		
9	September		
10	October		
11	November		
12	December		
13	Total – add lines 1 through 12.		
14	Total number of months during the taxable year in which the healthy forest enterprise was in business.		
15	Average – divide the amount on line 13 by the amount on line 14.		

Line 5 -

Enter the average number of full-time employees in the healthy forest enterprise for the current taxable year from line 15, column (a) of the worksheet above.

Line 6 -

Enter the average number of full-time employees in the healthy forest enterprise for the immediately preceding taxable year from line 15, column (b) of the worksheet above.

Line 7 -

Subtract the amount on line 6 from the amount on line 5. If the difference contains a decimal, enter the whole number only - do not round up. This is the net increase in the average number of full-time employees. If the difference is zero, the enterprise cannot claim an employment credit for qualified employment positions created during the current taxable year. If the amount is greater than zero, enter the amount. Also, enter the amount in Part 3, line 9.

Part 3 - Net Increase in Qualified Employment Positions

Line 8 -

Enter the total number of filled qualified employment positions created during the current taxable year.

NOTE:

- If a qualified employment position is filled during the last ninety days of the taxable year, it is considered a new qualified employment position for the next taxable year.
- A newly created position is a qualified employment position on the date that it meets all of the requirements for a qualified employment position.

Line 9 -

Enter the net increase in average number of full-time employees from Part 2, line 7.

Line 10 -

Enter the lesser of line 8 or line 9. This is the increase in qualified employment positions for this healthy forest enterprise.

Part 4 - Limitation on Number of Qualified Employment Positions

Line 12 -

Compare the amounts on lines 10 and 11. Enter the lesser of line 10 or line 11. This is the maximum number of positions on which you may compute each of the credits.

NOTE: Before completing Part 5, lines 13 through 16, complete Forms 332-1 and 332-2. Use additional sheets, if necessary. See the instructions for Forms 332-1 and 332-2 on page 10 of these instructions.

Part 5 - Employment Credit Calculation

Line 13 - Column (a)

Enter the number of qualified net new employees from Form 332-2, line 15, column (c1). This number cannot exceed the maximum number shown on line 12, Part 4 of Form 332.

Line 13 - Column (b)

Enter the total allowable wages for qualified first year employees from Form 332-2, line 15, column (e1).

Line 13 - Column (d)

Multiply the amount entered on line 13, column (b) by the percent shown on line 13, column (c). Enter the result on line 13, column (d). This is the allowable credit for qualified new employees.

Line 14 - Column (a)

Enter the number of previously qualified employees in the second year of continuous employment from Form 332-2, line 15, column (c2).

Line 14 - Column (b)

Enter the total allowable wages for qualified second year employees from Form 332-2, line 15, column (e2).

Line 14 - Column (d)

Multiply the amount entered on line 14, column (b) by the percent shown on line 14, column (c). Enter the result on line 14, column (d). This is the allowable credit for previously qualified employees in their second year of continuous employment.

Line 15 - Column (a)

Enter the number of previously qualified employees in the third year of continuous employment from Form 332-2, line 15, column (c3).

Line 15 - Column (b)

Enter the total allowable wages for qualified third year employees from Form 332-2, line 15, column (e3).

Line 15 - Column (d)

Multiply the amount entered on line 15, column (b) by the percent shown on line 15, column (c). Enter the result on line 15, column (d). This is the allowable credit for previously qualified employees in their third year of continuous employment.

Line 16A - Column (d)

Enter the amount of the Employment Credit passed through from partnerships on Form 332-P, Part 2, line 5.

Line 16B - Column (d)

Enter the amount of the Employment Credit passed through from S corporations on Form 332-S, Part 2, line 5.

Line 17 -

Add the amounts on lines 13 through 16 in column (d). Enter the total.

Part 6 - Recapture of the Employment Credit

NOTE: Taxpayers recapturing *only* a pass through of this credit from Form 332-P and/or Form 332-S who claimed:

- The Employment Credit, skip to Part 6, line 24A or 24B.
- The Training Credit, skip to Part 7, line 32A or 32B.

If your healthy forest enterprise had its qualification for the employment credit terminated or revoked within five taxable years after you first claimed that credit, you must recapture a percentage of the total employment credit you took in all prior years.

If your qualification was revoked due to reasons beyond your control, as determined by Commerce, you do not have to recapture the credit.

If you are required to recapture the employment credit, complete Part 7. If not, skip to Part 8.

Line 18 -

Enter the taxable year in which your certification as a healthy forest enterprise was revoked or terminated (i.e. if your taxable year end was 12/31/2017, enter "2017").

Line 19 -

Enter the first taxable year in which your employment credit for healthy forest enterprises was allowed (i.e. if your taxable year end was 12/31/2016, enter "2016").

Line 20 -

Subtract line 19 from line 18. Enter the difference. This is the number of years between when your employment credit was first allowed and when your certification was revoked.

Line 21 -

The amount of credit you must recapture depends on the year you first received the credit, and how long ago it was. Compare the number of years on line 20 to the following table to determine the percentage of your Employment Credit to be recaptured. (For example: If the number on line 20 is "2", the percentage to be recaptured is 80%. If the number on line 20 is "6" or greater, the percentage to be recaptured is "0".) Enter that percentage.

Number of years since receiving the credit:	Percentage to recapture:
1	100%
2	80%
3	60%
4	40%
5	20%
6 or more	0%

Line 22 -

Enter the total amount of employment credits that you were previously allowed to claim.

Line 23 -

Multiply line 22 by the percentage on line 21. Enter the result.

Line 24A -

Enter the total amount of the employment credit subject to recapture passed through to you from partnerships on Form 332-P, Part 3, line 8.

Line 24B -

Enter the total amount of the employment credit subject to recapture passed through to you from S corporations on Form 332-S, Part 3, line 8.

Line 25 -

Add lines 23 and 24. Enter the total. This is the amount of your employment credit subject to recapture.

Part 7 - Recapture of the Training Credit

If your healthy forest enterprise had its qualification for the training credit terminated or revoked within five taxable years after you first claimed that credit, you must recapture a percentage of the total training credit you took in all prior years.

If your qualification was revoked due to reasons beyond your control as determined by Commerce, you do not have to recapture the credit.

If you are required to recapture the training credit, complete Part 8. If not, skip to Part 9.

Line 26 -

Enter the taxable year in which your certification as a healthy forest enterprise was revoked or terminated (i.e. if your taxable year end was 12/31/2017, enter "2017").

Line 27 -

Enter the first taxable year in which your employment credit for healthy forest enterprises was allowed (i.e. if your taxable year end was 12/31/2016, enter "2016").

Line 28 -

Subtract line 27 from line 26. Enter the difference. This is the number of years between when your employment credit was first allowed and when your certification was revoked.

Line 29 -

The amount of credit you must recapture depends on the year you first received the credit, and how long ago it was. Compare the number of years on line 28 to the following table to determine the percentage of your

Training Credit to be recaptured. (For example, if the number on line 28 is “3”, the percentage to be recaptured is 60%. If the number on line 28 is “6” or greater, the percentage to be recaptured is “0.”) Enter that percentage.

Number of years since receiving the credit:	Percentage to recapture:
1	100%
2	80%
3	60%
4	40%
5	20%
6 or more	0%

Line 30 -

Enter the total amount of training credits that you were previously allowed to claim.

Line 31 -

Multiply line 30 by the percentage on line 29. Enter the result.

Line 32A -

Enter the amount of training credit subject to recapture that was passed through from partnerships on Form 332-P, Part 3, line 11.

Line 32B -

Enter the amount of training credit subject to recapture that was passed through from S corporations on Form 332-S, Part 3, line 11.

Line 33 -

Add line 31 and 32. Enter the total. This is the amount of training credit subject to recapture.

Part 8 - S Corporation Credit Election

Line 34 -

The S corporation must complete line 34 and line 34a or 34b. The S corporation must make an irrevocable election either to claim the current year taxable year credit at the corporate level or to pass the credit through to its shareholders. The S corporation is made by:

- Enter the S corporation’s taxable year end in the box provided on line 34.
- Checking the box on line 34a electing to claim the current year taxable credit at the corporate level; or,
- Checking the box on line 34b electing to claim the pass the current taxable year credit through to its shareholders.
- Each election must be signed by an officer of the S corporation who is also a signatory to Form 120S.

If the S corporation elects to claim the credit at the corporate level, continue to Part 10.

If the S corporation elects to pass this credit through to its shareholders, proceed to the instructions for completing Form 332-S on page 12.

If passing this credit through to the shareholders:

- Complete Form 332-S for each shareholder.
- Provide a copy of completed Form 332-S to each shareholder.

- Include a copy of each completed Form 332-S with your tax return.
- Keep a copy of each completed Form 332-S for your records.

Each S corporation shareholder is entitled to only a *pro rata* share of pass-through each credit based on ownership interest in the S corporation. The total of the each credit allowed to all shareholders may not exceed the amount that would have been allowed for a sole owner.

NOTE: *Trusts and estates which are shareholders of S corporations, are not eligible to claim these credits. However, the share of an S corporation owned by a grantor trust that is disregarded for federal income tax purposes is treated as owned by the grantor. The grantor may claim his or her share of these credits.*

Part 9 - Partner’s Share of Credits and Credit Recaptures

Partnerships claiming these credits must pass them through to its partners. Proceed to the instructions for completing Form 332-P on page 11.

Each partner is entitled to only a *pro rata* share of each credit based on the partner’s ownership interest in the partnership. The total of each credit allowed to all partners may not exceed the amount that would have been allowed for a sole owner.

NOTE: *Trusts and estates which are partners in a partnership are not eligible to claim these credits. However, the share of a partnership owned by a grantor trust that is disregarded for federal income tax purposes is treated as owned by the grantor. The grantor may claim his or her share of these credits.*

Part 10 - Recapture Summary for Employment Credit

Use lines 35 through 40 to determine whether you have any allowable employment credit remaining, even if you have to recapture some of it.

Line 35 -

Enter the taxable year(s) in which you took an employment credit or credit carryover for the disqualified healthy forest enterprise.

Line 36 -

Enter the total amount of employment credit originally allowed for the disqualified healthy forest enterprise.

Line 37 -

Enter the amount from Part 6, line 25. This is the total amount of the employment credit to be recaptured.

Line 38 -

Subtract line 37 from line 36. Enter the difference. This is the amount of employment credit allowable for the disqualified healthy forest enterprise.

Line 39 -

Enter the amount of employment credit on line 36 that you claimed on prior taxable year’s returns.

Line 40 -

Subtract line 39 from line 38. Enter the difference.

If the difference is POSITIVE:

- This is the amount of employment credit carryover you have remaining for use in future years.
- Adjust the amounts in column (d) in Part 12, lines 47 through 51 so the total amount on line 52 equals the amount of the credit carryover remaining for use in future years.

If the difference is NEGATIVE:

- This is the amount of employment credit you must recapture.
- Adjust the amounts in Part 12, lines 47 through 51, column (d) to zero, "0." There is no carryover amount for the employment credit.
 - *Individuals* - Also enter this amount as a POSITIVE number on Form 301, Part 2, line 32. (If you have a recapture of the employment credit *and* the training credit, and the amounts on Part 10, line 40 and Part 11, line 46. Enter that total on Form 301, Part 2, line 32.)
 - *C corporations, S corporations that claimed the training credit at the corporate level, and exempt organizations with UBTI* - Also enter this amount as a POSITIVE number on Form 300, Part 2, line 24. (If you have a recapture of the employment credit *and* the training credit, add the amounts on Part 10, line 40, and Part 11, line 46. Enter the total on Form 300, Part 2, line 23.)

For additional guidance, refer to Examples 1 and 2 following the instructions for line 46.

Part 11 - Recapture Summary for Training Credit

Use lines 41 through 46 to determine whether you have any allowable training credit remaining, even if you have to recapture some of it.

Line 41 -

Enter the taxable year(s) in which you took a training credit or credit carryover for the disqualified healthy forest enterprise.

Line 42 -

Enter the total amount of training credit originally allowed for the disqualified healthy forest enterprise.

Line 43 -

Enter the amount from Part 7, line 33. This is the total amount of the training credit to be recaptured.

Line 44 -

Subtract line 43 from line 42. Enter the difference. This is the amount of training credit allowable for the disqualified healthy forest enterprise.

Line 45 -

Enter the amount of training credit on line 42 that you claimed on prior taxable year's returns.

Line 46 -

Subtract line 45 from line 44. Enter the difference.

If the difference is POSITIVE:

- This is the amount of training credit carryover you have remaining for use in future years.
- Adjust the amounts in column (d) in Part 13, lines 53 through 57 so the total amount on line 58 equals the amount of the credit carryover remaining for use in future years.

If the difference is NEGATIVE:

- This is the amount of training credit you must recapture.
- Adjust the amounts in Part 13, lines 53 through 57, column (d) to zero, "0." There is no carryover amount of the employment credit.
 - *Individuals* - Also enter this amount as a POSITIVE number on Form 301, Part 2, line 32. (If you have a recapture of the training credit and the employment credit, add the amounts on Part 10, line 40 and Part 11, line 46. Enter that total on Form 301, Part 2, line 32.)
 - *C corporations, S corporations that claimed the training credit at the corporate level, and exempt organizations with UBTI* - Also enter this amount as a POSITIVE number on Form 300, Part 2, line 24. (If you have a recapture of the employment credit and the training credit, add the amounts on Part 10, line 40, and Part 11, line 46. Enter the total on Form 300, Part 2, line 23.)

For additional guidance, refer to Examples 1 and 2 on the following pages.

EXAMPLE 1 (In this example, line 40 is positive):

Healthy Forest Enterprise A (A) claimed the employment credit on Form 332 for taxable years 2016 through 2018. The amount of credit claimed each year was \$1,000; the total credit claimed is \$3,000. A used \$1,500 of its employment credit, leaving it with a credit carryover of \$1,500 as of taxable year ending 2018.

During 2019, A was notified by the department it was subject to a recapture of 60% of the credit claimed, or \$ 900.

A completes Part 10 of its Form 332 and finds that line 40 is **positive**. This means A still has a carryover of the employment credit in the amount of \$600.

At the end of taxable year 2018, A had an available employment credit carryover amount of \$1,500, shown on the schedule below (from Part 13 of its 2017 taxable year Form 332):

	(a) Taxable Year	(b) Original Credit Amount	(c) Amount Previously Used, Expired, or Recaptured	(d) Available Credit Carryover
47	2016	1,000	500	500
48	2017	1,000	500	500
49	2018	1,000	500	500
50				
51				
52	Total Available Carryover:			1,500

Following the instructions for line 40, A adjusts Part 12, Available Employment Credit Carryover, for the recapture of \$900. Part 12 of its 2019 taxable year Form 332 is shown below:

	(a) Taxable Year	(b) Original Credit Amount	(c) Amount Previously Used, Expired, or Recaptured	(d) Available Credit Carryover
47	2016	1,000	1,000	0
48	2017	1,000	900	100
49	2018	1,000	500	500
50				
51				
52	Total Available Carryover			600

- A increased its 2016 Amount Previously Used (Or Recaptured) by \$500. This eliminated its credit carryover from 2016.
- A increased its 2017 Amount Previously Used (Or Recaptured) by \$400. This reduced its credit carryover for 2017 from \$500 to \$100.
- A’s 2018 Available Employment Credit Carryover remains unchanged.
- A has \$600 of Available Employment Credit Carryover it may use on its 2019 taxable year tax return.

EXAMPLE 2 (In this example, line 40 is negative):

Healthy Forest Enterprise B (B) claimed the employment credit on Form 332 for taxable years 2016 through 2018. The amount of credit claimed each year was \$1,000; the total credit claimed is \$3,000. B used \$2,500 of its employment credit, leaving it with a credit carryover of \$500 as of taxable year ending 2018.

During 2019, B was notified by the department it was subject to a recapture of 60% of the credit claimed, or \$ 900.

B completes Part 11 of its Form 332 and finds that line 47 is **negative**. This means B has no carryover of the employment credit and must report \$400 as a recapture on Form 300, Part 2, line 24, or Form 301, Part 2, line 33. (See line 40 for instructions).

At the end of taxable year 2018, B had an available employment credit carryover amount of \$500, shown on the schedule below (from Part 14 of its 2017 taxable year Form 332):

	(a) Taxable Year	(b) Original Credit Amount	(c) Amount Previously Used, Expired, or Recaptured	(d) Available Credit Carryover
47	2016	1,000	1,000	0
48	2017	1,000	1,000	0
49	2018	1,000	500	500
50				
51				
52	Total Available Carryover:			500

Following the instructions for line 40, B adjusts Part 12 for the recapture of \$900. Part 12 of its 2019 taxable year Form 332 is shown below:

	(a) Taxable Year	(b) Original Credit Amount	(c) Amount Previously Used, Expired, or Recaptured	(d) Available Credit Carryover
47	2016	1,000	1,000	0
48	2017	1,000	1,000	0
49	2018	1,000	1,000	0
50				
51				
52	Total Available Carryover			0

No adjustment is needed for 2016.

No adjustment is needed for 2017.

B increased its 2018 Amount Previously Used (Or Recaptured) by \$500. This eliminated its Employment Credit carryover for 2018.

B has no credit carryover of the Employment Credit.

Part 12 - Available Employment Credit Carryover

Use Part 12 to figure your available employment credit carryover. Complete lines 47 through 52 if you claimed the employment credit on a prior taxable year return and your employment credit was more than your tax.

If the allowable tax credit exceeds the taxes otherwise due or, if there are no taxes due, the amount of the credit not used to offset taxes may be carried forward for not more than five taxable years as a credit against subsequent years' income tax liabilities.

S corporations, if this portion of the credit was claimed at the corporate level in a prior taxable year and there is a carryover amount available, complete Part 12.

Lines 47 through 51 -

Enter the following information in the columns indicated on lines 47 through 51:

- a) Taxable Year – the taxable year from which you are carrying over the employment credit.
- b) Original Credit Amount - the amount of the credit you originally computed.
- c) Amount Previously Used – the employment credit from that taxable year you have already used or the amount of the credit that expired.
- d) Available Credit Carryover – Subtract the amount in column (c) from the amount in column (b). Enter the difference. This is the available employment credit carryover available for the current taxable year.

Line 52 -

Add the amounts on lines 47 through 51 in column (d). Enter the total. This is your available employment credit carryover for the current taxable year.

Part 13 - Available Training Credit Carryover

S corporations, if this portion of the credit was claimed at the corporate level in a prior taxable year and there is a carryover amount available, complete Part 13.

Lines 53 through 56 -

Use Part 13 to figure your available training credit carryover. Complete lines 53 through 56 if you claimed the training credit on a prior year return and your training credit was more than your tax.

If the allowable tax credit exceeds the taxes otherwise due or, if there are no taxes due, the amount of the credit not used to offset taxes may be carried forward for not more than five taxable years as a credit against subsequent years' income tax liabilities.

Enter the following information in the columns indicated on lines 53 through 56:

- a) Taxable Year – the taxable year from which you are carrying over the training credit.
- b) Original Credit – the amount of the credit you originally computed.

- c) Amount Previously Used the amount of the training credit from that taxable year you have already used or the amount of the credit that expired.
- d) Available Credit Carryover – Subtract the amount in column (c) from the amount in column (b). Enter the difference. This is the available training credit carryover available for the current taxable year.

Line 57 -

Add the amounts entered on lines 53 through 56 in column (d). Enter the total. This is the available training credit carryover available for the current taxable year.

Part 14 - Total Available Credit

Line 58 -

Enter the current year's employment credit.

Individuals, C corporations, S corporations that elected to claim the credit at the corporate level, and exempt organizations with UBTI - enter the amount from Part 5, line 17, column (d).

Partnerships - enter "0".

S corporations that passed the current year credit through to shareholders - enter "0".

Individuals - Also enter this amount on Form 301, Part 1, line 15, column (a).

C corporations, S corporations electing to claim this credit at the corporate level, and exempt organizations with UBTI - Also enter this amount on Form 300, Part 1, line 10, column (a).

Line 59 -

Enter the amount of available employment credit carryover from Part 12, line 52, column (d).

Line 60 -

Enter the amount of available training credit carryover from Part 13, line 57, column (d).

Individuals - Also enter the total of lines 59 and 60 on Form 301, Part 1, line 15, column (b).

C corporations, S corporations electing to claim this credit at the corporate level, and exempt organizations with UBTI - Also enter the total of lines 59 and 60 on Form 300, Part 1, line 10, column (b).

Line 61 -

Add lines 58 through 60 and enter the total.

Individuals - enter the total available credit on Arizona Form 301, Part 1, line 15, column (c).

C corporations, S corporations that elected to claim the credit at the corporate level, and exempt organizations with UBTI - enter the total available credit on Arizona Form 300, Part 1, line 10, column (c).

FORM 332-1 QUALIFIED EMPLOYEES

Alternative formats prescribed by the department may also be used to file this form. For example, the department will accept a hard copy spreadsheet that contains all the requested information or the information may be compiled with a spreadsheet program such as Microsoft Excel and submitted on a CD-ROM or DVD-ROM. The chosen media must be Microsoft Windows compatible. Regardless of the form, the information must be filed on or before the due date of the tax return, including any extensions.

Taxpayers submitting the information on CD-ROM or DVD-ROM should secure the CD-ROM or DVD-ROM in a hard case and include it with the tax return. Arizona Forms 332-1, and 332-2 submitted on CD-ROM or DVD-ROM are part of the income tax return, are subject to the sworn statement on the return that they are true, and correct to the best of the signer's knowledge and belief.

The CD-ROM or DVD-ROM should be labeled as Forms 332-1, or 332-2, with the taxpayer's name, EIN and taxable year listed.

Taxpayers may password protect the CD-ROM or DVD-ROM and email the password separately to MediaLibrarian@azdor.gov. Include "Form(s) 332-1, and/or 332-2" in the subject line of the email. In the body of the email, include the same information that is on the CD-ROM or DVD-ROM label. The department will not return or copy any media.

CAUTION: *Taxpayers that substitute the CD-ROM or DVD-ROM do so at their own risk and understand that the information may need to be provided to the department again at a later date if it is not accessible by the department for any reason.*

Complete one Form 332-1 for each qualified employee. Include the employee's name, SSN, and the date each employee was hired. If an employee's job duties do not involve or directly support the harvesting, transporting or processing of qualifying forest products in a qualified project, the employee is not in a qualified employment position. Do not complete a Form 332-1 for employees that are not in qualified employment positions. These employees should not be listed on Form 332-2, and will not be used to compute the credits.

FORM 332-1, LINE 6 - complete this line if the employee was previously employed by the business (prior to current employment).

FORM 332-1, LINES 9a AND 9b - on line 9a, enter the total amount of the insurance premium or membership cost provided for the employee. If the business is self-insured, list the total amount of a predetermined fixed cost for the employee for an insurance program that is payable whether or not the employee has filed claims. On line 9b, enter the total amount of the insurance premium or membership cost paid by the employer.

FORM 332-2 QUALIFIED EMPLOYEES FOR WHICH YOU ARE TAKING THE EMPLOYMENT CREDIT

Complete the requested information for each employee in a qualified employment position for whom you are taking the employment credit. Use Forms 332-1 and 332-2 to complete Part 5, lines 13 through 17 on Form 332.

Form 332-P, Distribution to Partners of a Partnership

Enter the taxable year from which this credit is being passed through to your partners.

Complete Form 332-P for each partner of the partnership, *except for* trust or estate partners. However, a partnership ownership share that is owned by a grantor trust that is disregarded for federal income tax purposes is treated as owned by the grantor. The grantor may claim his or her share of the credit.

The partnership must furnish each partner with their completed copy of Form 332-P, including additional schedules as needed.

Part 1 - Partnership and Partner Information

Line 1 -

Enter the partnership name and EIN in the spaces provided

Line 2 -

Enter the partner's name, EIN, TIN, or SSN, and ownership percentage in the spaces provided.

Line 3 -

If the name and EIN of the partnership is different from the name and EIN of the Healthy Forest Enterprise, enter the name and EIN of the Healthy Forest Enterprise in the spaces provided. If the name and EIN of the partnership is the same as the name and EIN of the Healthy Forest Enterprise, indicate, "SAME."

Part 2 - Distribution of the Credit

Line 4 -

Enter the amount of the partnership's employment credit from Form 332, Part 5, line 17, column (d).

Line 5 -

Multiply line 4 by the percentage on line 2(c). Enter the result. This is the partner's portion of the employment credit.

Part 3 - Credit Recapture

Line 6 -

Enter the total amount of the partnership's employment credit previously passed through to the partner.

Line 7 -

Enter the recapture percentage of the employment credit amount previously passed through that is subject to recapture from Form 332, Part 6, line 21.

Line 8 -

Multiply line 6 by the percentage on line 7. Enter the result.

- *Partners:* Enter this amount on *your* Form 332, Part 6, line 24A.

This is the partner's portion of the employment credit subject to recapture.

NOTE: *If you have recapture amounts for the employment credit from more than one source, calculate each recapture amount separately. Total the amounts subject to recapture and enter that amount on line 8.*

Line 9 -

Enter the total amount of the partnership's training credit that was previously passed through to the partner.

Line 10 -

Enter the recapture percentage of the training credit amount that was previously passed through that is subject to recapture from Form 332, Part 7, line 29.

Line 11 -

Multiply line 9 by the percentage on line 10. Enter the result.

- *Partners:* Enter this amount on *your* Form 332, Part 7, line 32A.

This is the partner's portion of the training credit subject to recapture.

NOTE: *If you have recapture amounts for the training credit from more than one source, calculate each recapture amount separately. Total the amounts subject to recapture and enter that amount on line 11.*

Each partner will use this form to complete his or her own Form 332.

Form 332-S, Distribution to Shareholders of an S Corporation

Enter the taxable year from which this credit is being passed through to your shareholders.

Complete Form 332-S for each shareholder of the S corporation, *except for* trust or estate shareholders. However, an S corporation ownership share that is owned by a grantor trust that is disregarded for federal income tax purposes is treated as owned by the grantor. The grantor may claim his or her share of the credit.

The S corporation must furnish each shareholder with his or her completed copy of Form 332-S, including additional schedules as needed.

Part 1 - S corporation and Shareholder Information

Line 1 -

Enter the S corporation name and EIN in the spaces provided

Line 2 -

Enter the shareholder's name, SSN, and ownership percentage in the spaces provided.

Line 3 -

If the name and EIN of the S corporation is different from the name and EIN of the Healthy Forest Enterprise, enter the name and EIN of the Healthy Forest Enterprise in the spaces provided. If the name and EIN of the S corporation is the same as the name and EIN of the Healthy Forest Enterprise, indicate, "SAME."

Part 2 - Distribution of the Credit

Line 4 -

Enter the amount of the S corporation's employment credit from Form 332, Part 5, line 7, column (d).

Line 5 -

Multiply line 4 by the percentage on line 2(c). Enter the result. This is the shareholder's portion of the employment credit.

Part 3 - Credit Recapture

Line 6 -

Enter the total amount of the S corporation's employment credit previously passed through to the shareholder.

Line 7 -

Enter the recapture percentage of the employment credit amount previously passed through that is subject to recapture from Form 332, Part 6, line 21.

Line 8 -

Multiply line 6 by the percentage on line 7. Enter the result.

- *Shareholders:* Enter this amount on *your* Form 332, Part 6, line 24B.

This is the shareholder's amount of the employment credit subject to recapture.

NOTE: *If you have recapture amounts for the employment credit from more than one source, calculate each recapture amount separately. Total the amounts subject to recapture and enter that amount on line 8.*

Line 9 -

Enter the total amount of the S corporation's training credit previously passed through to the shareholder.

Line 10 -

Enter the recapture percentage of the training credit amount previously passed through that is subject to recapture from Form 332, Part 7, line 29.

Line 11 -

Multiply line 9 by the percentage on line 10. Enter the result.

- *Shareholders:* Enter this amount on *your* Form 332, Part 7, line 32B.

This is the shareholder's amount of the training credit subject to recapture.

NOTE: *If you have recapture amounts for the training credit from more than one source, calculate each recapture amount separately. Total the amounts subject to recapture and enter that amount on line 11.*

The shareholder will use this form to complete his or her own Form 332.