



1996

Massachusetts

Department of

Revenue

Schedule EOA

Economic Opportunity Area Credit

Name	Federal ID or Social Security number
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Part 1. General Information

1 Type of business for which property is being used (check only one):

- ☐ Sole Proprietorship ☐ Partnership ☐ S Corporation ☐ Corporate Trust ☐ Financial Institution
☐ Insurance Company ☐ Corporation ☐ Trust ☐ Public Service Corporation
☐ Corporation included in a combined return (enter name and Federal ID Number of principal reporting company):

☐ Other (specify):

2 Type of return this schedule is filed with:

3 Location of certified project:

4 Date project was certified by EACC (attach a copy of certification from EACC):

Part 2. Computation of 5% Current Year Economic Opportunity Area Credit

5 Briefly, but accurately, describe purchases of qualifying property for the 5% Economic Opportunity Area credit. Complete details must be available upon request.	Date Acquired	Life or Recovery (Years)	Cost (If Not Using Cost, Explain on Separate Sheet)
6 Total cost of property		6	\$
7 U.S. basis reduction, if any		7	\$
8 Total cost of property after reduction. <i>Subtract line 7 from line 6.</i>		8	\$
9 Available current year Economic Opportunity Area Credit. <i>Multiply line 8 by .05.</i>		9	\$

Taxpayers subject to taxation under MGL Ch. 63: Corporations filing Form 355A, 355B, 355S-A, 355S-B, 355C-A or 355C-B must enter this amount in Schedule H, line 22A. All other taxpayers subject to tax under MGL Ch. 63 must enter this amount on the appropriate line on their tax return.

Taxpayers subject to taxation under MGL Ch. 62 must complete parts 3 and 4.

Part 3. Taxpayers subject to tax under MGL Ch. 62

10 Total tax for determining allowable credit. Form 1, line 24; Form 1-NR/PY, line 28; Form 2, line 45; Form 3F, line 25	10	\$
11 Total of Limited Income Credit, Long-term Capital Gains Tax Credit applied to 12% Income, Credit for Taxes Paid to Other Jurisdictions, Lead Paint Credit and Energy Credit, if any	11	\$
12 <i>Subtract line 11 from line 10. Enter result here</i>	12	\$
13 Enter 50% of line 12 here	13	\$
14 Economic Opportunity Area Credit available this year. <i>Add line 9 and prior years unused Economic Opportunity Area Credit (from 1995, Sch. EOA, line 17, col. c).</i>	14	\$
15 Credits allowable for use in current year. If line 13 is greater than or equal to line 14, enter line 14. If line 13 is less than line 14 enter line 13	15	\$

Enter the amount from line 15 on Form 1, line 26; Form 1-NR/PY, line 30; Form 2, line 46; or Form 3F, line 28.

Part 4. Carryover to future years

16 Maximum amount of credits for conversion to 10 year carryover status:

Year	a. Unused Credits from Prior Years and Current Year Credit	b. Portion Used This Year	C. Unused Credit Available Subtract Col. b. from Col. a	
			Amount	For
1993	(1995 Sch. EOA, line 16, col. c) \$	\$	\$	1997–2003
1994	(1995 Sch. EOA, line 16, col. c) \$	\$	\$	1997–2004
1995	(1995 Sch. EOA, line 16, col. c) \$	\$	\$	1997–2005
1996	(1996 Sch. EOA, line 9) \$	\$	\$	1997–2006
17 Totals	\$	\$	\$	

Schedule EOA Instructions

General Information

What Is the Economic Opportunity Area (EOA) Credit?

The Economic Opportunity Area Credit is a tax credit equal to 5% of the cost of property purchased for business use within a Certified Project in an EOA. The credit covers all property that is 1) eligible for the current 3% investment tax credit (ITC) and 2) used exclusively in a certified project in an EOA. The 5% Economic Opportunity Area Credit and the 3% ITC **cannot** be taken for the same property. In the case of a taxpayer having property which meets the criteria for both credits, the taxpayer may choose either of the credits, but may not take both credits for the same property.

What Is An Economic Opportunity Area?

An economic opportunity area is an area that has been designated by the Economic Assistance Coordinating Council (EACC) to be a "decadent area" or a "blighted open area" which is detrimental to the sound growth of a community and unlikely to be developed by the ordinary operation of private enterprise.

Who Is Eligible to Take the Economic Opportunity Area Credit?

The credit is available to all businesses regardless of whether the business is a sole proprietorship, partnership, corporate trust or corporation. It is also available to banks, insurance companies and public utilities.

What Is A Certified Project?

A Certified Project is a business proposal that has been approved by the EACC. To qualify as a valid business proposal, the proposal must include a workable plan to increase employment in the EOA and must be approved by the municipality located in the EOA.

What Type of Property Is Eligible for the Credit?

Property purchased for business use in a certified project may be used in the calculation of the credit. This property must qualify for the credit allowed under MGL Ch. 63, sec. 31A.

Are There Limitations to the Credit?

Yes. Taxpayers subject to tax under Massachusetts General Laws (MGL) Ch. 62 (sole proprietorships, trusts, corporate trusts, partnerships and S corporations) are allowed to use the EOA credit to offset up to 50% of their tax due. Corporations may offset up to 50% of the excise due with the EOA credit. Corporations cannot use the credit to lower their excise below the minimum. The 50% limitation does not apply to banks, insurance companies or public service corporations.

May Excess Credits be Carried Over From Year to Year?

Yes. Taxpayers subject to tax under MGL Ch. 62 may carryover unused credits for 10 years. Taxpayers subject to tax under MGL Ch. 63 may carry over for 10 years any credits not used due to the minimum excise limitation. However, any credits not used due to the 50% limitation can be carried over for an unlimited period of time.

Line Instructions.

Part 1.

Line 1. Check the type of business for which the property is being used.

Line 2. Enter the type of return that you file. Attach a copy of this schedule to your return.

Line 3. The location of the certified project should be entered here.

Line 4. Enter the date the project was certified by the Economic Assistance Coordinating Council (EACC). Also, attach a copy of the certification from the EACC.

Part 2. Note: Shareholders of an S Corporation and Partners.

If you are an S corporation shareholder, you will be notified by the S corporation of the amount to enter in line 9. If you are a general or limited partner you will be notified by the partnership of the amount to enter in line 9. You must still complete Part 1.

Line 5. Enter here an accurate description of the qualifying property for the 5% Economic Opportunity Area Credit. The credit is limited to property purchased for business use within the EOA.

Line 6. Enter the total cost of the property purchased for business use in the certified project as approved by the EACC.

Line 7. Enter the amount taken for any U.S. basis reduction.

Line 8. Subtract line 7 from line 6. This is the total cost of the property after deducting any U.S. basis reduction.

Line 9. Multiply line 8 by 5% (.05). This equals the available current year Economic Opportunity Area credit.

Taxpayers who are subject to MGL Ch. 63: Corporations who file Form 355A, 355B, 355S-A, 355S-B, 355S-B, 355C-A or 355C-B must enter the amount from Schedule EOA, line 9 on Schedule H, line 22A of their corporate excise return. Schedule H must be completed to reconcile the Economic Opportunity Area Credit with your other credits and to account for any possible carryovers. All other taxpayers subject to MGL Ch. 63 must enter the amount from line 9 on their return.

Taxpayers who are subject to MGL Ch. 62: Taxpayers who are subject to MGL Ch. 62 must complete Parts 3 and 4. Part 3 is used to calculate the amount of credit that can be used this year. Taxpayers can offset up to 50% of their tax due with the EOA credit. Part 4 is used to calculate the amount of the credit to be carried over to future years.

Part 3.

Line 10. Enter in line 10 your total tax from Form 1, line 24; Form 1-NR/PY, line 28; Form 2, line 45; or Form 3F, line 25.

Line 11. Add the Limited Income Credit, Long-term Capital Gains Tax Credit Applied to 12% Income, Credit for Income Taxes Paid to Other Jurisdictions, Lead Paint Credit and Energy Credit if any. Enter the result in line 11.

Line 12. Subtract line 11 from line 10 and enter the result here. Do not enter less than "0."

Line 13. Divide the amount in line 12 by two and enter the result in line 13.

Line 14. Add line 9 and any prior years unused Economic Opportunity Area Credit from 1995, Schedule EOA, line 17, column C. Enter the result in line 14.

Line 15. If line 13 is greater than or equal to line 14, enter line 14 here. If line 13 is less than line 14, enter the amount from line 13 here. Enter the amount from line 15 on Form 1, line 26; Form 1-NR/PY, line 30; Form 2, line 46; or Form 3F, line 28.

Part 4. Carryover to Future Years

Any certified property credits generated in the current year must be used before any carryover credits are used. Any credits not used in the current year due to the 50% limitation, may be carried over for an unlimited number of years.