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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

Empowerment Zone and Renewal Community Employment Credit

Department of the Treasury
Internal Revenue Service

▶ Attach to your tax return.

Name(s) shown on return

Identifying number

Part I Current Year Credit

1 Enter the total qualified wages paid or incurred during calendar year 2006 only (see instructions)			
a Qualified empowerment zone wages \$ X 20% (.20)	1a		
b Qualified renewal community wages \$ X 15% (.15)	1b		
2 Add lines 1a and 1b. You must subtract this amount from your deduction for salaries and wages	2		
3 Employment zone and renewable community employment credit from partnerships, S corporations, cooperatives, estates, and trusts	3		
4 Add lines 2 and 3. Cooperatives, estates, and trusts, go to line 11; partnerships and S corporations, report this amount on Schedule K; all others, continue with line 5	4		
5 Empowerment zone and renewal community employment credit included on line 4 from passive activities (see instructions)	5		
6 Subtract line 5 from line 4	6		
7 Passive activity credit allowed for 2006 (see instructions)	7		
8 Carryforward of empowerment zone and renewal community employment credit to 2006	8		
9 Carryback of empowerment zone and renewal community employment credit from 2007 (see instructions)	9		
10 Add lines 6 through 9. Cooperatives, estates, and trusts, continue on to line 11. All others, use this amount to complete Part II	10		
11 Amount allocated to the patrons of the cooperative or the beneficiaries of the estate or trust (see instructions)	11		
12 Cooperatives, estates, and trusts. Subtract line 11 from line 10. Use this amount to complete Part II	12		

Part II Allowable Credit

13 Regular tax before credits:			
<ul style="list-style-type: none"> • Individuals. Enter the amount from Form 1040, line 44; Form 1040NR, line 41 • Corporations. Enter the amount from Form 1120, Schedule J, line 2; Form 1120-A, Part I, line 1; or the applicable line of your return • Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return 	13		
14 Alternative minimum tax:			
<ul style="list-style-type: none"> • Individuals. Enter the amount from Form 6251, line 35 • Corporations. Enter the amount from Form 4626, line 14 • Estates and trusts. Enter the amount from Form 1041, Schedule I, line 56 	14		
15 Add lines 13 and 14	15		
16a Foreign tax credit	16a		
b Credits from Form 1040, lines 48 through 54 (or Form 1040NR, lines 45 through 49)	16b		
c Qualified electric vehicle credit (Form 8834, line 20)	16c		
d Alternative motor vehicle credit (Form 8910, line 18)	16d		
e Alternative fuel vehicle refueling property credit (Form 8911, line 19)	16e		
f Add lines 16a through 16e	16f		
17 Net income tax. Subtract line 16f from line 15. If zero, skip lines 18 through 24 and enter -0- on line 25	17		
18 Net regular tax. Subtract line 16f from line 13. If zero or less, enter -0-	18		
19 Tentative minimum tax (see instructions)	19		
20 Enter 25% (.25) of the excess, if any, of line 18 over \$25,000 (see instructions)	20		
21 Multiply line 19 by 75% (.75)	21		
22 Enter the greater of line 20 or line 21	22		
23 Subtract line 22 from line 17. If zero or less, enter -0-	23		
24 General business credit (see instructions)	24		
25 Subtract line 24 from line 23	25		
26 Credit allowed for the current year. Cooperatives, estates, and trusts. Enter the smaller of line 12 or line 25. Report this amount on Form 1041, Schedule G, line 2c; or Form 1120-C, Schedule J, line 5c. If line 25 is smaller than line 12, see instructions. All others. Enter the smaller of line 10 or line 25. Report this amount on Form 1040, line 55; Form 1040NR, line 50; Form 1120, Schedule J, line 5c; Form 1120-A, Part I, line 2; or the applicable line of your return. If line 25 is smaller than line 12, see instructions	26		