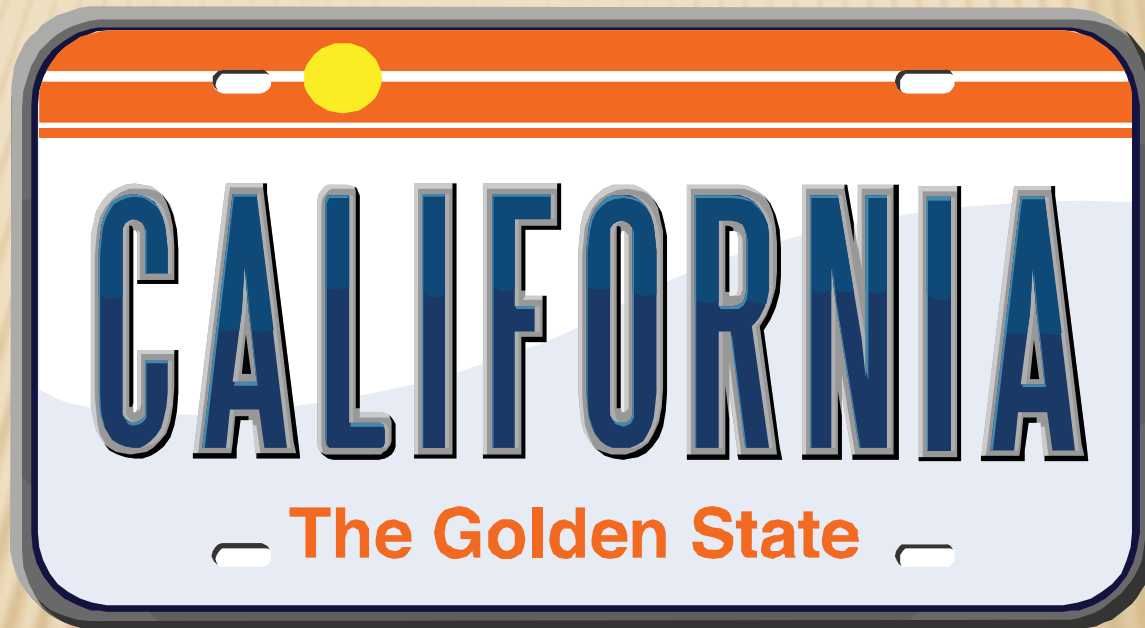
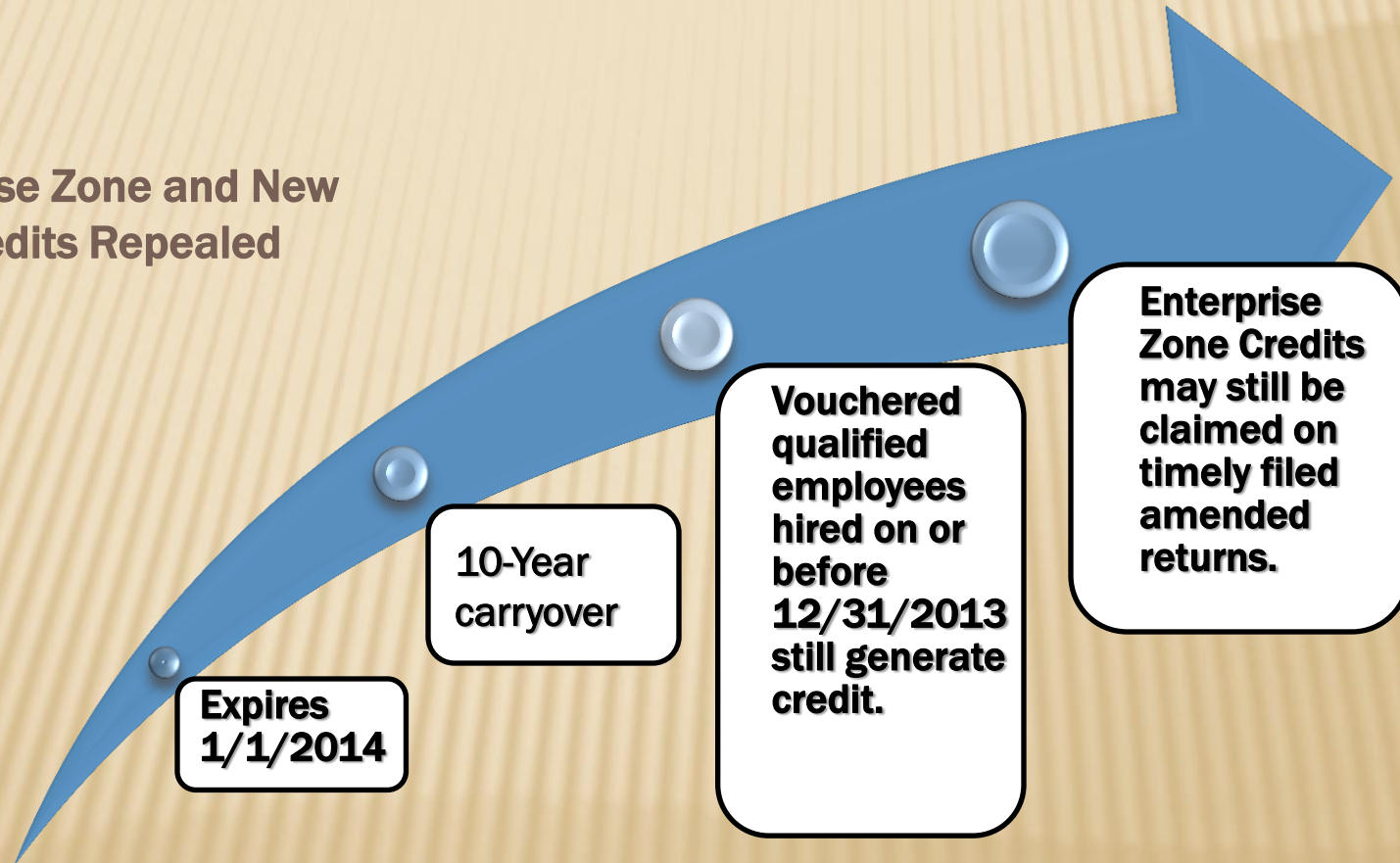


NEW EMPLOYMENT CREDIT



REPEAL OF ENTERPRISE ZONE CREDITS

Enterprise Zone and New
Jobs Credits Repealed



CERTIFICATION DEADLINE



REPEAL OF ENTERPRISE ZONE CREDITS

10-year carryover for:

Remaining 60
months of hiring
credit.

Sale or Use Tax
Credit.

Limited by Enterprise Zone income.

NEW JOBS CREDIT

Expires
12/31/2013

- \$3,000 credit still available for each qualified full-time employee.

FTB 3527

- Get form and more information at FTB.CA.GOV.

NEW EMPLOYMENT CREDIT



NEW EMPLOYMENT CREDIT

Tentative
Credit Amount

Qualified Wages X Hours Worked X 35%

Applicable
Percentage

Net Increase in Full-Time Employees
Qualified Full-Time Employees

Credit
Allowable

Tentative Credit Amount X Applicable
Percentage

NEW EMPLOYMENT CREDIT

Total number
of full-time
employees in
current year

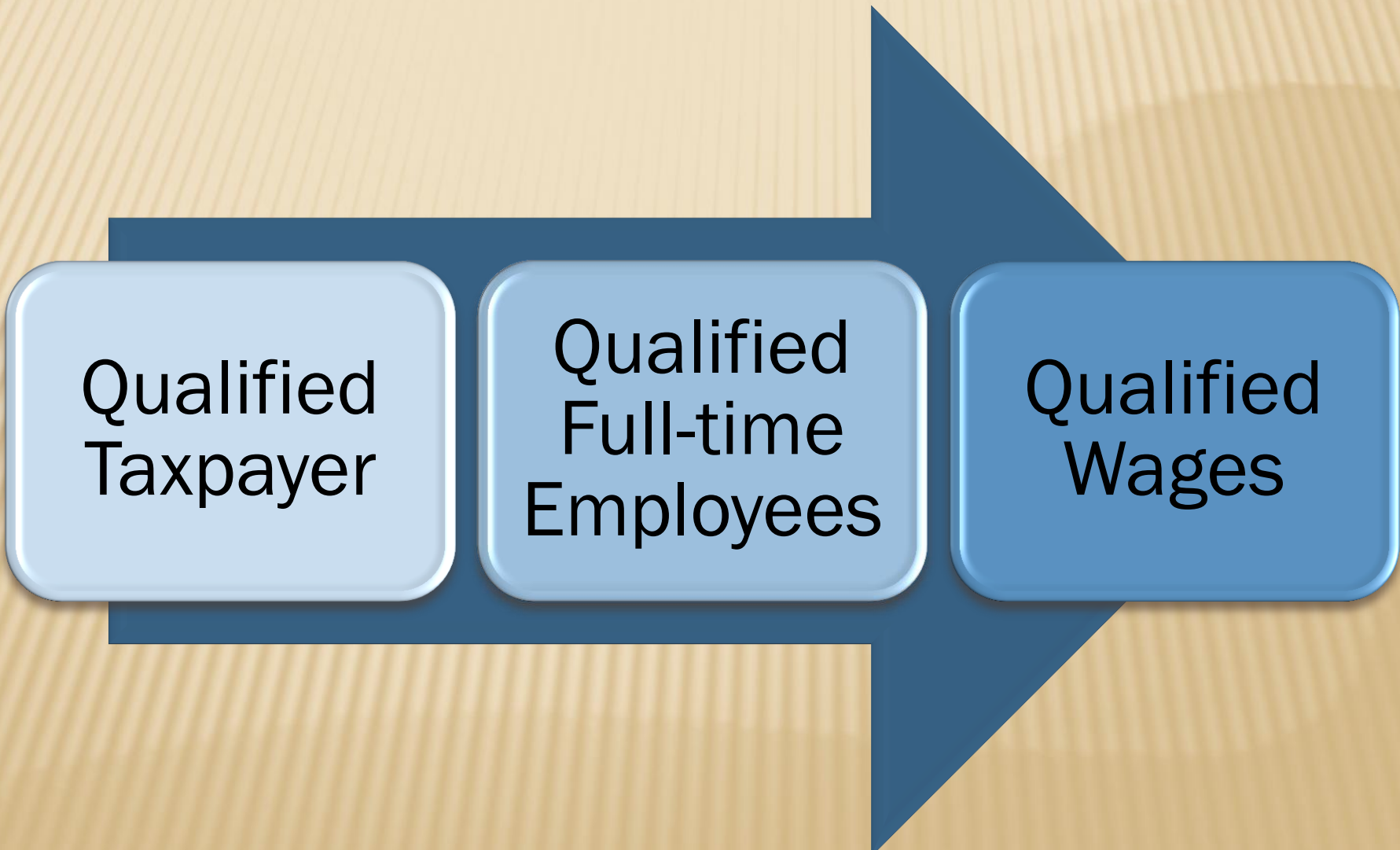


Number of
base year
full-time
employees



One or
more

NEW EMPLOYMENT CREDIT



Qualified
Taxpayer

Qualified
Full-time
Employees

Qualified
Wages

QUALIFIED TAXPAYER

Located within
designated
geographic area.

Not an excluded
business.

Qualified
Taxpayer

Hires qualified full-
time employee.

Pays qualified
wages.

DESIGNATED GEOGRAPHIC AREA

Designated
census areas
with highest
unemployment
in State.

All prior
Enterprise
Zone as of
12/31/2011.

Areas
determined by
Department
of Finance.

Link to Designated Area Maps available at FTB.CA.GOV.

DGA MAPPING TOOL

The screenshot shows the website for the State of California Franchise Tax Board (FTB). The header includes the CA.GOV logo, the FTB name, and navigation links: Home, Individuals, Businesses, Tax Professionals, and News & Events. A search bar is also present.

New Employment Credit DGA Mapping Tool

The following are Designated Geographic Areas (DGA's), specified for the New Employment Credit:

- Census tracts in this state with highest unemployment and poverty
- Boundaries of the Local Agency Military Base Recovery Areas (LAMBRA's)
- Former Enterprise Zone Boundaries (excluding areas of lowest unemployment and poverty)

Address/location search:

Basemap: Streets

Legend:

- LAMBRA Boundaries
- Enterprise Zones

The map displays the state of California with various regions highlighted in purple and blue, representing the designated geographic areas. Major cities and neighboring states are labeled.

Link coming soon to
FTB.CA.GOV

EXCLUDED BUSINESSES

Temporary
help
services

Retail trades

Primarily in
food
services

Casinos and
casinos
hotels

All sexually
oriented
businesses

SMALL BUSINESS EXCLUSION

Disqualified business may still qualify if:



This exception not applicable to sexually oriented business.

QUALIFIED FULL-TIME EMPLOYEES

50%
performance

- Performs at least 50% of services for employer in designated geographic area.

Minimum
Wage

- Receives starting wages that are at least 150% of State minimum wage.

Hire Date

- Hired on or after 1/1/2014.

QUALIFIED FULL-TIME EMPLOYEES

After DGA

- Hired after designated geographic area established by Department of Finance.

35 Hours
per Week

- Paid hourly wages for an average of at least 35 hours per week, or is salaried and paid for full-time employment.

Qualified

- Meets one of five qualifications.

EMPLOYEE QUALIFICATIONS

Unemployed
for prior 6-
months

Veteran

Earned
Income
Credit

Ex-offender

CalWORKS

QUALIFIED WAGES

150% of minimum wages.

Not to exceed 350% of minimum wage.

Currently:
\$12 to \$28

Annual Salary
divided by
2,000 hours

NEW EMPLOYMENT CREDIT

The screenshot shows the official website of the State of California Franchise Tax Board (FTB). The header includes the CA.GOV logo, the FTB seal, and navigation links for Contact Us, About Us, Español, and CA.gov. A search bar is also present. The main navigation menu highlights 'Businesses' under the 'Tax Professionals' category. The page title is 'New Employment Credit'. On the left, there is a sidebar with 'Access MyFTB Account' (Login, Register) and a list of services: File, Pay, Online Services, Notices / Collections, Withholding, and Help. The main content area explains the New Employment Credit (NEC) and provides links to 'Frequently Asked Questions' and the 'DGA Mapping Tool'. The footer contains social media links for Facebook, Twitter, YouTube, and a 'Website Feedback' button, along with a disclaimer and copyright notice.

Access MyFTB Account
[Login](#) | [Register](#)

- File
- Pay
- Online Services
- Notices / Collections
- Withholding
- Help

New Employment Credit

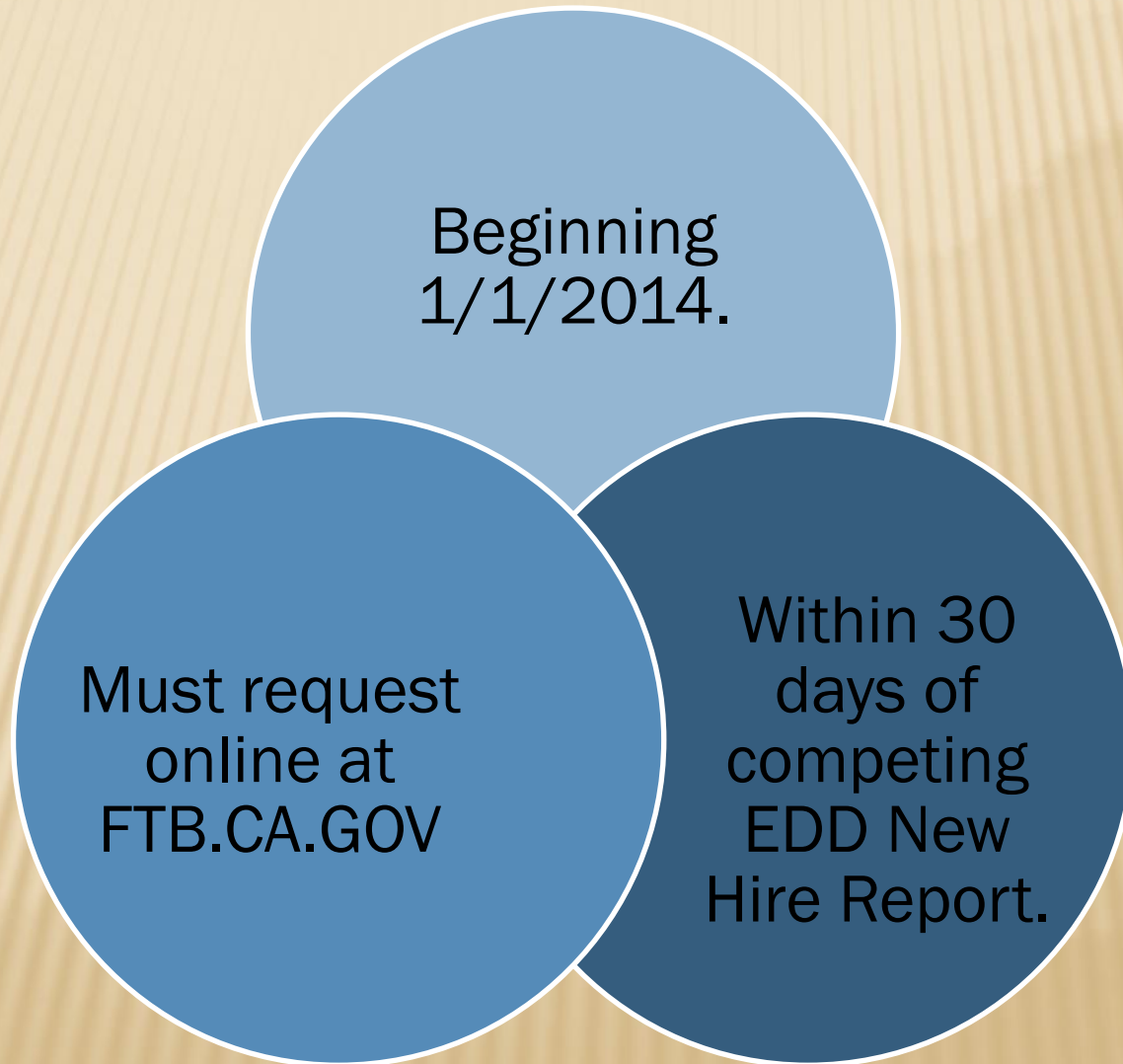
The New Employment Credit (NEC) is available for each taxable year beginning on or after January 1, 2014, and before January 1, 2021, to a qualified taxpayer that hires a qualified full-time employee on or after January 1, 2014, and pays or incurs qualified wages attributable to work performed by the qualified full-time employee in a designated census tract or economic development area [herein referred to as a designated geographic area (DGA)], and that receives a tentative credit reservation for that qualified full-time employee. In order to be allowed a credit, the qualified taxpayer must have a net increase in the total number of full-time employees in California.

- [Frequently Asked Questions](#) - These FAQs outline the requirements, credit computation, and how to claim the credit.
- DGA Mapping Tool - The mapping tool is unavailable while we perform updates.

FTB.CA.GOV

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TENTATIVE CREDIT RESERVATION



QUESTIONS?

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- 916.845.3464

Email

- GEDI@ftb.ca.gov

FAQ &
Mapping Tool

- FTB.CA.GOV