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CZIB
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Timing concerns

- Making this legislation retroactive to 12/31/06 will adversely affect companies that have already planned their investment for 2007 based on the current High Performance Incentive Program.

The date needs to be changed to no earlier than 12/31/07

- The proposed legislation says "The eligible taxpayer shall claim the credit on the original return for the tax year in which the qualified investment is placed into service." Page 5 line 41 - 42.s This will eliminate the ability for a company to amend their tax return.

New companies coming into the state must wait four full quarters before applying for the investment tax credit (the same as is required under the current High Performance Incentive Program). If a company made their initial investment on July 1, 2008 (four quarters would be 7/1/08 - 6/30/09). The company will not qualify for the program until August or September of 2009. The company will have already filed their 2008 tax return and would not be able to amend the return to claim the credit. (Assuming that the company's year end is 12/31)

All existing companies will have little time to submit the appropriate documents to Commerce and have time for Commerce to approve the application so that it can be attached to the original tax return. The company must prove that they pay higher than average wages yet they do not receive their Employer Wage and Contribution Returns until the end of January or mid February. The investment application will take time to prepare and then Commerce will take roughly 4-5 weeks to approve the investment application so the company will be hard pressed to file their tax return by March 15th or April 15th for the original year.

The following steps need to take place from 1/31 - 4/15:

1/31 - 2/15

- Company receives Employer Wage and Contribution Return from payroll service

2/16 - 2/28

- Investment application is prepared by the company or their tax preparer

3/1 - 3/31

- Investment application is waiting at Commerce for program director's approval.

4/1 - 4/15

- Revenue needs to sign off on the new one page form
- Preparer must have investment approval from Commerce so that they can attach appropriate documents to the tax return.