2009

Massachusetts Department of Revenue

Schedule FEC
Full Employment Credit

Name | Federal Identification or Social Security number

General Information

1 Type of business for which credit is being claimed (check only one):

☐ Sole proprietorship ☐ Partnership ☐ S corporation ☐ Financial institution ☐ Insurance company ☐ Corporation
☐ Public service corporation ☐ Trust
☐ Corporation included in a combined return (enter name and Federal ID number of principal reporting company):

☐ Other (specify): _____

2 S Corporations only (check applicable box): (a) ☐ Corporation claiming credit (b) ☐ Shareholders claiming credit

3 Type of return this schedule is filed with: _____

Computation of the Full Employment Credit. Use additional paper, if necessary.

4 Name(s) of qualified employee(s) that participate in the Full Employment Program	**a. Social Security number(s)**	**b. Date eligible**	**c. Number of months of eligible employment** (not to exceed 12)	**d. Number of months eligible** (col. c) **during 2009**

5	Total number of months of eligible employment	**5**
6	Available current-year Full Employment Credit (FEC). Multiply line 5 by $100	**6**

Taxpayers Subject to Tax Under MGL Ch. 62

7	Total tax for determining allowable credit. Form 1, line 27; Form 1-NR/PY, line 31; or Form 2, line 40	**7**
8	Total of other credits. See instructions	**8**
9	Subtract line 8 from line 7. Enter result. Not less than "0"	**9**
10	FEC available this year. Add line 6 and prior years unused FEC (from 2008 Schedule FEC, line 27, col. c)	**10**
11	Credit allowable for use in current year. If line 9 is less than line 10, enter amount from line 9; otherwise, enter amount from line 10. Also enter in Form 1 or Form 1-NR/PY, Schedule Z, line 3; or Form 2, line 44	**11**

Taxpayers Subject to Tax Under MGL Ch. 63

12	Total corporate excise. Form 355, Computation of Excise, line 5; Form 355S, Computation of Excise, line 8; or Form 355U, Schedule U-IC, line 4; or Form 355SC, line 7	**12**
13	Enter the amount of Vanpool Credit	**13**
14	Enter the amount of ITC	**14**
15	Enter the amount of EOAC	**15**
16	Enter the amount of Research Credit	**16**
17	Enter the amount of Harbor Maintenance Credit	**17**
18	Enter the amount of Low-Income Housing Credit	**18**
19	Enter the amount of Historic Rehabilitation Credit	**19**
20	Enter the amount of Film Incentive Credit	**20**
21	Enter the amount of Medical Device Credit	**21**
22	Enter the amount of Brownfields Credit	**22**
23	Enter the amount of Life Science Credit(s)	**23**
24	Add lines 13 through 23. Enter result.	**24**
25	Subtract line 24 from line 12. Enter result.	**25**
26	Minimum corporate excise	**26** 456
27	Maximum allowable FEC. Subtract line 26 from line 25. If "0" or less, you do not qualify for a credit this year, enter "0" in line 29	**27**
28	FEC available this year. Add line 6 and prior year's unused FEC (from 2008 Schedule FEC, line 27, col. c)	**28**
29	Enter the smaller of line 27 or line 28 here and on the appropriate corporate return	**29**

Carryover to Future Years

30 Complete only if line 10 is more than line 11 or line 27 is more than line 29.

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
2005	(2008 Sch. FEC, line 26) _____	_____	_____	2010
2006	(2008 Sch. FEC, line 26) _____	_____	_____	2010–2011
2007	(2008 Sch. FEC, line 26) _____	_____	_____	2010–2012
2008	(2008 Sch. FEC, line 26) _____	_____	_____	2010–2013
2009	(2009 Sch. FEC, line 6) _____	_____	_____	2010–2014
31 Totals	_____	_____	_____	

General Information

What Is the Full Employment Credit?

Legislation provides for a Full Employment Credit (FEC) to provide paid work experience and on-the-job training. Qualified employers may claim the credit for months of eligible employment beginning on or after November 1, 1995.

What Is Eligible Employment?

Eligible employment is the number of full calendar months a participant has been employed after any state subsidy paid to the qualified employer for employing that participant under the FEC has expired.

Who May Claim the Credit?

Every qualified employer who participates in the Full Employment Program and continues to employ a participant for at least one full month after any Full Employment Program subsidy for that participant has expired may claim the FEC. Qualified participants and employers are those who participate in the Full Employment Program under the rules of the Department of Transitional Assistance (DTA).

How Do You Compute the Credit?

A qualified employer may claim the FEC equal to $100 per month of eligible employment per participant. The maximum amount of credit that may be claimed in all taxable years with respect to each participant is $1,200.

Are There Limitations to the Credit?

Yes. The FEC may not be applied to reduce any minimum excise under Ch. 63. Also, a qualified employer that participates in the filing of a combined Massachusetts return of income may apply the FEC against the portions of the combined group's excise liability attributable to the qualified employer, determined in accordance with the provisions of 830 CMR 63.32B.1(8), and **not** against the excise liability of other group members. In determining the amount of the FEC allowable for a taxable year, the 50% limitation imposed by Ch. 63, sec. 32C does not apply.

Can the FEC Be Used is Combination with Other Credits?

Yes. The FEC may be applied in combination with other credits allowed under Ch. 63 or sec. 6 of Ch. 62 in any order.

May Excess Credits Be Carried Over From Year to Year?

Yes. Any portion of the FEC that cannot be applied in a taxable year may be carried over to the next taxable year, for a maximum of five successive taxable years.

Special S Corporation Rules

A qualified Massachusetts S corporation employer taxable in any year under Ch. 63 may take the FEC for the taxable year against either or both the income or non-income measure of the corporate excise. Alternatively, the credit from such taxable year may be passed through to shareholders on a pro-rata basis. These alternatives are mutually exclusive.

If an S corporation claims the FEC for a taxable year against its corporate excise liability, any unused credit from that year may be carried over by the S corporation only and applied only against its corporate excise liability for a maximum of five successive taxable years.

If an S corporation passes the FEC for a taxable year through its shareholders, any unused credit from that year may be carried over only by the shareholder and applied only against its Ch. 62 personal income tax liability for a maximum of five successive taxable years, regardless of whether the shareholder maintains an interest in the corporation in the taxable year in which the carryover credit is applied.

Line Instructions

Taxpayers Subject to Tax under MGL Ch. 62

Line 7. Enter your total tax from Form 1, line 27; Form 1-NR/PY, line 33; or Form 2, line 40.

Line 8. Add the Limited Income Credit, Credit for Taxes Paid to Other Jurisdictions, Lead Paint Credit, Economic Opportunity Area Credit, Septic Credit, Low-Income Housing Credit, Historic Rehabilitation, Medical Device Credit, Film Incentive Credit and Brownfields Credit, if any. Enter result in line 8.

Line 10. Add line 6 and prior years unused FEC (from 2008 Schedule FEC, line 27). This is the total of the FEC available this year.

Line 11. If line 9 is greater than or equal to line 10, enter line 10. If line 9 is less than line 10, enter line 9.

Enter the amount from line 11 on Form 1, Schedule Z; Form 1-NR/PY, Schedule Z; or Form 2, line 44.

Taxpayers Subject to Tax under MGL Ch. 63

Line 12. Enter the amount of corporate excise from Form 355, Computation of Excise, line 5; Form 355S, Computation of Excise, line 8; or Form 355U, Schedule U-IC, line 4; or Form 355SC, line 7.

Line 29. Subtract line 28 from line 27. If "0" or less, you do not qualify for a current-year FEC. Enter "0" in line 31.

Line 31. Enter the smaller of line 29 or line 30 here and on the appropriate corporate form.