

## EZ/RC Employment Credit Claims for Processing Years 1997-2008

Starting in 1997 through 2008, the graph illustrates the escalation of use of the Empowerment Zone (EZ) and Renewal Community (RC) employment credits. The graph also reflects the EZ/RC designees' success in promoting these credits to their business owners, as measured by the dollar amounts claimed by 1040 filers against their federal taxes. This credit has a maximum annual value to the business owner equal to \$3,000 for every existing employee and new hire living and working in an EZ and \$1,500 in an RC.

Items of Note:

**Form 1040 filers** include owners of sole proprietorships, unincorporated farms, subchapter-S corporations, and partnerships, reported on Schedules C, E, and F of Form 1040.

**A Tentative Credit Dollars Claimed** is the gross amount of credit calculated for the qualified wages paid before application of any credit limitations on the tax return.

**Processing Years** shown at the bottom of the graph segments by year represent the calendar year in which the IRS received and processed the tax returns. For example, the 1997 processing year represents 1996 tax returns although some late filed returns from earlier years may be present.

**Deletion of a Small Number of Records** representing processing years 2005 and 2007 with extreme dollar values were excluded from the tentative credit totals.

**Dollar Amounts and Claims by form 1120 filers** (Corporations) are not included in this graph.

