

absence of a federal act, meets the criteria that the Secretary of Economic and Community Development shall adopt to identify the economically disadvantaged;

2. Was hired by the business entity subsequent to the date on which the enterprise zone was designated or the date on which the business entity became located in the enterprise zone, whichever is later; and

3. Was not hired to replace an individual who was employed by the business entity in that or any previous taxable year; and

(ii) A credit equal to an amount not exceeding \$500 of the wages paid to each qualified employee not meeting the criterion of subparagraph (i)1. who:

1. Was hired by the business entity after the date on which the enterprise zone was designated or the date on which the business entity became located in the enterprise zone, whichever is later; and

2. Was not hired to replace an individual who was employed by the business entity in that or any previous taxable year.

(2) For each taxable year succeeding the taxable year described in paragraph (1) above so long as the area is designated an enterprise zone:

(i) A credit equal to an amount not exceeding \$1,500 of the wages paid to each qualified employee meeting the criterion of paragraph (1)(i)1. provided that such qualified employee became a qualified employee during the taxable year to which the credit applies and was not hired to replace an individual who was employed by the business entity in that or any preceding taxable year, except that if such qualified employee was hired to replace a qualified employee with respect to which the business entity received a credit under paragraphs (1)(i) or (2)(ii) in the immediately preceding taxable year, the business entity may treat such new qualified employee as though he were the replaced qualified employee for purposes of determining any credit that may be available to the business entity under paragraphs (2)(ii) or (2)(iii)1.; and

(ii) A credit equal to an amount not exceeding \$1,000 of the wages paid to each qualified employee meeting the criterion of paragraph (1)(i)1., provided that the business entity received a credit under paragraph (1)(i) with respect to such qualified employee in the immediately preceding taxable year; and

(iii) A credit equal to an amount not exceeding \$500 of the wages paid to each qualified employee: