

**2022 Military Reuse Zone Credit**

**CONTACTS FOR MILITARY REUSE ZONE CREDIT**

**Arizona Commerce Authority**

•Application forms •Military Reuse Zone program guidelines

Website: [www.azcommerce.com](http://www.azcommerce.com)

Program Manager (602) 845-1200

**Department of Revenue**

•Tax forms and instructions •Information and assistance

Website: [www.azdor.gov](http://www.azdor.gov)

Taxpayer assistance (602) 255-3381  
From area codes 520 and 928, toll-free (800) 352-4090

**General Instructions**

This credit provided nonrefundable individual and corporate income tax credits for net increases in employment of full-time employees by a taxpayer in a military reuse zone. The employees must have been engaged primarily in providing aviation or aerospace services, or in manufacturing, assembling, or fabricating aviation or aerospace products.

**NOTE:** *Taxable year 2017 was the last year a taxpayer could establish this credit. The unused portion of valid Military Reuse Zone credits may be carried forward for the remainder of the five-year carry forward period.*

**Specific Instructions**

Complete the name and taxpayer identification number section at the top of the form. Indicate the period covered by the taxable year. Include the completed form and all supporting documentation with the tax return.

All returns, statements, and other documents filed with the department require a taxpayer identification number (TIN). The TIN for a C corporation, or an S corporation is the taxpayer's employer identification number. The TIN for an individual is the taxpayer's Social Security Number or an Internal Revenue Service individual taxpayer identification number. Taxpayers that fail to include their TIN may be subject to a penalty.

**NOTE – To claim this credit carry forward:**

- **Individual taxpayers that did not make the Small Business Income election** - Complete this credit form and Arizona Form 301. Include both completed forms with your Individual Income Tax Return (Form 140, 140PY, 140NR, or 140X).
- **Individual taxpayers that made the Small Business income election** – Complete this credit form and Arizona Form 301-SBI, Nonrefundable Individual Tax Credits and Recapture for Form 140-SBI, 140PY-SBI, 140NR-SBI, or 140X-SBI. Include both completed forms with your SBI Tax Return (140-SBI, 140PY-SBI, 140NR-SBI, or 140X-SBI).
- **C corporations, S corporations that elected to claim this credit at the corporate level, and exempt organizations with UBTI** - Complete this credit form and Arizona Form 300. Include both completed forms with your return.

**Available Credit Carryover**

Complete the table on this form if you have a carryforward of this credit from the past five years. (You will have a credit carryforward only if your allowable Military Reuse Zone Credit was greater than your tax liability for those same five years.) If you do not have a carryforward of this credit, do not complete this form.

Provided it maintained its businesses in the military reuse zone, a taxpayer may carry forward the amount of the unused military reuse zone credit for a period not to exceed five taxable years. If the taxpayer moved its business outside of the military reuse zone or the military reuse zone is terminated, the carryover of the tax credit is lost. If a portion of the taxpayer's business is moved outside of the military reuse zone, the portion of the carryforward attributable to that portion of the business is lost.

**Line 1**

Enter the taxable year(s) from which you are carrying over the credit in column (a).

**Line 2**

Enter the credit originally computed for that taxable year.

**Line 3**

Enter the amount of the credit previously used from that taxable year.

**Line 4**

Subtract line 3 from line 2. Enter the difference.

**Line 5**

Enter the amount of credit that is disallowed because the business is no longer located in the military reuse zone or the zone has been terminated.

**Line 6**

Subtract line 5 from line 4. Enter the difference.

**Line 7**

Add the amounts in column (a) on line 6. Enter the total. This is the total military reuse zone credit carryover for the current taxable year.

*Individuals that did not make the Small Business Income election:* Also enter this amount on Form 301, Part 1, line 1, column (b).

*Individuals that made the Small Business Income election:* Also enter this amount on Form 301-SBI, Part 1, line 1, column (b).

*C corporations, S corporations that elected to claim the credit at the corporate level, and exempt organizations with UBTI:* Also enter this amount on Form 300, Part 1, line 1, column (b).