

2001 Nonrefundable Corporate Tax Credits and Recapture

Obtain additional information or assistance, tax forms and instructions, and copies of tax rulings and tax procedures by contacting one of the numbers listed below:

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General Instructions

Form 300 may only be used by corporate taxpayers. Individual taxpayers must use Form 301 to claim tax credits.

Corporate taxpayers use this form to summarize their total available nonrefundable tax credits, to determine the application of the available nonrefundable tax credits, and to summarize their tax liability related to recapture of tax credits.

Specific Instructions

Enter the taxpayer name and federal employer identification number as shown on Form 120, 120A, 120S, or 120X. Indicate the period covered by the taxable year (in an MM/DD/YYYY format).

All returns, statements, and other documents filed with the department require a taxpayer identification number (TIN). The TIN for a corporation or an S corporation is the federal employer identification number. Taxpayers that fail to include their TIN may be subject to a penalty.

Part I - Nonrefundable Tax Credits

Complete Part I to determine the total amount of available nonrefundable tax credits. The available tax credit amount for a particular credit is the total of the current taxable year's credit and any unused credit carryovers from prior taxable years. On lines 1 through 20, enter the available tax credit amount for each of the credits listed.

NOTE: Do not enter refundable tax credits from Forms 313, 326, 327, 329 and 330 on Form 300. The unused credit carryovers of the nonrefundable tax credits from Forms 313, 326 and 327 (carryovers from taxable years beginning before January 1, 2000) may be claimed on Form 300.

Line 1 - Defense Contracting Credits

Enter the amount from Form 302, Part VIII, line 32.

Line 2 - Enterprise Zone Credit

Enter the amount from Form 304, Part XII, line 47.

Line 3 - Environmental Technology Facility Credit

Enter the amount from Form 305, Part V, line 29.

Line 4 - Military Reuse Zone Credit

Enter the amount from Form 306, Part IX, line 44.

Line 5 - Recycling Equipment Credit

Enter the amount from Form 307, Part IV, line 24.

Line 6 - Credit for Increased Research Activities

Enter the amount from Form 308, Part VII, line 61.

Line 7 - Agricultural Water Conservation System Credit

Enter the amount from Form 312, Part V, line 19.

Line 8 - Alternative Fuel Vehicle (AFV) Credit

Enter the amount from Form 313, Part XIII, line 65.

Line 9 - Underground Storage Tanks Credit

Enter the amount from Form 314, Part II, line 12.

Line 10 - Pollution Control Credit

Enter the amount from Form 315, Part V, line 32.

Line 11 - Construction Materials Credit

Enter the amount from Form 316, Part I, line 6.

Line 12 - Credit for Taxes Paid for Coal Consumed in Generating Electrical Power

Enter the amount from Form 318, Part IV, line 14.

Line 13 - Credit for Solar Hot Water Heater Plumbing Stub Outs and Electric Vehicle Recharge Outlets

Enter the amount from Form 319, Part VII, line 32.

Line 14 - Credit for Employment of TANF Recipients

Enter the amount from Form 320, Part VIII, line 31.

Line 15 - Credit for Donating Motor Vehicles to the Wheels to Work Program

Enter the amount from Form 324, Part IV, line 16.

Line 16 - Agricultural Pollution Control Equipment Credit

Enter the amount from Form 325, Part V, line 32.

Line 17 - Credit for Alternative Fuel Delivery Systems

Enter the amount from Form 326, Part X, line 51.

Line 18 - Vehicle Refueling Apparatus Credit

Enter the amount from Form 327, Part IX, line 36.

Line 19 - Neighborhood Electric Vehicle (NEV) Credit

Enter the amount from Form 328, Part VIII, line 35.

Line 20 - Credit for Donation of School Site

Enter the amount from Form 331, Part V, line 25.

Line 21 - Total Available Nonrefundable Tax Credits

Add lines 1 through 20. Enter the total. This is the total amount of all nonrefundable tax credits available for use by the taxpayer.

Part II - Application of Nonrefundable Tax Credits

Complete Part II to determine which nonrefundable tax credits will be claimed and the portion of the available tax credit amount from Part I that will be claimed for a particular tax credit.

Line 22 -

Enter the amount of tax from Form 120, page 1, line 16; or Form 120A, page 1, line 8; or Form 120S, page 1, line 12; or Form 120X, page 1, line 16(c).

Line 23 -

Enter the amount of tax due from recapture of the environmental technology facility credit on Form 305, Part VI, line 34.

Line 24 -

Enter the amount of tax due from recapture of the alternative fuel vehicle credit on Form 313, Part XVIII, line 83 or Part XVIII, line 87.

Line 25 -

Enter the amount of tax due from recapture of the neighborhood electric vehicle credit on Form 328, Part XV, line 64.

Line 26 -

Add lines 23, 24 and 25. Enter the total here and on Form 120, line 17; or Form 120A, line 9; or Form 120S, line 13; or Form 120X, line 17(c).

Line 27 -

Add lines 22 and 26. Enter the total. This is the amount of tax to which the Clean Elections Fund tax reduction may be applied.

Line 28 -

Enter the amount of the Clean Elections Fund tax reduction from Form 120, page 1, line 19; or Form 120A, page 1, line 11; or Form 120S, page 1, line 15; or Form 120X, page 1, line 19(c).

Line 29 -

Subtract line 28 from line 27. Enter the difference. This is the maximum amount to which the total amount of nonrefundable tax credits claimed by the taxpayer may be applied.

Nonrefundable Tax Credits Claimed: The total amount of nonrefundable tax credits claimed by the taxpayer cannot exceed the amount entered on line 29. In order for the

taxpayer to determine which tax credit(s) to claim and the amount to claim for a particular tax credit, the taxpayer must consider any limitations on the allowable amount of a particular tax credit and whether the unused portion of a particular tax credit may be carried forward.

Line 30 - Defense Contracting Credits

There are two tax credits for qualified defense contractors. The unused portion of both tax credits from taxable years open under the statute of limitations as of August 9, 2001, may be carried forward until taxable years beginning from and after December 31, 2011, regardless of continuing certification as a qualified defense contractor. Enter the amount claimed.

Line 31 - Enterprise Zone Credit

The unused portion of this tax credit may be carried forward for five succeeding taxable years, provided the business remains in the enterprise zone. If the business relocates outside of the enterprise zone, the carryover of the tax credit is lost. EFFECTIVE FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2000: If the enterprise zone is terminated, the business may carry forward the unused portion of this tax credit provided that the business remains at the location that formerly was in an enterprise zone. Enter the amount claimed.

Line 32 - Environmental Technology Facility Credit

The unused portion of this tax credit may be carried forward for fifteen succeeding taxable years. If the taxpayer is subject to the tax related to recapture of this tax credit for the facility, the carryover of the tax credit is reduced by the percentages listed in the Form 305 instructions.

The portion of the available credit amount from Part I, line 3, that may be claimed by the taxpayer is limited to 75 percent of the amount of tax entered on line 29. Enter the amount claimed.

Line 33 - Military Reuse Zone Credit

The unused portion of this tax credit may be carried forward for five succeeding taxable years if the business remains in the military reuse zone. If the business relocates outside of the military reuse zone, the carryover of the tax credit is lost. Enter the amount claimed.

Line 34 - Recycling Equipment Credit

Carryovers of unused tax credits from taxable years beginning prior to January 1, 2000, may be carried forward consistent with the provisions of the repealed credit (ARS § 43-1164). The carryovers can be claimed for taxable years beginning on or before December 31, 2005. Corporate taxpayers cannot claim carryovers after taxable year 2005. Any remaining carryovers of unused credits from taxable years beginning before January 1, 2000, are lost after the taxable year 2005.

The carryforward period applies separately for each piece of recycling equipment for which a credit was computed in taxable years beginning before January 1, 2000. If the recycling equipment has been in service for less than 5 taxable years and ceases to be recycling equipment or is

transferred to another person, the portion of the unused credit carryovers relating to that recycling equipment is lost.

The portion of the available credit amount from Part I, line 5, that may be claimed by the taxpayer is limited to the *lesser* of 25 percent of the amount of tax entered on line 29 or \$5,000. Enter the amount claimed.

Line 35 - Credit for Increased Research Activities

The unused portion of this tax credit may be carried forward for fifteen succeeding taxable years. Effective for taxable years beginning from and after December 31, 2000: The unused portion of the conversion credit carryover may be carried forward for fifteen succeeding taxable years from the taxable year in which the excess qualified research expenses were incurred.

LIMITATION ON USE OF CREDIT CARRYOVERS [CARRYOVER OF CREDIT FOR INCREASED RESEARCH ACTIVITIES (FROM TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2000, AND BEFORE JANUARY 1, 2003) AND CONVERSION CREDIT CARRYOVER]. The portion of the available credit carryovers included in the amount from Part I, line 6, that may be claimed by the taxpayer is limited to the LESSER OF: (a) the tax liability (Part II, line 29), or (b) \$500,000, MINUS the current year credit for increased research activities (regardless of the amount of the current year credit that is claimed on the tax return). [If the current year credit for increased research activities is \$500,000 or more, the taxpayer cannot use the credit for increased research activities carryover and the conversion credit carryover in that taxable year. If the current year credit is less than \$500,000, the limitation on use applies to the aggregate of the credit for increased research activities carryover and the conversion credit carryover.] Compute the limitation in the table below.

| Calculation of Credit Carryover Limitation | | | |
|--|--|----|------------|
| 1. | Enter the total of the amounts from 2001 Form 308, Part VII, line 59 and line 60. | \$ | 00 |
| 2. | Enter the amount from 2001 Form 300, Part II, line 29. | \$ | 00 |
| 3. | | \$ | 500,000 00 |
| 4. | Enter the smaller of line 2 or line 3. | \$ | 00 |
| 5. | Enter the current taxable year's credit from 2001 Form 308, Part VII, line 58. | \$ | 00 |
| 6. | Subtract line 5 from line 4. Enter the difference here. (If this is a negative amount, enter zero.) | \$ | 00 |
| 7. | Enter the smaller of line 1 or line 6 here. This is the maximum amount of the aggregate credit carryovers that may be claimed. | \$ | 00 |

NOTE: The amount of the credit carryovers claimed on the tax return may be further reduced if the taxpayer claims other nonrefundable tax credits.

Enter the total amount claimed (current taxable year's credit plus credit carryovers).

Line 36 - Agricultural Water Conservation System Credit

Carryovers of unused tax credits from taxable years beginning

prior to January 1, 2000, may be carried forward for five taxable years consistent with the provisions of the repealed credit (ARS § 43-1172). The carryovers can be claimed for taxable years beginning on or before December 31, 2005. Corporate taxpayers cannot claim carryovers after taxable year 2005. Any remaining carryovers of unused credits from taxable years beginning before January 1, 2000, are lost after the taxable year 2005. Enter the amount claimed.

Line 37 - Alternative Fuel Vehicle (AFV) Credit

Enter the amount of the unused nonrefundable tax credit carryover claimed. (Credit carryovers may be available for use from taxable years 1996 through 1999.)

Line 38 - Underground Storage Tanks Credit

There is no carryforward of the unused portion of this tax credit. Enter the amount claimed.

Line 39 - Pollution Control Credit

The unused portion of this tax credit may be carried forward for five succeeding taxable years. Enter the amount claimed.

Line 40 - Construction Materials Credit

Carryovers of unused tax credits from taxable years beginning prior to January 1, 2000, may be carried forward for five taxable years consistent with the provisions of the repealed credit (ARS § 43-1171). The carryovers can be claimed for taxable years beginning on or before December 31, 2005. Corporate taxpayers cannot claim carryovers after taxable year 2005. Any remaining carryovers of unused credits from taxable years beginning before January 1, 2000, are lost after the taxable year 2005. Enter the amount claimed.

Line 41 - Credit for Taxes Paid for Coal Consumed in Generating Electrical Power

The unused portion of this tax credit may be carried forward for five succeeding taxable years. Enter the amount claimed.

Line 42 - Credit for Solar Hot Water Heater Plumbing Stub Outs and Electric Vehicle Recharge Outlets

The unused portion of this tax credit may be carried forward for five succeeding taxable years. Enter the amount claimed.

Line 43 - Credit for Employment of TANF Recipients

The unused portion of this tax credit may be carried forward for five succeeding taxable years. Enter the amount claimed.

Line 44 - Credit for Donating Motor Vehicles to the Wheels to Work Program

There is no carryforward of the unused portion of this tax credit. Enter the amount claimed.

Line 45 - Agricultural Pollution Control Equipment Credit

The unused portion of this tax credit may be carried forward for five succeeding taxable years. Enter the amount claimed.

Line 46 - Credit for Alternative Fuel Delivery Systems

Enter the amount of the unused nonrefundable tax credit

carryover claimed. (Credit carryovers may be available for use from taxable years 1996 through 1999.)

Line 47 - Vehicle Refueling Apparatus Credit

Enter the amount of the unused nonrefundable tax credit carryover claimed. (A credit carryover may be available for use from taxable year 1999.)

Line 48 - Neighborhood Electric Vehicle (NEV) Credit

Enter the amount of the unused tax credit carryover claimed.

Line 49 - Credit for Donation of School Site

The unused portion of this tax credit may be carried forward for five succeeding taxable years. Enter the amount claimed.

Line 50 - Total Nonrefundable Tax Credits Claimed

Add lines 30 through 49. Enter the total. This amount cannot exceed the maximum amount entered on line 29. Enter the amount from this line on Form 120, line 20; or Form 120A, line 12; or Form 120S, line 16; or Form 120X, line 20(c).