

For the calendar year 2008 or fiscal year beginning <u>MM,DD,YYYY</u> and ending <u>MM,DD,YYYY</u> .
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Attach to your return.

Name(s) as shown on Form 140, 140PY, 140NR, 140X, 120, 120A, 120S, 120X, or 165	Social security number or employer identification number
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Pursuant to ARS § 41-1508, the Department of Commerce ceased certifying defense contractors after June 30, 2001. Certifications were valid for 5 years. Therefore, tax year 2006 was the last year for creating Defense Contracting Credits.

Taxpayers who earned Defense Contracting Credits in tax year 2006 and prior may carryforward amounts not used to offset income tax liabilities through tax year 2011.

**Available Credit Carryover (See instructions.)**

	(a) Original credit amount	(b) Amount previously used	(c) Available carryover - <i>subtract column (b) from column (a)</i>
1			

Corporations and S corporations - enter amount from line 1, column (c), on Form 300, Part I, line 1.  
Individuals - enter amount from line 1, column (c), on Form 301, Part I, line 1.

**General Instructions**

ARS §§ 43-1077 and 43-1165 previously provided nonrefundable tax credits for net increases in employment under United States Department of Defense contracts during the taxable year by a qualified defense contractor that was certified by the Arizona Department of Commerce under ARS § 41-1508. A nonrefundable tax credit was also allowed for net increases in private commercial employment during the taxable year by a certified defense contractor for full-time equivalent employee positions transferred from exclusively defense related activities to employment in exclusively private commercial activities.

ARS §§ 43-1078 and 43-1166 previously provided nonrefundable tax credits that are equal to a portion of the amount paid as taxes during the taxable year by a certified defense contractor on property in this state that is classified as class one, paragraphs 12 and 13 pursuant to ARS § 42-12001.

**Credit carryover for corporate and individual taxpayers:** If the allowable credit exceeds the tax liability, any unused amount may be carried forward as a credit against subsequent taxable years' tax liability through tax year 2011.

**Specific Instructions**

Complete the name and taxpayer identification number section at the top of the form. Indicate the period covered by the taxable year. Attach the completed form to the tax return.

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

**Available Credit Carryover**

Unused credits may be carried forward through tax year 2011, as a credit against subsequent years' income tax liability.

Complete Form 302 only if the allowable defense contracting credits for qualifying prior taxable years (2006 and prior) exceeded the Arizona income tax liability for those taxable years. In column (a), enter the total credit amount originally computed for those taxable years. In column (b), enter the total amount of the credits from those taxable years that has already been used. Subtract the amount in column (b) from column (a) and enter the difference in column (c).

*Corporations and S corporations* - enter the amount from line 1, column (c) on Form 300, Part I, line 1.

*Individuals* - enter the amount from line 1, column (c) on Form 301, Part I, line 1.