

Include with your return.

For the calendar year 2016 or fiscal year beginning [M,M,D,D] 2,0,1,6 and ending [M,M,D,D] 2,0,Y,Y.

Name as shown on Form 99T, 120, 120A, 120S, 120X or 165

Employer Identification Number

Part 1 Qualification for the Credit

- 1 Did you have qualified research expenses for the tax year indicated above?
a If "Yes" and you are claiming the Arizona Credit for Increased Research Activities, go to line 2.
b If "No", go to line 3.
2 Is this credit refundable?
a If "Yes":
a1 Include a copy of the certification you received from the Arizona Commerce Authority (ACA).
a2 Enter the maximum refund amount authorized by the ACA here and on Part 7, line 43a
b If "No", go to line 3.
3 Are you claiming a pass through of this credit from a partnership?
4 Is this pass through credit refundable?
5 If you answered "Yes" to the question on line 1, go to Part 2.
6 If you answered "No" to the question on line 1 and "Yes" to the question on line 3, go to Part 3.
7 If you answered "No" to the question on line 1 and "No" to the question on line 3, complete this form ONLY if you have credit carryovers. Go to Part 8 and/or Part 9. Otherwise, STOP! YOU ARE NOT ELIGIBLE TO CLAIM THIS CREDIT.
8 Reserved

2a2 00

Part 2 Current Taxable Year's Credit Calculation

Table with 30 rows for credit calculation. Columns include line number, description, and numerical values. Includes instructions for lines 26-29 based on line 25 value.

|                           |     |
|---------------------------|-----|
| Name (as shown on page 1) | EIN |
|---------------------------|-----|

**Part 3 Current Taxable Year's Credit Passed Through From Partnerships**

|   |           |  |    |
|---|-----------|--|----|
| 31 Total amount of credit passed through from partnerships: Enter the total amount of this credit received from all Form(s) 308-P, Part 2, line 4. Include copies of those forms with your return. .... | <b>31</b> |  | 00 |
|---|-----------|--|----|

**Part 4 Total Current Taxable Year Credit for Increased Research Activities**

|   |           |  |    |
|---|-----------|--|----|
| 32 <b>Total Credit:</b> Add line 30 and line 31. Enter the total. This is your current year's total credit for increased research activities.<br><ul style="list-style-type: none"> <li>• Partnerships, enter this amount on Part 2, line 3 of the partner's Form 308-P.</li> <li>• S corporations passing this credit through to its shareholders, enter this amount on Part 2, line 3 of the shareholder's Form 308-S.....</li> </ul> | <b>32</b> |  | 00 |
|---|-----------|--|----|

**Part 5 Partnerships and S Corporations Only**

**Determining Maximum Refund Amount to be Passed Through**

|  |           |    |    |
|--|-----------|----|----|
| 33 Enter the amount of your current year credit from Part 4, line 32.....  | <b>33</b> |    | 00 |
| 34 Multiply line 33 by 75%. Enter the result .....   | <b>34</b> |    | 00 |
| 35 Enter the amount of your maximum refundable credit from Part 1, line 2a2.....   | <b>35</b> | 00 |    |
| 36 Enter the total maximum refundable credits received from partnerships on Form(s) 308-P, Part 3, line 6 .....                            | <b>36</b> | 00 |    |
| 37 Add lines 35 and 36, and enter the total. This is the maximum refundable credit for this taxable year.....                              | <b>37</b> |    | 00 |
| 38 Enter the lesser of line 34 or line 37. <b>This is the maximum refund amount to be passed through to partners or shareholders</b> ..... | <b>38</b> |    | 00 |

Partnerships qualifying for this credit must pass it through to their partners. When passing this credit through to your partners, complete Form 308-P for each partner.

- Provide a copy of each completed Form 308-P to each partner.
- File a copy of each completed Form 308-P with your tax return.
- Keep a copy of each completed Form 308-P for your records.

**Part 6 S Corporation Credit Election**

S corporations may elect to pass this credit through to its shareholders, or it may choose to keep it and apply it to its tax liability generated at the S corporation level.

The S corporation has made an irrevocable election for the taxable year ending MM, DD, YYYY to:

- Claim the credit for increased research and development or
- Pass the credit through to its shareholders.

\_\_\_\_\_  
Signature Title Date

If passing the credit through to the shareholders, complete Form 308-S for each individual shareholder.

- Provide a copy of each completed Form 308-S to each shareholder.
- File a copy of each completed Form 308-S with your tax return.
- Keep a copy of each completed Form 308-S for your records.

|                           |     |
|---------------------------|-----|
| Name (as shown on page 1) | EIN |
|---------------------------|-----|

**Part 7 Refundable Portion of the Taxpayer's Current Taxable Year's Excess Credit**

Complete Part 7 ONLY if you checked "Yes" in Part 1, line 2 or 4.

|  |            |  |            |  |    |
|--|------------|--|------------|--|----|
| <b>39</b> Current taxable year's credit: Enter the amount from Part 4, line 32 .....   |            |  | <b>39</b>  |  | 00 |
| <b>40a</b> Enter the current year's tax, including recapture, from Form 99T, line 8; or Form 120, line 18; or Form 120A, line 10; or Form 120S, line 14; or Form 120X, line 18(c) .....  | <b>40a</b> |  |            |  | 00 |
| <b>40b</b> Nonrefundable tax credits: Enter the amount of nonrefundable tax credits from Form 300, Part 1, line 24 less the amount (if any) on Form 300, Part 1, line 4, column (c).....   | <b>40b</b> |  |            |  | 00 |
| <b>40c</b> Current taxable year's credit for increased research activities that will be used to offset the current taxable year's tax liability: Subtract line 40b from line 40a and enter the difference. If the difference is zero or more, enter it on Part 12, line 64; also enter it on Form 300, Part 1, line 4, column (a), and Form 300, Part 2, line 36. If less than zero, enter "0" ..... |            |  | <b>40c</b> |  | 00 |
| <b>41</b> Current taxable year's excess credit: Subtract line 40c from line 39 and enter the difference. If less than zero, enter "0", because no refund is available .....  |            |  | <b>41</b>  |  | 00 |
| <b>42</b> Tentative refundable credit: Multiply line 41 by 75% (.75). Enter the result.....  |            |  | <b>42</b>  |  | 00 |

**Maximum refundable credit: See instructions.**

|   |            |  |            |  |    |
|---|------------|--|------------|--|----|
| <b>43a</b> Enter the maximum refundable credit amount authorized by ACA from Part 1, line 2a2 .....   | <b>43a</b> |  |            |  | 00 |
| <b>43b</b> Enter the partner's maximum refundable credit amount from Form 308-P, Part 3, line 6. If this credit was passed through to you from more than one partnership, total the amounts indicated on Forms 308-P, Part 3, line 6. Enter the total amount here ... | <b>43b</b> |  |            |  | 00 |
| <b>43c</b> Add the amounts on lines 43a and 43b. Enter the total here .....   |            |  | <b>43c</b> |  | 00 |
| <b>44 Refundable Credit:</b> Enter the lesser of line 42 or line 43c. Also enter this amount on Form 99T, line 12; or Form 120, line 22; or Form 120A, line 14; or Form 120S, line 18; or Form 120X, line 22.....   |            |  | <b>44</b>  |  | 00 |

**Part 8 Available Pre-2003 Credit Carryover**

|  | (a)<br>Taxable Year | (b)<br>Original Credit Amount | (c)<br>Amount Previously Used<br>or Expired | (d)<br>Available Carryover:<br>Subtract column (c) from<br>column (b). |
|--|---------------------|-------------------------------|---|--|
| <b>45</b>  |                     | 00                            | 00  | 00   |
| <b>46</b>  |                     | 00                            | 00  | 00   |
| <b>47</b> Total Available Pre-2003 Carryover: Add lines 45 and 46 in column (d)..... |                     |                               |   | <b>47</b> 00   |

**Part 9 Available Post-2002 Credit Carryover**

|   | (a)<br>Taxable Year | (b)<br>Original Credit Amount | (c)<br>Amount Previously Used<br>or Expired | (d)<br>Available Carryover:<br>Subtract column (c) from<br>column (b). |
|---|---------------------|-------------------------------|---|--|
| <b>48</b>   |                     | 00                            | 00  | 00   |
| <b>49</b>   |                     | 00                            | 00  | 00   |
| <b>50</b>   |                     | 00                            | 00  | 00   |
| <b>51</b>   |                     | 00                            | 00  | 00   |
| <b>52</b>   |                     | 00                            | 00  | 00   |
| <b>53</b>   |                     | 00                            | 00  | 00   |
| <b>54</b>   |                     | 00                            | 00  | 00   |
| <b>55</b>   |                     | 00                            | 00  | 00   |
| <b>56</b>   |                     | 00                            | 00  | 00   |
| <b>57</b>   |                     | 00                            | 00  | 00   |
| <b>58</b>   |                     | 00                            | 00  | 00   |
| <b>59</b>   |                     | 00                            | 00  | 00   |
| <b>60</b>   |                     | 00                            | 00  | 00   |
| <b>61</b> Total Available Post-2002 Carryover: Add lines 48 through 60 in column (d)..... |                     |                               |   | <b>61</b> 00   |

|                           |     |
|---------------------------|-----|
| Name (as shown on page 1) | EIN |
|---------------------------|-----|

**Part 10 Limitation of Pre-2003 Credit Carryover**

If you completed Part 7 and are receiving a refund, do not complete Part 10.

If you have credit carryovers from tax years 2001 and 2002, complete this section. If you do not, skip this section and go directly to Part 11. The amount of credit carryover from years 2001 and 2002 that you can use is limited. Complete this schedule to determine how much of this carryover you can use to offset this year's tax liability.

|  |            |  |    |
|--|------------|--|----|
| <b>62a</b> Current year's tax liability: Enter the amount from Form 300, Part 2, line 32.....  | <b>62a</b> |  | 00 |
| <b>62b</b> Compare line 62a with \$500,000. Enter the lesser amount.....   | <b>62b</b> |  | 00 |
| <b>62c</b> Current taxable year's credit: Enter the amount from Part 4, line 32 of this form.....  | <b>62c</b> |  | 00 |
| <b>62d</b> Subtract line 62c from line 62b. If the difference is zero or less, enter "0". This is the amount of this year's tax liability to which you may apply your pre-2003 carryovers... | <b>62d</b> |  | 00 |
| <b>62e</b> Enter the total of your pre-2003 credit carryovers from Part 8, line 47, column (d).....  | <b>62e</b> |  | 00 |
| <b>62f</b> Compare lines 62d and 62e and enter the lesser amount here. This is the amount of pre-2003 credit carryovers you can use to offset this year's tax liability.....                 | <b>62f</b> |  | 00 |

**Part 11 Limitation of Post-2002 Credit Carryover**

If you completed Part 7 and are receiving a refund, do not complete Part 11.

If you have credit carryovers from tax years 2003 and after, complete this section. If you do not, skip this section and go directly to Part 12. The amount of credit carryover from years 2003 and after that you can use is limited. Complete this schedule to determine how much of this carryover you may be able to use to offset this year's tax liability.

|   |            |  |    |
|---|------------|--|----|
| <b>63a</b> Current year's tax liability: Enter the amount from Form 300, Part 2, line 32.....   | <b>63a</b> |  | 00 |
| <b>63b</b> Current taxable year's credit: Enter the amount from Part 4, line 32 of this form.....   | <b>63b</b> |  | 00 |
| <b>63c</b> Subtract the sum of line 62f and line 63b from line 63a: If the difference is zero or less, enter "0". This is the amount of this year's tax liability to which you may apply your post-2002 carryovers..... | <b>63c</b> |  | 00 |
| <b>63d</b> Enter the total of your post-2002 credit carryovers from Part 9, line 61, column (d).....  | <b>63d</b> |  | 00 |
| <b>63e</b> Compare lines 63c and 63d and enter the lesser amount here. This is the amount of post-2002 credit carryovers you can use to offset this year's tax liability.....   | <b>63e</b> |  | 00 |

**Part 12 Total Available Nonrefundable Credit**

|  |           |  |    |
|--|-----------|--|----|
| <b>64</b> Current year's credit: If you completed Part 7 and are receiving a refund, enter the amount from Part 7, line 40c. If you are not receiving a refund, enter the amount from Part 4, line 32.<br>• Also enter this amount on Form 300, Part 1, line 4, column (a) ..... | <b>64</b> |  | 00 |
| <b>65</b> Pre-2003 credit carryover: If you completed Part 7 and are receiving a refund, enter "0". Otherwise, enter the pre-2003 carryover from Part 10, line 62f.....  | <b>65</b> |  | 00 |
| <b>66</b> Post-2002 credit carryover: If you completed Part 7 and are receiving a refund, enter "0". Otherwise, enter the post-2002 carryover from Part 11, line 63e.<br>• Also enter the sum of lines 65 and 66 (total carryover) on Form 300, Part 1, line 4, column (b) ..... | <b>66</b> |  | 00 |
| <b>67 Total available credit:</b> Add lines 64, 65, and 66 and enter the total.<br>• Also enter this amount on Form 300, Part 1, line 4, column (c) .....  | <b>67</b> |  | 00 |