

Include with your return.

For the calendar year 2016 or fiscal year beginning MM/DD/2016 and ending MM/DD/20YY.

Name as shown on Form 140, 140PY, 140NR or 140X	Social Security Number
---	------------------------

Individuals must complete this form to claim the credit for increased research activities. Do not complete Form 308. Complete this form if the taxpayer has:

(a) a current taxable year's credit from the taxpayer's sole proprietorship; OR

(b) a current taxable year's credit passed through from an S corporation or a partnership; OR

(c) a carryover of unused credit from taxable year(s) 2001 and later.

Part 1 Qualification for the Credit

<p>1 Did you have qualified research expenses for the tax year indicated above? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>a If "Yes" and you are claiming the Arizona Credit for Increased Research Activities, go to line 2.</p> <p>b If "No", go to line 3.</p> <p>2 Is this credit refundable? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>a If "Yes":</p> <p>a1 Include a copy of the certification you received from the Arizona Commerce Authority (ACA).</p> <p>a2 Enter the maximum refund amount authorized by the ACA here and on line 33a.....</p> <p>b If "No", go to line 3.</p> <p>3 Are you claiming a pass through of this credit from a partnership or S corporation? <input type="checkbox"/> Yes <input type="checkbox"/> No (If you are claiming a pass through of this credit from more than one partnership and/or S corporation, include a schedule providing this information.)</p> <p>4 Is this pass through credit refundable? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>5 If you answered "Yes" to the question on line 1, go to Part 2.</p> <p>6 If you answered "No" to the question on line 1 and "Yes" to the question on line 3, go to Part 3.</p> <p>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 7 and/or 8. Otherwise, STOP! YOU ARE NOT ELIGIBLE TO CLAIM THIS CREDIT.</p> <p>8 Reserved</p>	<p>za2</p>	<p>00</p>
---	------------	-----------

Part 2 Current Taxable Year's Credit Calculation (Sole Proprietorships Only)

<p>9 Wages for qualified services (do not include wages used in figuring the federal work opportunity credit).....</p> <p>10 Cost of supplies.....</p> <p>11 Rental or lease cost of computers.....</p> <p>12 Contract research expenses: See instructions.....</p> <p>13 Total research expenses: Add lines 9 through 12. Enter the total.....</p> <p>14 Research expenses included on lines 9 through 12 related to solar liquid fuel that will be claimed on Arizona Form 344.....</p> <p>15 Total qualified research expenses: Subtract line 14 from line 13.....</p> <p>16 Average annual Arizona gross receipts: See instructions.....</p> <p>17 Fixed-base percentage [not more than 16% (.1600)]: See instructions.....</p> <p>18 Base amount: Multiply line 16 by the percentage on line 17. Enter the result.....</p> <p>19 Subtract line 18 from line 15. If less than zero, enter "0".....</p> <p>20 Multiply line 15 by 50% (.50). Enter the result.....</p> <p>21 Enter the lesser of line 19 or line 20.....</p> <p>22 Multiply line 21 by 24% (.24). Enter the result.....</p> <p>23 Subtract \$2,500,000 from line 21. Enter the difference.....</p> <p>24 Multiply line 23 by 15% (.15). Enter the result.....</p> <p>25 Add \$600,000 to line 24. Enter the total.....</p> <p>26 Enter the amount from line 22 or 25 here.....</p>	<p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> <p>26</p>	<p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p>
---	--	---

- If line 21 is \$2,500,000 or less, complete line 22 and skip lines 23 through 25.
- If line 21 is more than \$2,500,000, skip line 22 and complete lines 23 through 25.

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

Part 3 Current Taxable Year's Credit Passed Through From S Corporations and Partnerships

27 Total amount of credit passed through from S corporations and partnerships: Enter the total amount of the credit for increased research activities from all Form(s) 308-P, Part 2, line 4 and/or Form(s) 308-S, Part 2, line 4. Include copies of any Form(s) 308-P and/or Form(s) 308-S with your tax return	27		00
--	----	--	----

Part 4 Total Current Taxable Year's Credit for Increased Research Activities

28 Total Credit: Add line 26 and line 27. Enter the total. This is your current year's total credit for increased research activities	28		00
---	----	--	----

Part 5 Refundable Portion of the Current Taxable Year's Excess Credit

Only complete Part 5 if you checked "Yes" in Part 1, line 1, or Part 1, line 3.

29 Total current taxable year's credit: Enter the amount from Part 4, line 28.....	29		00
30a Subtotal of tax: Enter the amount from Form 140, line 48; or Form 140PY, line 60; or Form 140NR, line 58; or Form 140X, line 36.....	30a	00	
30b Nonrefundable tax credits: Enter the amount of nonrefundable tax credits from Form 301, Part 1, line 33 less the amount (if any) on Form 301, Part 1, line 5, column (c).....	30b	00	
30c Current taxable year's credit for increased research activities that will be used to offset the current taxable year's tax liability: Subtract line 30b from line 30a and enter the difference. If the difference is zero or more, enter it on Part 9, line 56; also enter it on Form 301, Part 1, line 5, column (a), and on Form 301, Part 2, line 48. If the difference is less than zero, enter "0"	30c		00
31 Current taxable year's excess credit: Subtract line 30c from line 29 and enter the difference. If less than zero, enter "0", because no refund is available	31		00
32 Tentative refundable credit: Multiply line 31 by 75% (.75). Enter the result.....	32		00

Maximum refundable credit: See instructions.

33a Enter the maximum refundable credit amount authorized by the ACA from Part 1, line 2a2 for the credit you earned	33a		00
33b Enter the partner's or shareholder's maximum refundable credit amount from Form 308-P, Part 3, line 6, or from Form 308-S, Part 3, line 6. If this credit was passed through to you from more than one partnership and/or S corporation, total the amounts indicated on Form(s) 308-P, Part 3, line 6, and Form(s) 308-S, Part 3, line 6. Enter the total amount here	33b	00	
33c Add the amounts on lines 33a and 33b. Enter the total here	33c		00
34 Refundable Credit: Enter the lesser of line 32 or line 33c. See instructions	34		00

Complete Part 6 and Part 7 if you have carryovers from prior years. If you elect to receive a refund of 75% of the excess credit, you cannot carry forward any amount from the year of the refund.

Part 6 Available Pre-2003 Credit Carryover

	(a) Taxable Year	(b) Original Credit Amount	(c) Amount Previously Used	(d) Available Carryover: Subtract column (c) from column (b).
35	2001	00	00	00
36	2002	00	00	00
37	Total Available Pre-2003 Carryover: Add lines 35 and 36 in column (d).....			00

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

Part 7 Available Post-2002 Credit Carryover

	(a) Taxable Year	(b) Original Credit Amount	(c) Amount Previously Used	(d) Available Carryover: Subtract column (c) from column (b).	
38	2003	00	00	00	
39	2004	00	00	00	
40	2005	00	00	00	
41	2006	00	00	00	
42	2007	00	00	00	
43	2008	00	00	00	
44	2009	00	00	00	
45	2010	00	00	00	
46	2011	00	00	00	
47	2012	00	00	00	
48	2013	00	00	00	
49	2014	00	00	00	
50	2015	00	00	00	
51	Total Available Post-2002 Carryover: Add lines 38 through 50 in column (d).....			51	00

Part 8 Limitation of Credit Carryovers

If you completed Part 5 and are receiving a refund, do not complete Part 8.

LIMITATION OF PRE-2003 CREDIT CARRYOVER: You may not be able to use all of your available pre-2003 credit carryovers from Part 6 to offset this year's tax liability. Complete Part 8 to determine which credit carryovers you may claim. Also complete Part 8 to figure the total of all of your available credit carryovers (amounts from Part 6, line 37, column (d), and Part 7, line 51, column (d)) that you may claim this year.

52a Current year's liability: Enter the amount from Form 301, Part 2, line 41.....	52a		00
52b Current year's total credit: Enter the amount from Part 4, line 28	52b		00
52c Subtract line 52b from line 52a. If the difference is zero or less, enter "0"	52c		00
53a Available pre-2003 credit carryover: Enter the amount from Part 6, line 37, column (d).....	53a	00	
53b Enter the lesser of line 52a or \$500,000.....	53b	00	
53c Subtract line 52b from line 53b. If the difference is zero or less, enter "0"	53c	00	
53d Enter the lesser of line 53a or line 53c. This is the amount of pre-2003 carryover that you may use	53d		00
54 Subtract line 53d from line 52c. Enter the difference.....	54		00
55 Enter the lesser of Part 7, line 51, column (d) or line 54. This is the amount of post-2002 carryover that you may use.....	55		00

Part 9 Total Available Nonrefundable Credit

56 Current year's credit: If you completed Part 5 and are receiving a refund, enter the amount from Part 5, line 30c. Otherwise, enter the amount from Part 4, line 28. • Also enter this amount on Form 301, line 5, column (a)	56		00
57 If you completed Part 5 and are receiving a refund, enter "0". Otherwise, enter the pre-2003 carryover from Part 8, line 53d	57		00
58 If you completed Part 5 and are receiving a refund, enter "0". Otherwise, enter the post-2002 carryover from Part 8, line 55. • Also enter the sum of lines 57 and 58 (total carryover) on Form 301, line 5, column (b).....	58		00
59 Total available credit: Add lines 56, 57, and 58. • Also enter this amount on Form 301, Part 1, line 5, column (c)	59		00