

2013 Arizona Amended Corporation Income Tax Return

Obtain additional information or assistance by calling one of the numbers listed below:

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

Obtain tax rulings, tax procedures, tax forms and instructions, and other tax information by accessing the department's Internet home page at www.azdor.gov.

General Instructions

Use of 2013 Form 120X

Use the 2013 form to amend only the 2013 Form 120 or Form 120A, as originally filed, or as it was later adjusted by an amended return, Department of Revenue correction notice, or an audit, whichever is latest.

File an amended return for a prior taxable year on the Form 120X for that taxable year. Do not use the 2013 Form 120X to file an amended return for a prior taxable year.

NOTE: *If you need to amend a year prior to 2013, Form 120X for prior years are available on the department's website at www.azdor.gov/Forms/Corporate.aspx.*

If an amended return is filed for a taxable year prior to 2006, attach a copy of the original Arizona return.

When to File Form 120X

Form 120X may be filed only after the taxpayer has filed its original tax return (Form 120 or Form 120A) for the taxable year 2013. Generally, Form 120X must be filed within four years after the date the original return was due or after the date that the taxpayer filed it, whichever was later.

Do not file an amended return until the original return has been processed.

Reporting of Federal Amended Return Changes or Finalized Revenue Agent Report (RAR)

A taxpayer who files an amended return with the Internal Revenue Service (IRS) must file an Arizona amended return within 90 days of its final determination by the IRS.

The taxpayer must report changes or corrections of the taxpayer's taxable income by the IRS or as the result of renegotiation of a contract or subcontract with the United States to the department. The taxpayer must, within 90 days after the final determination of the change or correction, either:

- File a copy of the final determination with the department, concede the accuracy of the determination or state any errors, and request the department to recompute the tax owed to Arizona; or
- File an amended return as required by the department.

The department may require the taxpayer to file an amended return if the department does not have the necessary information to recompute the tax owed to Arizona.

Consolidated Return Election

The common parent of an affiliated group of corporations that files a federal consolidated return may elect to file an Arizona consolidated return. The common parent must make the election by the due date, including extensions, for filing the original return. A taxpayer may file the 2013 Form 120X to change its method of filing to consolidated for the taxable year 2013 only if the 2013 Form 120X is filed by the due date, including extensions, of the taxpayer's 2013 Form 120.

Refer to the 2013 Form 120 instructions for more information about the requirements for the election to file on a consolidated basis.

Required Attachments to Form 120X

Attach any schedules, forms, and/or statements which are necessary to fully explain and substantiate the change(s).

Is the Arizona apportionment ratio (for air carriers) changing? Attach Schedule ACA.

Is the taxpayer reporting federal amended return changes? Attach a copy of the amended return with all applicable schedules.

Is the taxpayer reporting finalized RAR changes? Attach a copy of the RAR with all applicable schedules.

Is the Arizona method of filing changing (information question D)? Complete Form 51, *Combined or Consolidated Return Affiliation Schedule*, according to the Form 51 instructions and attach it to Form 120X.

Rounding Dollar Amounts

Taxpayers must round amounts to the nearest whole dollar. If 50 cents or more, round up to the next dollar. If less than 50 cents, round down.

Specific Instructions

Type or print the required information in the name, address, and information boxes on the top of page 1. If the taxpayer has a foreign address, enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. **Do not abbreviate the country's name.** If this is a consolidated return, enter the common parent corporation's name and address. The name for a consolidated return should include the phrase "and affiliates." If this is a combined return, enter the name and address of the corporation under which the group is filing. The name for the combined return should include either the phrase "and unitary affiliates" or "and unitary subsidiaries," whichever is applicable.

Indicate whether the taxable year is a calendar year or a fiscal year; if a fiscal year, indicate the taxable year on the top of page 1 of the return.

Enter the corporation's employer identification number (EIN), which is the taxpayer identification number (TIN). If this is a consolidated return, enter the TIN of the common parent corporation. If this is a combined return, enter the TIN of the corporation under which the group is filing.

All returns, statements, and other documents filed with the department require a TIN. Taxpayers that fail to include their

TIN may be subject to a penalty. Paid tax return preparers must include their TIN where requested. The TIN for a paid tax return preparer is the individual's social security number or the EIN of the business. Paid tax return preparers that fail to include their TIN may be subject to a penalty.

Information question A: If the correct box WAS NOT CHECKED on the 2013 Form 120, information question B, indicate the correct method of filing by checking the appropriate box. Explain the correction on the 2013 Form 120X, Schedule E.

If the correct box WAS CHECKED on the 2013 Form 120, information question B: (i) do not check any boxes for information question A and (ii) answer information question D, if Form 120X is being filed to change the Arizona method of filing.

Information question B: Check the Arizona adjustments only box if the amended return is being filed to report only state changes. State change examples include adjustments to the apportionment ratio and adjustments to either additions to or subtractions from federal taxable income.

Information question C: If this amended return is filed to incorporate a capital loss carryback, check the box and enter the last day (month, day and year) of the tax year the capital loss originated.

Information question D: If this amended return is filed to change the Arizona method of filing, check the appropriate box. Complete the Form 120X, Schedule E, to explain the changes. Attach a completed Form 51 to Form 120X.

Information question E: If this amended return includes changes to the Arizona apportionment ratio, check the appropriate box. Complete Form 120X, Schedule C, (or attach a revised Schedule ACA, if applicable) and explain the changes on Schedule E.

Lines 1 through 8, lines 10 through 19, and line 21 -

NOTE: *Columns (a) and (c) must be completed for each line whether or not a change has been made to a particular line. Enter an amount in column (b) only if a change has been made for a particular line.*

- **Column (a):** Enter the amounts as shown on the original return or as adjusted by any prior audit, amended return, or Department of Revenue correction notice, whichever is latest.
- **Column (b):** Enter the amount of any change(s). Attach any schedules, forms, and/or statements which are necessary to fully explain and substantiate the change(s). The amounts entered in column (b) should be the net increase or net decrease for each line that has been changed. Use a minus sign to indicate decreases entered in column (b).
- **Column (c):** Add the increase in column (b) to the amount in column (a) or subtract the decrease in column (b) from column (a). Enter the result here. If the line has not been changed, enter the amount from column (a) in column (c).

Line 9 - Apportionment Ratio (Multistate Taxpayers Only)

If the apportionment ratio is being amended, enter the amended apportionment ratio in column (c) from page 2, Schedule C,

line C5, column C, or from Schedule ACA, line 3. If the apportionment ratio is not being amended, enter the apportionment ratio from the 2013 Form 120, page 1, line 9, or as adjusted by any prior audit or amended return, whichever is latest. The taxpayer must carry out the ratio on line 9 to six places.

Refer to the Schedule ACA or Schedule C instructions for more information. Do not enter an amount on page 1, line 9, before reading the Schedule ACA or Schedule C instructions.

Line 16 - Arizona Tax

Multiply Arizona taxable income [line 15, column (c)] by 6.968 percent. If the computed amount of tax is less than \$50, enter the minimum tax of \$50. Every corporation required to file a return shall pay a \$50 minimum tax in accordance with Arizona Revised Statutes (A.R.S.) § 43-1111.

Combined or consolidated returns - a unitary group or an Arizona affiliated group is considered a single taxpayer. The minimum tax is imposed on the single taxpayer rather than on each corporation within the group.

Line 17 - Tax From Recapture of Tax Credits

Enter the amount of tax due from recapture tax credits from Arizona Form 300, Part II, line 29.

Line 18 - Subtotal

Add lines 16 and 17. This is the amount of tax to which the total amount of tax credits claimed by the taxpayer may be applied.

Line 19 - Nonrefundable Tax Credits

Enter the allowable nonrefundable tax credit amount from Arizona Form 300, Part II, line 53. This amount cannot be larger than the amount on Form 120X, line 18.

- **Enterprise Zone Credit.** Taxpayers located in a former enterprise zone before June 30, 2011, may qualify to claim a third year tax credit for qualified employment positions. Complete Form 304 to claim this tax credit or carryforwards established in prior years.
- **Environmental Technology Facility Credit.** This tax credit is for costs incurred in constructing a qualified environmental technology manufacturing, producing, or processing facility as described in A.R.S. § 41-1514.02. Complete Form 305 to claim this tax credit.
- **Military Reuse Zone Credit.** This tax credit is for net increases in employment of full-time employees working in a military reuse zone established under Arizona law. Complete Form 306 to claim this tax credit.
- **Credit for Increased Research Activities.** This tax credit is for taxpayers who incur qualified research expenses for research conducted in Arizona. The credit applies to taxable years beginning from and after December 31, 2000. A portion of the excess credit claimed for taxable years beginning from and after December 31, 2009 may be refundable with approval from the Arizona Commerce Authority. Be sure to include only the nonrefundable portion on line 19. Complete Form 308 to claim this tax credit.

- **Pollution Control Credit.** This tax credit is for expenses incurred during the taxable year to purchase real or personal property used in the taxpayer's trade or business in Arizona to control or prevent pollution. Complete Form 315 to claim this tax credit.
- **Credit for Taxes Paid for Coal Consumed in Generating Electrical Power.** This tax credit is for a percentage of the amount paid by the seller or purchaser as transaction privilege tax or use tax for coal sold to the taxpayer that is consumed in the generation of electrical power in Arizona. "Amount paid by the seller or purchaser as transaction privilege tax or use tax" means that the Arizona transaction privilege tax was passed through to the taxpayer by the seller as an added charge or that the seller collected the Arizona use tax from the taxpayer or that the taxpayer paid the Arizona use tax to the department. Complete Form 318 to claim this tax credit.
- **Credit for Solar Hot Water Heater Plumbing Stub Outs and Electric Vehicle Recharge Outlets.** This tax credit is for the installation of solar hot water heater plumbing stub outs and electric vehicle recharge outlets in houses or dwelling units constructed by the taxpayer. The houses or dwelling units must be located in Arizona. Complete Form 319 to claim this tax credit.
- **Credit for Employment of TANF Recipients.** This tax credit is for net increases in qualified employment for recipients of temporary assistance for needy families (TANF) who are residents of Arizona. Complete Form 320 to claim this tax credit.
- **Agricultural Pollution Control Equipment Credit.** This tax credit is for expenses incurred during the taxable year to purchase tangible personal property that is primarily used in the taxpayer's business in Arizona to control or prevent agricultural pollution. Complete Form 325 to claim this tax credit.
- **Credit for Donation of School Site.** This tax credit is for the donation of real property and improvements to an Arizona school district or Arizona charter school for use as a school or as a site for the construction of a school. Complete Form 331 to claim this tax credit.
- **Credits for Healthy Forest Enterprises.** These tax credits are for net increases in qualified employment positions in a healthy forest enterprise and net training and certifying costs. Use Form 332 to claim these tax credits.
- **Credit for Employing National Guard Members.** This credit is for an employer who has an employee that is a member of the Arizona National Guard and the employee was placed on active duty. Use Form 333 to claim this tax credit.
- **Motion Picture Credits.** Motion picture production companies that produced motion pictures, commercials, music videos, or television series completely or partially in Arizona may claim a transferable income tax credit for production costs. To qualify, productions must have been preapproved by the Arizona Commerce Authority by December 31, 2010. Use Form 334 to claim this tax credit.
- **Credit for Corporate Contributions to School Tuition Organizations.** This credit is for corporations who make contributions to school tuition organizations which provide scholarships and tuition grants to children attending qualified nongovernmental schools. Use Form 335 to claim this tax credit.
- **Credit for Solar Energy Devices - Commercial and Industrial Applications.** This credit is available to taxpayers that install solar energy devices for commercial, industrial, or any other nonresidential purpose in the taxpayer's trade or business located in Arizona. The taxpayer or an exempt organization may transfer the credit to a third party that either financed, installed, or manufactured the qualifying solar energy device. Use Form 336 to figure this tax credit.
- **Credit for Water Conservation System Plumbing Stub Outs.** The credit for water conservation system plumbing stub outs has expired. This credit may not be claimed for taxable years ending after December 31, 2011. However, any credit carryover established in calendar year 2011 and prior will be allowed for not more than five consecutive taxable years. Use Form 337 to figure any allowable credit carryover.
- **Credit for Corporate Contributions to School Tuition Organizations for Displaced Students or Students With Disabilities.** This tax credit is for corporations who make contributions to school tuition organizations that provide scholarships and tuition grants to qualifying children attending qualified nongovernmental schools. Use Form 341 to claim this tax credit.
- **Renewable Energy Production Tax Credit.** This tax credit is for taxpayers that produce electricity using qualified energy resources. Approval by the Arizona Department of Revenue is required prior to claiming this tax credit. Use Form 343 to claim this tax credit.
- **Solar Liquid Fuel Credit.** This tax credit is for taxpayers that increase research activities related to solar liquid fuel. Additional credits will become available in 2016 for production and delivery system costs. Use Form 344 to claim this tax credit.
- **Credit for New Employment.** This tax credit is for taxpayers that have net increases in employment. The credit limit is administered by the Arizona Commerce Authority. Use Form 345 to claim this tax credit.
- **Additional Credit for Increased Research Activities for Basic Research Payments.** This tax credit is for taxpayers that make qualified basic research payments for research conducted in Arizona. Approval by the Arizona Department of Revenue is required prior to claiming this tax credit. Use Form 346 to claim this tax credit.
- **Credit for Qualified Health Insurance Plans.** This tax credit is for employers that provide qualified health insurance plans or contribute to health savings accounts for its employees who are Arizona residents. Use Form 347 to claim this tax credit.

Complete the appropriate credit form for each credit. Attach the completed credit form(s) to Form 120X with Form 300, whether or not the amount claimed on line 19 has changed.

Line 20 - Credit Type

Indicate which tax credits were claimed on line 19 by entering the applicable form number(s) in the space provided. Complete this line whether or not the amount of tax credits claimed on line 19 has changed.

Nonrefundable Income Tax Credit	Form
Enterprise Zone Credit	304
Environmental Technology Facility Credit	305
Military Reuse Zone Credit	306
Credit for Increased Research Activities	308
Pollution Control Credit	315
Credit for Taxes Paid for Coal Consumed in Generating Electrical Power	318
Credit for Solar Hot Water Heater Plumbing Stub Outs and Electric Vehicle Recharge Outlets	319
Credit for Employment of TANF Recipients	320
Agricultural Pollution Control Equipment Credit	325
Credit for Donation of School Site	331
Credits for Healthy Forest Enterprises	332
Credit for Employing National Guard Members	333
Motion Picture Credits	334
Credit for Corporate Contributions to School Tuition Organizations	335
Credit for Solar Energy Devices - Commercial and Industrial Applications	336
Credit for Water Conservation System Plumbing Stub Outs	337
Credit for Corporate Contributions to School Tuition Organizations for Displaced Students or Students With Disabilities	341
Renewable Energy Production Tax Credit	343
Solar Liquid Fuel Credit	344
Credit for New Employment	345
Additional Credit for Increased Research Activities for Basic Research Payments	346
Credit for Qualified Health Insurance Plans	347

Line 22 - Refundable Tax Credits

Check the box marked 308, 342 and/or 349 to indicate which of these tax credits the taxpayer is claiming. Enter the total amount of the credits claimed on line 22. Attach the completed credit form(s) to Form 120X, whether or not the amount claimed on line 22 has changed.

Credit for Increased Research Activities. A portion of this tax credit is refundable for qualified taxpayers. The refund is limited to 75% of the excess credit, which is the current year's credit less the current year's tax liability, not to exceed the amount approved by the Arizona Commerce Authority. Attach a copy of your "Certificate of Qualification" from the Arizona Commerce Authority, Form 300 and Form 308 to your return. Enter the amount from Form 308, Part VI, line 46.

Credit for Renewable Energy Industry. This tax credit is for expanding or locating qualified renewable energy operations in Arizona and is refundable in five equal installments. Pre-approval and post-approval are required through the Arizona Commerce Authority. Attach a copy of your "Certification of Qualification" from the Arizona Commerce Authority and Form 342 to your tax return to claim this credit. Enter the amount from Form 342, Part VI, line 18.

Credit for Qualified Facilities. This tax credit is for expanding or locating a qualified facility in Arizona and is refundable in five equal installments. Pre-approval and post-approval are required through the Arizona Commerce Authority. Attach a copy of your "Certification of Qualification" from the Arizona Commerce Authority and Form 349 to your tax return to claim this credit. Enter the amount from Form 349, Part VI, line 18.

If you are claiming more than one of the refundable tax credits, check the appropriate boxes and add the amounts from the credit forms together and enter the total on line 22, or use the worksheet below to figure the amount to enter on line 22.

Refundable Credit Worksheet	
1. Enter the refundable credit from Form 308, Part VI, line 46.	
2. Enter the apportioned credit from Form 342, Part VI, line 18.	
3. Enter the apportioned credit from Form 349, Part VI, line 18.	
4. Add the amounts on lines 1, 2, and 3. Enter the total here and on Form 120X, line 22.	

Line 23 - Payments (Extension, Estimated)

Enter the total amount from the original return (2013 Form 120, lines 23 and 24; or 2013 Form 120A, lines 15 and 16).

Line 24 - Payment With Original Return (Plus All Payments After It Was Filed)

Enter the amount from page 2, Schedule D, line D4.

Line 25 - Total Payments

Add lines 22, 23 and 24. Enter the total.

NOTE FOR CLAIM OF RIGHT RESTORATION: *If the tax for the taxable year 2013 was computed under the provisions for a claim of right restoration, line 25 also includes the credit for the tax reduction for prior taxable year(s). Refer to Arizona Corporate Income Tax Procedure CTP 95-3 for further information. Write "A.R.S. § 43-1130.01" and the total amount of the tax reduction for prior taxable year(s) in the space to the left of the total payment amount entered on line 25. The amount entered on line 25 is the total of lines 22, 23 and 24 and the tax reduction for prior taxable year(s). Attach a schedule computing the tax reduction for the prior taxable year(s).*

Line 26 - Overpayment From Original Return or as Later Adjusted

Enter the amount of any overpayment of tax from the original return (2013 Form 120, line 31; or 2013 Form 120A, line 23), and the total amount of any overpayments of tax from a Department of Revenue correction notice, a previously filed amended return (2013 Form 120X, line 31), or an audit.

Line 28 - Total Due

If line 21, column (c) is **larger** than line 27, enter the difference. This is the amount of tax due.

Line 29 - Penalty and Interest

Calculate any penalty and interest due. Calculate interest on the amount shown on line 28 at the prevailing rate. The interest period is from the original due date of the return to the payment date, and is compounded annually.

Line 30 - Payment Due

Add lines 28 and 29, and enter the total here. This is the amount of payment due. Non-EFT payment must be included with the amended return. Payments can be made via check, electronic check, money order, or credit card.

Check or Money Order

Make checks payable to Arizona Department of Revenue. Include the taxpayer's EIN on the front of the check or money order. Include the check or money order with the return.

Internet Payments

Corporate taxpayers must be licensed by the department before they can register to pay taxes online. Go to www.aztaxes.gov to register and make payments over the internet.

Electronic payment from checking or savings account

Payments can be made electronically from a checking or savings account. Go to www.aztaxes.gov and choose the e-check option. There is no fee to use this method. This payment method will debit the amount from the specified checking or savings account on the date specified. If an electronic payment is made from a checking or savings account, a confirmation number will be generated. Please keep this confirmation number as proof of payment.

Credit card payment

Payments can be made via American Express, Discover, MasterCard or VISA credit cards. Go to www.aztaxes.gov and choose the credit card option. This will take you to the website of the credit card payment service provider. The service provider will charge a convenience fee based on the amount of the tax payment. The service provider will disclose the amount of the convenience fee during the transaction and the option to continue or cancel the transaction will be presented. If you accept the convenience fee and complete the credit card transaction, a confirmation number will be generated. Please keep this confirmation number as proof of payment.

Line 31 - Overpayment

If line 27 is **larger** than line 21, column (c), enter the difference. This amount is the overpayment from this amended return.

Line 32 - Amount to be Applied to 2014 Estimated Taxes

The taxpayer may apply part or all of an overpayment reported on line 31 as a 2014 estimated tax payment, if this amended return is filed during the taxpayer's taxable year 2014. Enter the applicable amount on line 32. If the taxpayer wants the entire line 31 amount to be refunded, enter zero.

Line 33 - Amount to be Refunded

Subtract line 32 from line 31, and enter the difference. This is the net refund amount.

Schedule ACA – Air Carrier Apportionment Formula (Multistate Air Carriers Only)
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Schedule ACA must be completed and attached only if the 2013 Form 120X is filed to amend the apportionment ratio. The taxpayer must complete Schedule ACA to amend the apportionment ratio originally computed on Schedule ACA or if the taxpayer incorrectly used the Form 120, Schedule C, rather than Schedule ACA to compute the apportionment ratio. Schedule ACA is available on the department's website: <http://www.azdor.gov/Forms/Corporate.aspx>. If the apportionment ratio is not being amended, enter the apportionment ratio from the 2013 Form 120 or as adjusted by any prior audit or amended return, whichever is latest, on the Form 120X, page 1, line 9, in column (a) and column (c).

A.R.S. § 43-1139 requires a taxpayer that is a qualifying air carrier to use an alternate apportionment method to apportion its business income to Arizona.

The taxpayer must be engaged in air commerce. "Air commerce" means transporting persons or property for hire by aircraft in interstate, intrastate or international transportation. If the taxpayer files a combined or consolidated return, the combined group or the Arizona affiliated group must use this method of apportionment if 50 percent or more of the taxpayer's gross income is derived from air commerce. The taxpayer will apportion its business income by means of a single apportionment ratio computed under this method for all group members.

Schedule C – Apportionment Formula (Non-Air Carrier Multistate Taxpayers Only)

Schedule C must be completed only if the 2013 Form 120X is filed to amend the apportionment ratio (if the taxpayer was required to use Schedule C). If the apportionment ratio is not being amended, enter the apportionment ratio from the 2013 Form 120 or as adjusted by any prior audit or amended return, whichever is latest, on the Form 120X, page 1, line 9, in column (a) and column (c).

A.R.S. § 43-1139 (Allocation of business income) provides that the apportionment ratio is a fraction. Non-air carrier taxpayers may choose between the standard sales factor formula and the enhanced sales factor formula. For the standard sales factor formula, the numerator of the fraction is the property factor, plus the payroll factor, plus two times the sales factor. The denominator of the fraction is four. The numerator of the fraction of the enhanced sales factor formula is the property factor, plus the payroll factor, plus eight times the sales factor. The denominator of the fraction is ten.

Determine sales within Arizona on a destination sales basis.

NOTE: When computing the factors of the apportionment ratio, round amounts to the nearest whole dollar. If 50 cents or more, round up to the next dollar. If less than 50 cents, round down.

For more detailed instructions with respect to the Standard Sales Factor or the Enhanced Sales Factor, see the instructions for 2013 Form 120.

Standard Sales Factor

Line C3e -

NOTE: Multiply the amount entered on line C3c, column A, the total Arizona sales, by two (double weighted sales factor) on line C3d, column A. Enter the result on line C3e, column A. Do not double the amount entered on line C3c, column B, the everywhere sales of the taxpayer.

EXAMPLE: The taxpayer has total Arizona sales of \$100,000 and total everywhere sales of \$1,000,000. On line C3e, column A, enter \$200,000 of Arizona sales. On line C3e, column B, enter \$1,000,000 of everywhere sales for the taxpayer.

The sales factor ratio in column C of line C3e may, in certain circumstances, exceed 100 percent. However, since the total ratio (line C4) is divided by four, the average ratio (line C5) will not exceed 100 percent.

Line C5 - Average Apportionment Ratio

Divide the total ratio, line C4, column C, by four. Enter the average ratio amount here and on page 1, line 9, column (c). Express the ratio as a decimal carried out to six places.

NOTE: The taxpayer must exclude a factor if both the numerator and the denominator of a factor are zero. Do not exclude a factor from the total ratio (line C4, column C) if the numerator of a factor is zero and the denominator of a factor is greater than zero. If the property or payroll factor is excluded, determine the average ratio (line C5, column C) by dividing the total ratio by three. If the sales factor is excluded, determine the average ratio by dividing the total ratio by two. If two of the factors are excluded, the remaining factor, without respect to any weighting, is the apportionment ratio.

Enhanced Sales Factor

Line C3e -

NOTE: Multiply the amount entered on line C3c, column A, the total Arizona sales, by eight on line C3d, column A. Enter the result on line C3e, column A. Do not multiply the amount entered on line C3c, column B, the everywhere sales of the taxpayer, by eight.

EXAMPLE: The taxpayer has total Arizona sales of \$100,000 and total everywhere sales of \$1,000,000. On line C3e, column A, enter \$800,000 of Arizona sales. On line C3e, column B, enter \$1,000,000 of everywhere sales for the taxpayer.

The sales factor ratio in column C of line C3e may, in certain circumstances, exceed 100 percent. However, since the total ratio (line C4) is divided by ten, the average ratio (line C5) will not exceed 100 percent.

Line C5 - Average Apportionment Ratio

Divide the total ratio, line C4, column C, by ten. Enter the average ratio amount here and on page 1, line 9, column (c). Express the ratio as a decimal carried out to six places.

NOTE: The taxpayer must exclude a factor if both the numerator and the denominator of a factor are zero. Do not exclude a factor from the total ratio (line C4, column C) if the numerator of a factor is zero and the denominator of a factor is greater than zero. If the property or payroll factor is excluded, determine the average ratio (line C5, column C) by dividing the total ratio by nine. If the sales factor is excluded, determine the average ratio by dividing the total ratio by two. If two of the factors are excluded, the remaining factor, without respect to any weighting, is the apportionment ratio.

Schedule D – Schedule of Payments

List the payment sent with the original return and all payments made by the taxpayer after the original return was filed.

If additional space is required to list all of the payments, prepare a schedule (in the same format) labeled “Schedule D – Schedule of Payments” and attach the schedule to Form 120X.

DO NOT include the claim of right credit computed under A.R.S. § 43-1130.01 in this schedule.

DO NOT include amounts paid for penalties and interest or payments reported on page 1, line 23.

Enter the total on Schedule D, line D4, and on page 1, line 24.

Schedule E – Explanation of Changes

Explain the changes made in this return. If additional space is needed, prepare a schedule (in the same format) labeled “Schedule E – Explanation of Changes” and attach the schedule to the Form 120X. Include any necessary supporting documentation with the return.

Certification

One or more of the following officers (president, treasurer, or any other principal officer) must sign the return.

Paid preparers: Sign and date the return. Complete the firm name and address lines (the paid preparer’s name and address, if self-employed). Enter the paid preparer’s TIN, which is the firm’s EIN or the individual preparer’s social security number.

Interest

The department will calculate any interest due and will either include it in the refund or bill the taxpayer for the interest.

Obtain information and current interest rates by contacting one of the numbers listed on page 1 of these instructions. Interest rate tables are also available on the department’s Internet home page at the address listed on page 1 of these instructions.