

## 2022 Credit for Increased Research Activities - Individuals

### CONTACTS FOR REFUND OF CREDIT FOR INCREASED RESEARCH ACTIVITIES

#### Arizona Commerce Authority

- Application forms
- Program guidelines

Website: [www.azcommerce.com](http://www.azcommerce.com)

Program Manager (602) 845-1200

### CONTACTS FOR NONREFUNDABLE CREDIT FOR INCREASED RESEARCH ACTIVITIES

#### Arizona Department of Revenue

- Tax forms and instructions
- Information and assistance

Website: [www.azdor.gov](http://www.azdor.gov)

Taxpayer assistance (602) 255-3381

From area codes 520 and 928, toll-free (800) 352-4090

### General Instructions

**NOTE:** Form 308-I is used only by individual taxpayers. C corporations, S Corporations, exempt organizations with unrelated business taxable income, and partnerships must use the 2022 Form 308.

Arizona Revised Statutes § 43-1074.01 provides an individual income tax credit for increased research activities in a taxable year.

- The Arizona tax credit for individuals is allowed in an amount computed pursuant to Internal Revenue Code (IRC) § 41 with the following exceptions:
  - Qualified research includes only research conducted in Arizona. The term "qualified research", for purposes of the Arizona tax credit, means qualified research, as defined in IRC § 41, that is conducted in Arizona.
  - The amount of the credit is based on the federal regular credit computation method for Arizona qualified research expenses. Taxpayers cannot use the federal alternative credit computation method. The allowable current taxable year credit is a percentage of the excess, if any, of the Arizona qualified research expenses for the taxable year over the base amount.
- The termination provisions of IRC § 41 do not apply.
- For 2022, if the allowable expenses do not exceed \$2,500,000, the allowable credit is 24% of this amount. If the allowable expenses exceed \$2,500,000, the allowable credit amount is \$600,000 plus 15% of the amount of expenses over \$2,500,000.
- If two or more taxpayers, including shareholders of an S Corporation or partners in a partnership, share in the eligible expenses, each taxpayer is eligible to receive a proportionate share of the credit.
- A portion of the current year's excess credit may be refundable if you qualify.

### REFUNDABLE PORTION OF THE CURRENT YEAR'S EXCESS CREDIT

If you qualify, *and* if the current taxable year's credit for increased research activities exceeds your income tax liability, a portion of the excess credit may be refundable to you. To qualify to receive this refund:

- You must have less than 150 full-time employees.
- You must apply to the Arizona Commerce Authority (ACA) and receive a Certificate of Qualification (Certificate) to be eligible to receive a refund.
- The refund amount is the lesser of:
  - Seventy-five percent of the excess credit, or
  - The maximum refund amount indicated on the Certificate; any additional amount is waived.

The excess credit is the current year's credit less the current year's tax liability. The 75% refund is only available for the current year's excess credit for increased research activities.

The election to make this credit refundable must be made when you originally file your tax return to claim the current year's credit.

If two or more taxpayers, including shareholders of an S Corporation or partners in a partnership, share in the eligible expenses, each taxpayer is eligible to claim a proportionate share of the refund. An S Corporation must apply for the Certificate on behalf of its shareholders. A partnership must apply for the Certificate on behalf of its partners.

**NOTE:** The refund of this credit is calculated after your tax liability. You must calculate all of your other credits before you can determine the current year's excess credit.

### CARRYOVER OF UNUSED CREDIT

For taxable years beginning before January 1, 2022 the Credit for Increased Research Activities – Individuals, claimed on Form 308-I that is not used to offset taxes may be carried forward to the next fifteen consecutive taxable years.

For taxable years beginning from and after December 31, 2021 the Credit for Increased Research Activities – Individuals, claimed on Form 308-I that is not used to offset taxes may be carried forward to the next ten consecutive taxable years.

If you receive a refund of 75% of the excess credit, you do not have any excess amount to carry forward for this year. Any carryover amounts from previous taxable years must be carried over to the next taxable year, subject to the 15-year carryover period and annual limitations on the use of those carryovers.

If you have other nonrefundable tax credits that you are using to reduce your tax liability, you may not be able to use all of your credit for increased research activities to reduce your tax this year. You will be applying these limitations when you complete Arizona Form 301, *Nonrefundable Individual Tax Credits and Recapture*.

### DO YOU HAVE TO MAKE OTHER ADJUSTMENTS TO ARIZONA GROSS INCOME OR TO THE ARIZONA TAX CREDIT FOR INCREASED RESEARCH ACTIVITIES?

- If you claim an Arizona credit for increased research activities for the taxable year, Arizona statutes do not

require you to make an addition to Arizona gross income for the amount of qualified research expenses equal to the amount of the allowable Arizona credit.

- If you claim a reduced federal credit for increased research expenses and claim the Arizona credit for increased research activities, Arizona statutes do not require you to reduce the Arizona credit for increased research activities in a manner similar to the federal reduction method.
- If you reduce the amount of the deduction for qualified research activities in the computation of federal adjusted gross income, Arizona statutes do not allow you to take a subtraction from Arizona gross income for the amount of the expense reduction.
- If you adjust the federal asset basis of capitalized research expenses and reduce the amount of amortization deductible in the computation of federal adjusted gross income, Arizona statutes do not allow you to take a subtraction from Arizona gross income for additional amortization.

**NOTE – To claim this credit:**

- **Individual taxpayers that did not make the Small Business Income election**, complete this credit form and Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture. Include both completed forms with your Individual Income Tax Return (Form 140, 140PY, 140NR, or 140X).
- **Individual taxpayers that made the Small Business Income election**, complete this credit form and Arizona Form 301-SBI, Nonrefundable Individual Tax Credits and Recapture for Form 140-SBI, 140PY-SBI, 140NR-SBI, or 140X-SBI. Include both completed forms with your SBI Tax Return (Form 140-SBI, 140PY-SBI, 140NR-SBI, or 140X-SBI).

## Specific Instructions

Complete the name and Social Security Number (SSN) section at the top of the form. Indicate the period covered by the taxable year. Include the completed form with the tax return.

All returns, statements, and other documents filed with the department require a taxpayer identification number (TIN). The TIN for an individual is the taxpayer's SSN or an Internal Revenue Service individual taxpayer identification number. Taxpayers that fail to include their TIN may be subject to a penalty.

### Part 1 - Qualification for the Credit

#### Line 1

Did your sole proprietorship have qualified research expenses for this taxable year?

- a. If your sole proprietorship had qualified research expenses for this taxable year and you intend to claim this credit, check the box labeled, "Yes."
- b. If your sole proprietorship did not have qualified research expenses for this taxable year, check the box labeled, "No." Go to line 3.

#### Line 2

Is this credit refundable?

- a. If this credit is refundable, check the box labeled, "Yes." Provide the information requested on lines 2a1 and 2a2.
- b. If this credit is not refundable, check the box labeled, "No."

#### Line 3

Are you claiming a pass through of this credit from a partnership or from an S Corporation?

- If you are claiming a pass through of this credit from a partnership or from an S Corporation, check the box labeled, "Yes."
- If you are not claiming a pass through of this credit, check the box labeled, "No." Go to line 5.

#### Line 4

Is this pass through credit refundable?

- If the pass through credit you received is refundable, check the box labeled, "Yes."
- If the pass through credit you received is not refundable, check the box labeled, "No."

#### Lines 5 through 7

Follow the instructions on lines 5 through 7 to determine if you qualify for this credit and to help you complete the remainder of this form.

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

**NOTE:** Complete this part only if you operate a business as a sole proprietorship and your sole proprietorship incurred qualified research expenses during the taxable year. If you received your credit as the result of a pass through, go to Part 3.

#### Line 8

Enter total wages paid or incurred for qualified services performed in Arizona. Do not include the amount of wages paid to employees that were used in the calculation of the federal work opportunity credit.

**NOTE:** Wages include any wages paid or incurred to an employee for qualified services performed in Arizona.

*Qualified services are: (1) engaging in qualified research; or (2) engaging in the direct supervision, or the direct support of research activities conducted in Arizona that are defined as qualified research.*

*Qualified research is an investigation undertaken to discover information that is technological in nature. Its application must be intended for use in developing a new or improved business component.*

#### Line 9

Enter the cost of supplies paid or incurred for use in conducting qualified research in Arizona. Supplies include expenditures for any tangible property other than land or improvements to land and property of a character subject to the allowance for depreciation.

**Line 10**

Enter the amount paid or incurred to rent or lease the right to use computers in conducting qualified research in Arizona.

**Line 11**

Enter the total of:

- (a) Seventy-five percent of any amount paid or incurred for qualified research performed in Arizona by a qualified research consortium on your sole proprietorship's behalf. "Qualified research consortium" is any qualifying organization as defined in IRC § 41(b)(3)(C)(ii).
- (b) Sixty-five percent of any amount paid or incurred for qualified research performed in Arizona on your sole proprietorship's behalf, other than such amounts paid to a qualified research consortium. Prepaid contract research expenses are considered paid in the year the research is actually done.

**NOTE:** *If your contract research expenses were made to an Arizona university under the jurisdiction of the Arizona Board of Regents and qualify as basic research payments, you may be entitled to an additional credit. See Form 346 for details.*

**Line 12**

Add lines 8 through 11. Enter the total.

**Line 13**

Enter the average annual Arizona gross receipts for the four taxable years preceding the taxable year for which the credit is being determined (the credit year). You may be required to annualize gross receipts for any short taxable year.

If 2022 is the first year you are in business, the average annual Arizona gross receipts for the preceding taxable years is zero. If you have been in business in Arizona for less than four taxable years prior to the credit year, then the average is the sum of annual Arizona gross receipts of the applicable period, divided by the number of taxable years.

*Example:* XYZ Corporation began business in Arizona in 2020. Its annual Arizona gross receipts for 2020 were \$100,000. Its annual Arizona gross receipts for 2021 were \$200,000. Therefore, XYZ Corporation's average annual Arizona gross receipts for the 2022 credit year is \$150,000 ([\$100,000 plus \$200,000] divided by 2).

**Line 14**

**Fixed-base percentage**

Use the same type of formulas to compute your fixed-base percentage for Arizona as you would for computing your federal fixed-base percentage. The difference is that you use Arizona qualified research expense and gross receipts amounts instead of federal amounts. Other than that, the calculations are the same. Round off the percentage to the nearest one, one hundredth of one percent (four decimal places).

If the percentage computation involves *de minimis* amounts of gross receipts and qualified expenses in a taxable year or short taxable years are involved, the amounts may be annualized or disregarded. Refer to IRC §§ 41(c)(3) and 41(f)(4) for details.

**Existing firms and start-up companies**

Arizona's definition of whether an organization is an existing firm or a start-up company is similar to the federal definition, except on an Arizona basis:

- **Existing firms** - An existing firm is one that had both Arizona gross receipts and Arizona qualified research expenses for at least three taxable years beginning after December 31, 1983, and before January 1, 1989. The fixed-base percentage is the ratio that the aggregate Arizona qualified research expenses for all taxable years beginning after 1983 and before 1989, bears to the aggregate Arizona gross receipts for such taxable years.
- **Start-up companies** - A start-up company is one that had both Arizona gross receipts and Arizona qualified research expenses either: (1) for the first time in a taxable year beginning after December 31, 1983, or, (2) for fewer than three taxable years beginning after 1983 and before 1989.

**Fixed-Base Percentages for Taxable Years Beginning After 1993 in Which Start-Up Companies Incurred Arizona Qualified Research Expenses**

Taxable Year After 1993	Percentages for Taxable Years After 1993
1st through 5th	3%
6th	Divide the aggregate Arizona qualified research expenses for 4th and 5th taxable years by the aggregate Arizona gross receipts for 4th and 5th taxable years. Multiply the result by 1/6 (.1667).
7th	Divide the aggregate Arizona qualified research expenses for 5th and 6th taxable years by the aggregate Arizona gross receipts for 5th and 6th taxable years. Multiply the result by 1/3 (.3333).
8th	Divide the aggregate Arizona qualified research expenses for 5th through 7th taxable years by the aggregate Arizona gross receipts for 5th through 7th taxable years. Multiply the result by 1/2 (.50).
9th	Divide the aggregate Arizona qualified research expenses for 5th through 8th taxable years by the aggregate Arizona gross receipts for 5th through 8th taxable years. Multiply the result by 2/3 (.6667).
10th	Divide the aggregate Arizona qualified research expenses for 5th through 9th taxable years by the aggregate Arizona gross receipts for 5th through 9th taxable years. Multiply the result by 5/6 (.8333).
All years after 10th	Divide the aggregate Arizona qualified research expenses for any 5 taxable years selected by the taxpayer from among the 5th through 10th taxable years by the aggregate Arizona gross receipts for the selected taxable years.

If the percentage computation involves *de minimis* amounts of gross receipts and qualified expenses in a taxable year or

short taxable years are involved, the amounts may be annualized or disregarded. Refer to IRC §§ 41(c)(3) and 41(f)(4) for details.

**NOTE:** *The maximum percentage that can be entered on line 14 is 16% (.1600).*

**Line 15**

Multiply line 13 by the percentage on line 14. Enter the result.

**Line 16**

Subtract line 15 from line 12. Enter the difference. If the difference is less than zero, enter "0".

**Line 17**

Multiply line 12 by 50%. Enter the result. The base amount cannot be less than 50% of the current year qualified research expenses. This rule applies both to existing and start-up companies.

**Line 18**

Enter the lesser of line 16 or line 17.

**NOTE:**

- *If line 18 is \$2,500,000 or less, complete line 19 and skip lines 20 through 22.*
- *If line 18 is more than \$2,500,000, skip line 19 and complete lines 20 through 22.*

**Lines 19 through 23**

The amount of expenses you have determines the amount of current year credit you are eligible to claim. To determine your proper credit amount, complete lines 19 through 23 as instructed on the form.

**Part 3 – Current Taxable Year’s Credit Passed Through from S Corporations and Partnerships**

**NOTE:** *If you received a pass through of this credit from more than one partnership and/or S Corporation, total the amounts received from all Form(s) 308-P and/or Form(s) 308-S on a separate schedule and include it with this form. Include a copy of each Form 308-P and/or Form 308-S you received with your return.*

**Line 24**

Enter the total amount of this credit passed through from partnerships on Form 308-P, Part 2, line 4.

**Line 25**

Enter the total amount of this credit passed through from S Corporations on Form 308-S, Part 2, line 4.

**Part 4 - Total Current Taxable Year’s Credit for Increased Research Activities****Line 26**

Add lines 23 through 25. Enter the total. **This is your current year’s total credit for increased research activities.**

**Part 5 - Refundable Portion of the Current Taxable Year’s Excess Credit for Individuals that made the Small Business Income election**

Complete Part 5 **ONLY** if you checked the “Yes” box on line 2 or on line 4 electing to receive a refund of 75% of your excess credit **and** you **made the Small Business Income (SBI) election.**

If you checked the “No” box on line 2 and/or line 4, **and** you elect **not** to receive a refund of 75% of your excess credit, skip to Part 8.

**NOTE:** *You must complete Arizona Form 301-SBI and Arizona Form 301 before completing Part 5.*

The excess credit is the current taxable year's credit for increased research activities less the current taxable year's tax liability. Carryovers of the credit for increased research activities from previous taxable years will carry over for possible use in the next taxable year, provided they do not expire this taxable year.

**NOTE:** *If you complete Part 5 and are receiving a refund, do not complete Part 10.*

**Line 27**

Enter the amount from Part 4, line 26.

**Line 28a**

Enter the amount from Form 140-SBI, line 53; or Form 140PY-SBI, line 53; or Form 140NR-SBI, line 51; or Form 140X-SBI, line 53.

**Line 28b**

Enter the current year’s nonrefundable tax credits from Form 301-SBI, Part 1, line 20 less the amount (if any) on Form 301-SBI, Part 1, line 2, column (c).

**Line 28c**

Subtract line 28b from line 28a. Enter the difference. If the difference is less than zero, enter “0”.

**Line 28d**

Enter the lesser of line 27 or 28c. Also enter this amount on Form 301-SBI, Part 2, line 28.

**Line 29**

Subtract the amount on line 28d from line 27. Enter the difference. If the result is zero, enter “0”; also enter “0” on lines 31 and 32. Skip to Part 10. No refund is available.

**Line 30a**

Enter the amount from Form 301-SBI, Part 3, line 46.

**Line 30b**

Subtract line 28a from line 28b. Enter the difference. If the difference is less than zero, enter “0”.

**Line 30c**

Subtract line 30b from line 30a. Enter the difference. If the difference is less than zero, enter “0”.

**Line 30d**

Enter the lesser of line 29 or line 30c. Also enter this amount on Form 301-SBI, Part 3, line 51, column (b).

**Line 31**

Subtract line 30d from line 29 and enter the difference. If zero, enter "0". No refund is available.

**Line 32**

Multiply line 31 by 75% (.75). Enter the result and skip to Part 7.

**Part 6 – Refundable Portion of the Current Taxable Year’s Excess Credit for Individuals that did not make the Small Business Income election.**

Complete Part 6 **ONLY** if you checked the “Yes” box on line 2 or on line 4 electing to receive a refund of 75% of your excess credit **and** you **did not make the Small Business Income (SBI) election**.

If you checked the “No” box on line 2 and/or line 4, **and** you elect **not** to receive a refund of 75% of your excess credit, skip to Part 8.

**NOTE:** You must complete Arizona Form 301 before completing Part 6.

The excess credit is the current taxable year's credit for increased research activities less the current taxable year's tax liability. Carryovers of the credit for increased research activities from previous taxable years will carry over for possible use in the next taxable year, provided they do not expire this taxable year.

**NOTE:** If you complete Part 6 and are receiving a refund, do not complete Part 10.

**Line 33**

Enter the amount from Part 4, line 26.

**Line 34a**

Enter the amount from Form 140, line 48; or Form 140PY, Line 58; or Form 140NR, line 58, or Form 140X, line 39.

**Line 34b**

Enter the current year’s nonrefundable tax credits from Form 301, Part 1, line 27 less the amount (if any) on Form 301, Part 1, line 2, column (c).

**Line 34c**

Subtract line 34b from line 34a and enter the difference. If the difference is zero, enter “0”.

**Line 34d**

Enter the lesser of line 33 or line 34c. Also enter this amount on on Form 301, Part 2, line 2 and on Form 301, Part 2, line 37.

**Line 35**

Subtract line 34d from line 33 and enter the difference. If zero, enter “0”.

**Line 36**

Multiply line 35 by 75% (.75). Enter the result.

**Part 7 – Calculation of Maximum Refundable Credit**

**Line 37a**

Enter the maximum refundable credit amount authorized by the ACA for the credit you earned from Part 1, line 2a2.

**NOTE for lines 37b and 37c:** If you received a pass through of this credit from more than one partnership and/or S Corporation, total the maximum refundable amounts on a separate schedule and include it with this form.

**Line 37b**

Enter the partner’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, total the amounts indicated on Form(s) 308-P, Part 3, line 6. Enter the total.

**Line 37c**

Enter the shareholder’s maximum refundable credit amount form Form 308-S, Part 3, line 6. If this credit was passed through to you from more than one S Corporation, total the amounts indicated on Form(s) 308-S, Part 3, line 6. Enter the total.

**Line 37d**

Add the amounts on lines 37a through 37c. Enter the total.

**Line 38 – Refundable Credit**

**Individuals that made the SBI election:** Enter the lesser of line 32 or line 37d. Complete Part 8 if you have carryovers generated before 01/01/2022. Also enter this amount on Form 140-SBI, line 58; or Form 140NR-SBI, line 56; or Form 140PY-SBI, line 58; or Form 140X-SBI, line 58. On the same line, be sure to check box 308-I indicating you are claiming a refundable credit for increased research activities.

**Individuals that did not make the SBI election:** Enter the lesser of line 36 or line 37d. Complete Part 8 if you have carryovers generated before 01/01/2022. Also enter this amount on Form 140, line 58; or Form 140NR, line 65; or Form 140PY, line 67; or Form 140X, line 45. On the same line, be sure to check box 308-I indicating you are claiming a refundable credit for increased research activities.

**CREDIT CARRYOVERS**

**NOTE:** If you have credit carryovers from taxable years prior to 2022, complete Part 8. If you do not have carryovers from taxable years prior to 2022, skip to Part 10.

The credit for increased research activities may be carried forward to offset your tax liability of the next fifteen years.

**Allowable Credit Carryover**

There are limitations on how much of your carryover you can use to offset this year’s tax. How much you can use depends on the year from which the carryover arose. In Part 10 you will apply those limitations to determine the proper carryover amounts.

If you have other credits, your usable amount of credit from increased research activities may be limited further. You will be applying these limitations when you complete Form 301, *Nonrefundable Individual Tax Credits and Recapture*.

**Part 8 - Available Credit Carryover Generated Before 01/01/2022**

Use Part 8 to compute the carryover of the credit generated for taxable years beginning before 01/01/2022.

**Lines 39 through 53**

In column (b), enter the credit originally computed for taxable years 2007 and subsequent years. In column (c), enter the amount that has already been used. Subtract the amount in column (c) from column (b) and enter the difference in column (d).

**Line 54**

Add the amounts on lines 39 through 53 in column (d). Enter the total. This is the total credit carryover available.

**REMINDER:** *If you received a refund of this credit for any prior taxable year, no carryover of the credit is available from those years. In this case, enter "0" in column (d) for those tax years.*

**Part 9 - Available Credit Carryover Generated after 12/31/2021**

Use Part 9 to compute the carryover of the credit generated for taxable years beginning after 12/31/2021.

**Lines 55 through 64**

In column (b), enter the credit originally computed for taxable years 2022 and subsequent years. In column (c), enter the amount that has already been used. Subtract the amount in column (c) from column (b) and enter the difference in column (d).

**Line 65**

Add the amounts on lines 55 through 64 in column (d). Enter the total. This is the total credit carryover available.

**REMINDER:** *If you received a refund of this credit for any prior taxable year, no carryover of the credit is available from those years. In this case, enter "0" in column (d) for those tax years.*

**Part 10 - Limitation of Credit Carryovers**

**NOTE:** *If you completed Part 5 or Part 6 and are receiving a refund or if you have no carryovers of this credit, do not complete Part 10.*

The total amount of your credit carryforward cannot be more than your current year's income tax liability minus the current year's credit for increased research activities.

Use lines 66a through 67 to calculate the amount of carryovers that you can use. Complete those lines as instructed on the form.

**Line 66a**

**Individuals that made the SBI election:** Add the amounts from Form 301-SBI, Part 2, line 26 and Form 301-SBI, Part 3, line 49. Enter the total.

**Individuals that did not make the SBI election:** Enter the amount from Form 301, Part 2, line 35.

**Line 66b**

Enter the current year's total credit from Part 4, line 26.

**Line 66c**

Subtract line 66b from line 66a and enter the difference. If the difference is zero or less, enter "0".

**Line 66d**

Enter the pre-2022 taxable year carryover amount from Part 8, line 54, column (d).

**Line 66e**

Enter the post 2021 taxable year carryover amount from Part 9, line 65, column (d).

**Line 66f**

Add line 66d and line 66e. Enter the total.

**Line 67**

Enter the lesser of line 66c or line 66f. This is the amount of carryover you may use to reduce your current year's Arizona tax liability.

**Part 11 - Total Available Nonrefundable Credit**

Complete this section to compute the total available credit for the taxable year. The total available credit is the sum of the current taxable year's credit for increased research activities and the available credit carryover(s).

**Line 68 - Current Year's Credit**

**Individuals that made the SBI election:** If you completed Part 5 and are receiving a refund, enter the sum of the amounts from Part 5, lines 28d and 30d. Also enter this amount on Form 301-SBI, Part 1, line 2, column (a). Otherwise, enter the amount from Part 4, line 26.

**Individuals that did not make the SBI election:** If you completed Part 6 and are receiving a refund, enter the amount from Part 6, line 34d. Also enter this amount on Form 301, Part 1, line 2, column (a). Otherwise, enter the amount from Part 4, line 26.

**Line 69 - Credit Carryover**

If you completed Part 5 or Part 6 and are receiving a refund, enter "0". Otherwise, enter the carryover amount from Part 10, line 67.

**Individuals that made the SBI election:** Enter this amount on Form 301-SBI, Part 1, line 2, column (b).

**Individuals that did not make the SBI election:** Enter this amount on Form 301, Part 1, line 2, column (b).

**Line 70 - Total Available Credit**

Add the amounts on lines 68 and 69. Enter the total.

**Individuals that made the SBI election:** Enter this amount on Form 301-SBI, Part 1, line 2, column (c).

**Individuals that did not make the SBI election:** Enter this amount on Form 301, Part 1, line 2, column (c).