

For the calendar year 2007 or  
fiscal year beginning  and ending .

Attach to your return.

Name(s) as shown on Form 140, 140PY, 140NR, or 140X	Social security number
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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 I Current Taxable Year Credit Calculation (Sole Proprietorships Only)**

1 Wages for qualified services (do not include wages used in figuring the federal work opportunity credit) .....	1		00	
2 Cost of supplies .....	2		00	
3 Rental or lease cost of computers .....	3		00	
4 Contract research expenses. <i>See instructions</i> .....	4		00	
5 Total qualified research expenses. <i>Add lines 1 through 4. Enter the total</i> .....		5		00
6 Average annual Arizona gross receipts. <i>See instructions</i> .....	6		00	
7 Fixed-base percentage (not more than 16%). <i>See instructions</i> .....	7		%	
8 Base amount. <i>Multiply line 6 by the percentage on line 7. Enter the result</i> .....		8		00
9 Subtract line 8 from line 5. <i>If less than zero, enter zero (0)</i> .....		9		00
10 Multiply line 5 by 50% (.50). <i>Enter the result</i> .....		10		00
11 Enter the lesser of line 9 or line 10 .....		11		00
12 Current year credit for increased research activities. <i>See instructions before completing this line</i> .....		12		00

**Part II Current Taxable Year's Credit Passed Through from S Corporations and Partnerships**

13 Total amount of credit passed through from S corporations and partnerships. (Enter the aggregate amount of the credit for increased research activities from all Form(s) 308 received from S corporations and partnerships. Attach copies of any Form(s) 308 to your tax return) .....	13		00
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**Part III 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)
14				
15				
16	Total available pre-2003 carryover			

**Part IV 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)
17				
18				
19				
20				
21	Total available post-2002 carryover			

**Part V Limitation of Credit Carryovers**

LIMITATION OF PRE-2003 CREDIT CARRYOVER: You may not be able to use all of your available pre-2003 credit carryovers from Part III to offset this year's tax liability. Complete Part V to determine which credit carryovers you may claim. Also complete Part V to figure the total of all of your available credit carryovers (amounts from Part III, line 16, column (d), and Part IV, line 21, column (d)) that you may claim this year.

22a	Tax liability - amount from Form 301, Part II, line 31 .....	22a		00
22b	Current taxable year's credit - add the amounts from page one, Part I, line 12 and Part II, line 13..	22b		00
22c	Subtract line 22b from line 22a .....	22c		00
23a	Available pre-2003 credit carryover - amount from Part III, line 16, column (d).....	23a		00
23b	Enter the lesser of line 22a or \$500,000.....	23b		00
23c	Subtract line 22b from line 23b - if the result is zero or less, enter zero.....	23c		00
23d	Enter the lesser of line 23a or line 23c. This is the amount of pre-2003 carryover that you may use .....	23d		00
24	Subtract line 23d from line 22c .....	24		00
25	Enter the lesser of line 21, column (d) or line 24. This is the amount of post-2002 carryover that you may use.....	25		00

**Part VI Total Available Credit**

26	Enter the current year's credit from Part V, line 22b .....	26		00
27	Credit carryover - add the amounts from Part V, lines 23d and 25.....	27		00
28	<b>Total available credit</b> - add lines 26 and 27. Enter total here and on Form 301, Part I, line 6.....	28		00

**NOTE:** The amount of the credit carryover you may claim on your tax return may be further reduced if you claim other nonrefundable tax credits. See Form 301 for details.