

For the calendar year 2008 or
fiscal year beginning MM,DD,YYYY and ending MM,DD,YYYY.

Attach to your return.

Name(s) 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 I Current Taxable Year's 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
---	----	--	----

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				
22	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 22, column (d)) that you may claim this year.

23a	Tax liability - amount from Form 301, Part II, line 32	23a		00
23b	Current taxable year's credit from sole proprietorships. Amount from Part I, line 12	23b		00
23c	Current taxable year's credit from pass through entities. Amount from Part II, line 13.....	23c		00
23d	Total current taxable year's credit. Add lines 23b and 23c	23d		00
23e	Subtract line 23d from line 23a	23e		00
24a	Available pre-2003 credit carryover - amount from Part III, line 16, column (d).....	24a		00
24b	Enter the lesser of line 23a or \$500,000.....	24b		00
24c	Subtract line 23d from line 24b - if the result is zero or less, enter zero.....	24c		00
24d	Enter the lesser of line 24a or line 24c. This is the amount of pre-2003 carryover that you may use	24d		00
25	Subtract line 24d from line 23e	25		00
26	Enter the lesser of line 22, column (d) or line 25. This is the amount of post-2002 carryover that you may use.....	26		00

Part VI Total Available Credit

27	Enter the current year's credit from Part V, line 23d	27		00
28	Credit carryover - add the amounts from Part V, lines 24d and 26	28		00
29	Total available credit. Add lines 27 and 28. Enter total here and on Form 301, Part I, line 6.....	29		00