

For the calendar year 2010 or
fiscal year beginning MM,DD,YYYY and ending MM,DD,YYYY.

Attach to your return.

| | |
|---|--------------------------------|
| Name as shown on Form 120, 120A, 120S, 120X, or 165 | Employer identification number |
|---|--------------------------------|

Part I Qualification for Refund of Current Taxable Year's Excess Credit

- 1 Did you receive a "Certificate of Qualification" from the Arizona Department of Commerce? *If yes, attach a copy of the Certificate. If no, skip line 2. Also skip Part V.* Yes No
- 2 Enter the maximum refund amount on the Certificate from the Arizona Department of Commerce for this taxable year 2 00

Part II Current Taxable Year's Credit Calculation

| | | | |
|--|----|--|----|
| 3 Basic research payments paid or incurred to qualified organizations. <i>See instructions.</i> | 3 | <input style="width: 80%;" type="text"/> | 00 |
| 4 Qualified organization base period amount | 4 | <input style="width: 80%;" type="text"/> | 00 |
| 5 Subtract line 4 from line 3. <i>If less than zero, enter zero.</i> | 5 | <input style="width: 80%;" type="text"/> | 00 |
| 6 Wages for qualified services (do not include wages used in figuring the federal work opportunity credit) | 6 | <input style="width: 80%;" type="text"/> | 00 |
| 7 Cost of supplies | 7 | <input style="width: 80%;" type="text"/> | 00 |
| 8 Rental or lease cost of computers | 8 | <input style="width: 80%;" type="text"/> | 00 |
| 9 Contract research expenses. <i>See instructions.</i> | 9 | <input style="width: 80%;" type="text"/> | 00 |
| 10 Total qualified research expenses. <i>Add lines 6 through 9. Enter the total.</i> | 10 | <input style="width: 80%;" type="text"/> | 00 |
| 11 Average annual Arizona gross receipts. <i>See instructions.</i> | 11 | <input style="width: 80%;" type="text"/> | 00 |
| 12 Fixed-base percentage (not more than 16%). <i>See instructions.</i> | 12 | <input style="width: 100px;" type="text"/> | |
| 13 Base amount. <i>Multiply line 11 by the percentage on line 12. Enter the result.</i> | 13 | <input style="width: 80%;" type="text"/> | 00 |
| 14 Subtract line 13 from line 10. <i>If less than zero, enter zero.</i> | 14 | <input style="width: 80%;" type="text"/> | 00 |
| 15 Multiply line 10 by 50% (.50). <i>Enter the result.</i> | 15 | <input style="width: 80%;" type="text"/> | 00 |
| 16 Enter the lesser of line 14 or line 15 | 16 | <input style="width: 80%;" type="text"/> | 00 |
| 17 Add lines 5 and 16. <i>Enter the total.</i> | 17 | <input style="width: 80%;" type="text"/> | 00 |

IF LINE 17 IS \$2,500,000 OR LESS, COMPLETE LINE 18 AND SKIP LINES 19 THROUGH 21. IF LINE 17 IS MORE THAN \$2,500,000, SKIP LINE 18 AND COMPLETE LINES 19 THROUGH 21.

| | | | |
|--|----|--|----|
| 18 Multiply line 17 by 22% (.22). <i>Enter the result.</i> | 18 | <input style="width: 80%;" type="text"/> | 00 |
| 19 Subtract \$2,500,000 from line 17. <i>Enter the difference.</i> | 19 | <input style="width: 80%;" type="text"/> | 00 |
| 20 Multiply line 19 by 13% (.13). <i>Enter the result.</i> | 20 | <input style="width: 80%;" type="text"/> | 00 |
| 21 Add \$550,000 to line 20. <i>Enter the total.</i> | 21 | <input style="width: 80%;" type="text"/> | 00 |
| 22 Enter the amount from line 18 or 21 here. This is your current year's credit | 22 | <input style="width: 80%;" type="text"/> | 00 |

Part III S Corporation Credit Election and Shareholder's Share of Credit

23 The S corporation has made an irrevocable election for the taxable year ending _____ to:
 (CHECK ONLY ONE BOX)

Claim the credit for increased research activities as shown on Part II, line 22 (for the taxable year mentioned above);

OR

Pass the credit for increased research activities as shown on Part II, line 22 (for the taxable year mentioned above) through to its shareholders.

 Signature Title Date

If passing the credit through to the shareholders, complete lines 24 through 26 separately for each shareholder.
 Also complete line 27 separately for each shareholder, if applicable. Provide a copy of the Certificate to each shareholder.
 Furnish each shareholder with a copy of the completed Form 308.

| | | |
|--|----|----|
| 24 Name of shareholder _____ | | |
| 25 Shareholder's TIN _____ | | |
| 26 Shareholder's share of the amount on Part II, line 22 | 26 | 00 |
| 27 Shareholder's share of the amount on Part I, line 2 | 27 | 00 |

Part IV Partner's Share of Credit

Complete lines 28 through 30 separately for each partner.
 Also complete line 31 separately for each partner, if applicable. Provide a copy of the Certificate to each partner.
 Furnish each partner with a copy of the completed Form 308.

| | | |
|--|----|----|
| 28 Name of partner _____ | | |
| 29 Partner's TIN _____ | | |
| 30 Partner's share of the amount on Part II, line 22 | 30 | 00 |
| 31 Partner's share of the amount on Part I, line 2 | 31 | 00 |

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

ONLY COMPLETE PART V IF THE "YES" BOX ON PART I, LINE 1, IS CHECKED.

| | | |
|--|-----|----|
| 32 Current taxable year's credit. Corporations or S corporations - enter the amount from Part II, line 22. Corporate partners of a partnership - enter the amount from Part IV, line 30..... | 32 | 00 |
| 33a Enter the current year's tax, including recapture, from Form 120, line 18; or Form 120A, line 10; or Form 120S, line 14; or Form 120X, line 18(c) | 33a | 00 |
| 33b Clean Elections Fund Tax Reduction. Enter the amount from Form 120, line 19; or Form 120A, line 11; or Form 120S, line 15; or Form 120X, line 19(c) | 33b | 00 |
| 33c Subtotal. Subtract line 33b from line 33a..... | 33c | 00 |
| 33d Nonrefundable tax credits. Enter the amount of nonrefundable tax credits from Form 300. Exclude the credit or carryover for increased research activities..... | 33d | 00 |
| 33e Current taxable year's tax liability. Subtract line 33d from line 33c. Enter the difference. If the difference is more than zero, also enter it on Form 300, Part I, line 5, and Part II, line 31. If less than zero, enter zero. | 33e | 00 |
| 34 Current taxable year's excess credit - subtract line 33e from line 32. Enter the difference. If less than zero, enter zero, because no refund is available..... | 34 | 00 |
| 35 Tentative refundable credit - multiply line 34 by 75% (.75). Enter the result..... | 35 | 00 |
| 36 Maximum refundable credit. Corporations and S corporations - enter the amount from Part I, Line 2. Corporate partners of a partnership - enter the amount from Part IV, line 31..... | 36 | 00 |
| 37 Refundable Credit. Enter the lesser of line 35 or line 36. Also enter this amount on Form 120, line 25; or Form 120A, line 17; or Form 120S, line 21; or Form 120X, line 25..... | 37 | 00 |

COMPLETE PART VI AND VII IF YOU HAVE CARRYOVERS FROM PRIOR YEARS. SKIP PART VIII THROUGH PART X.

Part VI Available Pre-2003 Credit Carryover

| | (a) Taxable year | (b) Original credit amount | (c) Amount previously used or expired | (d) Available carryover - subtract column (c) from column (b) |
|----|------------------------------------|-------------------------------|--|--|
| 38 | | | | |
| 39 | | | | |
| 40 | | | | |
| 41 | | | | |
| 42 | | | | |
| 43 | | | | |
| 44 | | | | |
| 45 | | | | |
| 46 | Total available pre-2003 carryover | | | |

Part VII Available Post-2002 Credit Carryover

| | (a) Taxable year | (b) Original credit amount | (c) Amount previously used or expired | (d) Available carryover - subtract column (c) from column (b) |
|----|-------------------------------------|-------------------------------|--|--|
| 47 | | | | |
| 48 | | | | |
| 49 | | | | |
| 50 | | | | |
| 51 | | | | |
| 52 | | | | |
| 53 | | | | |
| 54 | Total available post-2002 carryover | | | |

Part VIII Limitation of Pre-2003 Credit Carryover

If you have credit carryovers from tax years 2002 and before, complete this section. If you do not, skip this section and go directly to Part IX. The amount of credit carryover from years 2002 and before that you can use is limited. Complete this schedule to determine how much of this carryover you can use to offset this year's tax liability.

| | | | | |
|-----|--|-----|--|----|
| 55a | Current year's tax liability. Enter the amount from Form 300, line 26..... | 55a | | 00 |
| 55b | Compare line 55a with \$500,000. Enter the lesser amount..... | 55b | | 00 |
| 55c | Current taxable year's credit. Corporations or S corporations - enter the amount from Part II, line 22. Corporate partners of a partnership - enter the amount from Part IV, line 30.... | 55c | | 00 |
| 55d | Subtract line 55c from line 55b - if the result is zero or less, enter zero. This is the amount of this year's tax liability to which you may apply your pre-2003 carryovers | 55d | | 00 |
| 55e | Enter the total of your pre-2003 credit carryovers from Part VI, line 46, column (d)..... | 55e | | 00 |
| 55f | Compare lines 55d and 55e and enter the lesser amount here. This is the amount of pre-2003 credit carryovers you can use to offset this year's tax liability..... | 55f | | 00 |

Part IX Limitation of Post-2002 Credit Carryover

If you have credit carryovers from tax years 2003 and after, complete this section. If you do not, skip this section and go directly to Part X. The amount of credit carryover from years 2003 and after that you can use is limited. Complete this schedule to determine how much of this carryover you may be able to use to offset this year's tax liability.

| | | | | |
|-----|--|-----|--|----|
| 56a | Current year's tax liability. <i>Enter the amount from Form 300, line 26</i> | 56a | | 00 |
| 56b | Current taxable year's credit. Corporations or S corporations - <i>enter the amount from Part II, line 22</i> . Corporate partners of a partnership - <i>enter the amount from Part IV, line 30</i> | 56b | | 00 |
| 56c | Subtract line 56b from line 56a - <i>if the result is zero or less, enter zero</i> . This is the amount of this year's tax liability to which you may apply your post-2002 carryovers..... | 56c | | 00 |
| 56d | Enter the total of your post-2002 credit carryovers from Part VII, line 54, column (d)..... | 56d | | 00 |
| 56e | Compare lines 56c and 56d and enter the lesser amount here. This is the amount of post-2002 credit carryovers you can use to offset this year's tax liability..... | 56e | | 00 |

Part X Total Available Nonrefundable Credit

| | | | | |
|----|---|----|--|----|
| 57 | Current year's credit. Corporations or S corporations - <i>enter the amount from Part II, line 22</i> . Corporate partners of a partnership - <i>enter the amount from Part IV, line 30</i> | 57 | | 00 |
| 58 | Pre-2003 credit carryover - <i>from Part VIII, line 55f</i> | 58 | | 00 |
| 59 | Post-2002 credit carryover - <i>from Part IX, line 56e</i> | 59 | | 00 |
| 60 | Total available credit. <i>Add lines 57, 58, and 59. Enter the result here and on Form 300, Part I, line 5</i> | 60 | | 00 |