

**For information or help, call one of the numbers listed:**

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

**Tax forms, instructions, and other tax information**

If you need tax forms, instructions, and other tax information, go to the department's website at [www.azdor.gov](http://www.azdor.gov).

**Income Tax Procedures and Rulings**

These instructions may refer to the department's income tax procedures and rulings for more information. To view or print these, go to our website and click on *Legal Research* then click on *Procedures* or *Rulings* and select a tax type from the drop down menu.

**Publications and Brochures**

To view or print the department's publications and brochures, go to our website and click on *Publications*.

**General Instructions**

You must complete and include Form 301 with your income tax return to claim nonrefundable tax credits unless you meet one of the exceptions listed under *When Form 301 is Not Required*. Use this form to:

- Summarize your total available nonrefundable tax credits.
- Determine the application of the available tax credits.
- Summarize your tax liability related to recapture of tax credits.
- Claim *any* available credit carryover.

**When Form 301 is Not Required**

You are not required to complete and include Form 301 with your tax return to *only* claim any of the following credits:

- Family Income Tax Credit (from the worksheet in your income tax form instructions),
- Property Tax Credit (Arizona Form 140PTC),
- Excise Tax Credit (from the worksheet in your income tax form instructions),
- The refundable portion of the Increased Research Activities Credit (Arizona Form 308-I),
- The Renewable Energy Industry Credit ( Arizona Form 342), and/or
- The credit for Qualified Facilities (Arizona Form 349).

**Line-by-Line Instructions**

Enter your name and social security number (SSN) as shown on Arizona Forms 140, 140PY, 140NR, or 140X.

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 (IRS) individual taxpayer identification number (ITIN). Taxpayers that fail to include their identification number may be subject to a penalty.

**Part 1: Nonrefundable Individual Tax Credits Available**

Complete Part 1 to determine the total amount of *available* nonrefundable tax credits. The available tax credit amount for a particular credit is the total of the current taxable year's credit and any unused credit carryovers available from prior taxable years.

On lines 1 through 32 complete columns (a), (b) and (c) for each of the following credits available to you this taxable year.

**Line 1 - Enterprise Zone Credit**

Column (a): Do not enter an amount here.  
Column (b): Enter the amount from Form 304, line 7.  
Column (c): Enter the amount from column (b).

**Line 2 - Environmental Technology Facility Credit**

Column (a): Enter the amount from Form 305, line 40.  
Column (b): Enter the amount from Form 305, line 41.  
Column (c): Enter the amount from Form 305, line 42.

**Line 3 - Military Reuse Zone Credit**

Column (a): Enter the sum of lines 41 and 42 from Form 306.  
Column (b): Enter the amount from Form 306, line 43.  
Column (c): Enter the amount from Form 306, line 44.

**Line 4 - Recycling Equipment Credit**

Column (a): Do not enter an amount here.  
Column (b): Enter the amount from Form 307, line 4.  
Column (c): Enter the amount from column (b).

**Line 5 - Credit for Increased Research Activities - Individuals**

*If you are claiming a refund of 75% of current year's excess credit:*

Column (a): Enter the amount from Form 308-I, line 27(c).  
Column (b): Enter zero. No carry forward of any amount is allowed from the year of the refund.  
Column (c): Enter the amount from column (a).

*If you are not claiming a refund of 75% of current year's excess credit:*

Column (a): Enter the amount from Form 308-I, line 51.  
Column (b): Enter the sum of lines 52 and 53 from Form 308-I.  
Column (c): Enter the amount from Form 308-I, line 54.

**Line 6 - Credit for Taxes Paid to Another State or Country**

Column (a): Enter the amount from Form 309, line 17.  
Column (b): Do not enter an amount here.  
Column (c): Enter the amount from column (a).

**Line 7 - Credit for Solar Energy Devices**

Column (a): Enter the amount from Form 310, line 16.  
Column (b): Enter the amount from Form 310, line 17.  
Column (c): Enter the amount from Form 310, line 18.

**Line 8 - Agricultural Water Conservation System Credit**

Column (a): Enter the amount from Form 312, line 21.

Column (b): Enter the amount from Form 312, line 22.

Column (c): Enter the amount from Form 312, line 23.

**Line 9 - Pollution Control Credit**

Column (a): Enter the amount from Form 315, line 30.

Column (b): Enter the amount from Form 315, line 31.

Column (c): Enter the amount from Form 315, line 32.

**Line 10 - Credit for Solar Hot Water Heater Plumbing Stub Outs and Electric Vehicle Recharge Outlets**

Column (a): Enter the sum of lines 30 and 31 from Form 319.

Column (b): Enter the sum of lines 32 and 33 from Form 319.

Column (c): Enter the amount from Form 319, line 34.

**Line 11 - Credit for Employment of TANF Recipients**

Column (a): Enter the amount from Form 320, line 30.

Column (b): Enter the amount from Form 320, line 31.

Column (c): Enter the amount from Form 320, line 32.

**Line 12 - Credit for Contributions to Qualifying Charitable Organizations**

Column (a): Enter the amount from Form 321, line 15.

Column (b): Enter the amount from Form 321, line 16.

Column (c): Enter the amount from Form 321, line 17.

**Line 13 - Credit for Contributions Made or Fees Paid to Public Schools**

Column (a): Enter the amount from Form 322, line 18.

Column (b): Enter the amount from Form 322, line 19.

Column (c): Enter the amount from Form 322, line 20.

**Line 14 - Credit for Contributions to Private School Tuition Organizations**

Column (a): Enter the amount from Form 323, line 18.

Column (b): Enter the amount from Form 323, line 19.

Column (c): Enter the amount from Form 323, line 20.

**Line 15 - Agricultural Pollution Control Equipment Credit**

Column (a): Enter the amount from Form 325, line 30.

Column (b): Enter the amount from Form 325, line 31.

Column (c): Enter the amount from Form 325, line 32.

**Line 16 - Credit for Donation of School Site**

Column (a): Enter the amount from Form 331, line 24.

Column (b): Enter the amount from Form 331, line 25.

Column (c): Enter the amount from Form 331, line 26.

**Line 17 - Credits for Healthy Forest Enterprises**

Column (a): Enter the sum of lines 72 and 73 from Form 332.

Column (b): Enter the sum of lines 74 and 75 from Form 332.

Column (c): Enter the amount from Form 332, line 76.

**Line 18 - Credit for Employing National Guard Members**

Column (a): Enter the amount from Form 333, line 20.

Column (b): Enter the amount from Form 333, line 21.

Column (c): Enter the amount from Form 333, line 22.

**Line 19 - Motion Picture Credits**

Column (a): Do not enter an amount here.

Column (b): Enter the amount from Form 334, line 21.

Column (c): Enter the amount from column (b).

**Line 20 - Credit for Business Contributions by an S Corporation to School Tuition Organizations - Individual**

Column (a): Enter the amount from Form 335-I, line 19.

Column (b): Do not enter an amount here.

Column (c): Enter the amount from Form 335-I, line 21.

**Line 21 - Credit for Solar Energy Devices - Commercial and Industrial Applications**

Column (a): Enter the amount from Form 336, line 44.

Column (b): Enter the amount from Form 336, line 45.

Column (c): Enter the amount from Form 336, line 46.

**Line 22 - Credit for Investment in Qualified Small Businesses**

Column (a): Enter the amount from Form 338, line 12.

Column (b): Enter the amount from Form 338, line 13.

Column (c): Enter the amount from Form 338, line 14.

**Line 23 - Credit for Water Conservation Systems**

Column (a): Do not enter an amount here.

Column (b): Enter the amount from Form 339, line 3.

Column (c): Enter the amount from column (b).

**Line 24 - Credit for Donations to the Military Family Relief Fund**

Column (a): Enter the amount from Form 340, line 4.

Column (b): Do not enter an amount here.

Column (c): Enter the amount from column (a).

**Line 25 - Credit for Business Contributions by an S Corporation to School Tuition Organizations for Displaced Students or Students with Disabilities - Individual**

Column (a): Enter the amount from Form 341-I, line 19.

Column (b): Do not enter an amount here.

Column (c): Enter the amount from Form 341-I, line 21.

**Line 26 - Renewable Energy Production Tax Credit**

Column (a): Enter the amount from Form 343, line 24.

Column (b): Enter the amount from Form 343, line 25.

Column (c): Enter the amount from Form 343, line 26.

**Line 27 - Solar Liquid Fuel Credit**

Column (a): Enter the amount from Form 344, line 22.

Column (b): Do not enter an amount here.

Column (c): Enter the amount from column (a).

**Line 28 - Credit for New Employment**

Column (a): Enter the amount from Form 345, line 40.

Column (b): Enter the amount from Form 345, line 41.

Column (c): Enter the amount from Form 345, line 42.

**Line 29 - Additional Credit for Increased Research Activities for Basic Research Payments**

Column (a): Enter the amount from Form 346, line 29.

Column (b): Enter the amount from Form 346, line 30.

Column (c): Enter the amount from Form 346, line 31.

**Line 30 - Credit for Qualified Health Insurance Plans**

Column (a): do not enter an amount here.  
 Column (b): Enter the amount from Form 347, line 4.  
 Column (c): Enter the amount from column (b).

**Line 31 - Credit for Contributions to Certified School Tuition Organization (for contributions that exceed the allowable credit on Arizona Form 323)**

Column (a): Enter the amount from Form 348, line 21.  
 Column (b): Enter the amount from Form 348, line 22.  
 Column (c): Enter the amount from Form 348, line 23.

**Line 32 - Credit for Renewable Energy Investment and Production for Self-Consumption by Manufacturers and International Operations Centers**

Column (a): Enter the amount from Form 351, line 31.  
 Column (b): Enter the amount from Form 351, line 32.  
 Column (c): Enter the amount from Form 351, line 33.

**Line 33 - Total Available Tax Credits**

For column (c), add lines 1 through 32. Enter the total. This is the total amount of all nonrefundable tax credits, except the family income tax credit, *available* for your use.

**Part 2: Application of Tax Credits and Recapture**

Complete Part 2 to figure any recapture. Also, complete Part 2 to determine which tax credits you will use and the portion of the available credit amount from Part 1 that you will use for a particular tax credit.

**Line 34 -**

Enter the amount of tax from your income tax form.

If you file Form:	Enter the amount from line:
140	46
140PY	58
140NR	56
140X	30

**Line 35 -**

Enter the amount of tax from recapture of the environmental technology facility credit from Form 305, Part 5, line 23.

**Line 36 -**

Enter the amount of tax from recapture of the credits for healthy forest enterprises. Use the following worksheet to calculate the amount of recapture to enter on line 36.

Healthy Forest Recapture Tax Worksheet	
1. Enter the tax from recapture of the <u>employment</u> credit from Form 332, Part 11, line 53.	
2. Enter the tax from recapture of the <u>training</u> credit from Form 332, Part 12, line 59.	
3. Add lines 1 and line 2. Enter the total here and on Form 301, line 36.	

**Line 37 -**

Enter the amount of tax from recapture of the credit for renewable energy industry from Form 342, Part 5, line 17.

**Line 38 -**

Enter the amount of tax from recapture of the credit for qualified facilities from Form 349, Part 5, line 17.

**Line 39 -**

Enter the amount of tax from recapture of the credit for renewable energy investment and production for self-consumption by manufactures and international operations centers from Form 351, Part 2, line 24.

**Line 40 - Recapture Total**

Add lines 35 through 39. Enter the total here and on your income tax form.

If you file Form:	Enter the amount on line:
140	47
140PY	59
140NR	57
140X	31

**Line 41 -**

Add lines 34 and 40. Enter the total here.

**Line 42 -**

If you claimed a family income tax credit, enter the amount of family income tax credit claimed on your income tax form.

If you file Form:	Enter the amount from line:
140	49
140PY	61
140X	33
Form 140NR filers, enter zero on line 42.	

**Line 43 -**

Subtract line 42 from line 41. Enter the difference. **If less than zero, enter "zero."**

**Nonrefundable Tax Credits Used This Taxable Year**

The total amount of tax credits you use cannot exceed the amount entered on line 43. In order for you to determine which tax credit(s) to use and the amount to use for a particular tax credit, you must consider any limitations on the allowable amount of a particular tax credit and whether you may carry the unused portion of a particular tax credit forward.

**Line 44 - Enterprise Zone Credit**

Taxpayers can no longer establish this credit on their 2015 tax year return or any future return. You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 304 for more information. Enter the amount used.

**Line 45 - Environmental Technology Facility Credit**

You may carry the unused portion of this tax credit forward for 15 succeeding taxable years. If the taxpayer is subject to the tax related to recapture of this tax credit for the facility, the carryover of the tax credit is reduced by the percentages listed in Form 305 instructions.

The portion of the available credit amount from Part 1, line 2, that you may use is limited to 75% of the amount of tax entered on line 41. See Form 305 for details. Enter the amount used.

**Line 46 - Military Reuse Zone Credit**

You may carry the unused portion of this tax credit forward for five succeeding taxable years if the business remains in the military reuse zone. You lose the carryover if the business relocates outside of the military reuse zone. See Form 306 for details. Enter the amount used.

**Line 47 - Recycling Equipment Credit**

The recycling equipment credit allowable to individuals has been repealed. You may not claim this credit for taxable years beginning January 1, 2003 or later. However, the repeal did not affect any credit carryover that accrued prior to the repeal. See Form 307 for details.

The portion of the available credit carryover that you may use is limited to the *lesser* of 25% of the amount of tax entered on line 41 or \$5,000. Enter the amount used.

**Line 48 - Credit for Increased Research Activities - Individuals**

The unused portion of this tax credit may be carried forward for 15 succeeding taxable years. See Form 308-I for details. Enter the amount used.

**NOTE: If you qualify for and are claiming a 75% refund of your excess credit for the current year, enter *only* the nonrefundable portion of the current year's credit here (from Form 308-I, Part 4, line 27c). Enter the refundable portion of the credit (the amount from Form 308-I, Part 4, line 31) on Form 140, line 57; or Form 140NR, line 64; or Form 140PY, line 68; or Form 140X, line 39.**

Carry forwards from previous years of the credit for increased research activities will carry over to the following year, provided the credit is within the 15 year carry forward period.

**Line 49 - Credit for Taxes Paid to Another State or Country**

There is no carry forward of the unused portion of this tax credit. See Form 309 for details. Enter the amount used.

**Line 50 - Credit for Solar Energy Devices**

You may carry the unused portion of this credit forward for five succeeding taxable years. See Form 310 for details. Enter the amount used. Form 140NR filers, enter zero.

**Line 51 - Agricultural Water Conservation System Credit**

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 312 for details. Enter the amount used.

**Line 52 - Pollution Control Credit**

You may carry the unused portion of this credit forward for five succeeding taxable years. See Form 315 for details. Enter the amount used.

**Line 53 - Credit for Solar Hot Water Heater Plumbing Stub Outs and Electric Vehicle Recharge Outlets**

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 319 for details. Enter the amount used.

**Line 54 - Credit for Employment of TANF Recipients**

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 320 for details. Enter the amount used.

**Line 55 - Credit for Contributions to Qualifying Charitable Organizations**

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 321 for details. Enter the amount used.

**Line 56 - Credit for Contributions Made or Fees Paid to Public Schools**

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 322 for details. Enter the amount used.

**Line 57 - Credit for Contributions to Private School Tuition Organizations**

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 323 for details. Enter the amount used.

**Line 58 - Agricultural Pollution Control Equipment Credit**

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 325 for details. Enter the amount used.

**Line 59 - Credit for Donation of School Site**

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 331 for details. Enter the amount used.

**Line 60 - Credits for Healthy Forest Enterprises**

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 332 for details. Enter the amount used.

**Line 61 - Credit for Employing National Guard Members**

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 333 for details. Enter the amount used.

**Line 62 - Motion Picture Credits**

This credit has been repealed. The unused portion of this tax credit may be carried forward for up to two more succeeding taxable years. See Form 334 for details. Enter the amount used.

**Line 63 - Credit for Business Contributions by an S Corporation to School Tuition Organizations - Individual**

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 335-I for details. Enter the amount used.

**Line 64 - Credit for Solar Energy Devices - Commercial and Industrial Applications**

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 336 for details. Enter the amount used.

**Line 65 - Credit for Investment in Qualified Small Businesses**

You may carry the unused portion of this tax credit forward for three succeeding taxable years. See Form 338 for details. Enter the amount used.

**Line 66 - Credit for Water Conservation Systems**

You may carry the unused portion of this tax credit forward five succeeding taxable years. See Form 339 for details. Enter the amount used. **Form 140NR filers, enter zero on line 66.**

**Line 67 - Credit for Donations to the Military Family Relief Fund**

There is no carryover for this credit. You must use this credit on the tax return filed for the taxable year in which you made your donation.

The amount of the credit that you may use is limited to the amount of your tax liability. See Form 340 for details. Enter the smaller of the amount entered on Form 301, Part 1, line 24 or on Form 301, Part 2, line 41.

**Line 68 - Credit for Business Contributions by an S Corporation to School Tuition Organizations for Displaced Students or Students with Disabilities - Individual**

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 341-I for details. Enter the amount used.

**Line 69 - Renewable Energy Production Tax Credit**

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 343 for details. Enter the amount used.

**Line 70 - Solar Liquid Fuel Credit**

The unused portion of this credit may not be carry forward. See Form 344 for details. Enter the amount used.

**Line 71 - Credit for New Employment**

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 345 for details. Enter the amount used.

**Line 72 - Additional Credit for Increased Research Activities for Basic Research Payments**

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 346 for details. Enter the amount used.

**Line 73 - Credit for Qualified Health Insurance Plans**

Taxpayers can no longer establish this credit on their 2015 tax year return or any future return. You may carry the unused portion of this tax credit forward for the next three consecutive taxable years. See Form 347 for details. Enter the amount used.

**Line 74 - Credit for Contributions to Certified School Tuition Organization (for contributions that exceed the allowable credit on Arizona Form 323)**

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 348 for details. Enter the amount used.

**Line 75 - Credit for Renewable Energy Investment and Production for Self-Consumption by Manufacturers and International Operations Centers**

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 351 for details. Enter the amount used.

**Line 76 - Total Tax Credits Used**

Add lines 44 through 75 and enter the total here.

**This amount cannot exceed the amount entered on Form 301, line 43.**

Enter the amount from this line on your income tax form.

If you file Form:	Enter the amount on line:
140	50
140PY	62
140NR	59
140X	34

**Credit Carryover Worksheet**

To figure how much of a credit carryover that you will have for next year, complete the following carryover worksheet.

Keep the worksheet with your records and use the information to complete your 2016 return that you will file in 2017. If you have more than four credit types available, use your own worksheet. Make sure the additional worksheet has the same information as this worksheet.

**Credit Carryover Worksheet**

Keep this worksheet with your records. Use this information to complete your 2016 credit forms that you will file in 2017.

<b>(a) Credit Type</b>		<b>(b) Carryover?</b>		<b>(c) Credit Available for 2015</b>	<b>(d) Credit Used for 2015</b>	<b>(e) Carryover Available for 2016</b>
On lines 1 through 4 below, enter the types of credits available to you for 2015.		May the unused credit for the type of credit entered in column (a) be carried forward? (See the applicable credit form for information about a specific credit.) <b>Check either yes or no.</b>		On lines 1 through 4 below, enter the amount of each credit <i>available</i> to you for 2015.  Take these amounts from Form 301, lines 1 through 32.	On lines 1 through 4 below, enter the amount of each credit <i>used</i> for 2015.  Take these amounts from Form 301, lines 44 through 75.	For each line on which you have entered an amount, subtract the amount in column (d) from the amount in column (c). This is the amount of each credit that you may carryover to 2016, providing the credit carryover may be carried to 2016.  Use this figure when completing the appropriate carryover amount(s) on the 2016 credit form(s).
		YES	NO			
1.				.00	.00	.00
2.				.00	.00	.00
3.				.00	.00	.00
4.				.00	.00	.00