

**Include with your return.**

For the calendar year 2018 or fiscal year beginning MM, DD, DD 2, 0, 1, 8 and ending MM, DD, DD Y, Y, Y, Y.

Name 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) 2003 and after.

**Part 1 Qualification for the Credit**

<p>1 Did your sole proprietorship have qualified research expenses for the tax year indicated above? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p style="margin-left: 20px;">a If "Yes" and you are claiming the Arizona Credit for Increased Research Activities, go to line 2.</p> <p style="margin-left: 20px;">b If "No", go to line 3.</p> <p>2 Is this credit refundable? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p style="margin-left: 20px;">a If "Yes":</p> <p style="margin-left: 40px;">1 Include a copy of the certification you received from the Arizona Commerce Authority (ACA).</p> <p style="margin-left: 40px;">2 Enter the maximum refund amount authorized by the ACA here and on line 31a.....</p> <p style="margin-left: 20px;">b If "No", go to line 3.</p> <p>3 Are you claiming a pass through of this credit from a partnership or S corporation? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No (If you are claiming a pass through of this credit from more than one partnership and/or S corporation, include copies of all Form(s) 308-P and/or Form(s) 308-S you received.)</p> <p>4 Is this pass through credit refundable?..... <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>5 If you answered "Yes" to the question on line 1, go to Part 2.</p> <p>6 If you answered "No" to the question on line 1 and "Yes" to the question on line 3, go to Part 3.</p> <p>7 If you answered "No" to the question on line 1 and "No" to the question on line 3, complete this form ONLY if you have credit carryovers. Go to Part 6. Otherwise, <b>STOP! YOU ARE NOT ELIGIBLE TO CLAIM THIS CREDIT.</b></p>					
		<b>2a2</b>			00

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

<p>8 Wages for qualified services (do not include wages used in figuring the federal work opportunity credit).....</p> <p>9 Cost of supplies.....</p> <p>10 Rental or lease cost of computers.....</p> <p>11 Contract research expenses: See instructions.....</p> <p>12 Total research expenses: Add lines 8 through 11. Enter the total.....</p> <p>13 Average annual Arizona gross receipts: See instructions.....</p> <p>14 Fixed-base percentage [not more than 16% (.1600)]: See instructions.....</p> <p>15 Base amount: Multiply line 13 by the percentage on line 14. Enter the result.....</p> <p>16 Subtract line 15 from line 12. Enter the difference. If less than zero, enter "0".....</p> <p>17 Multiply line 12 by 50% (.50). Enter the result.....</p> <p>18 Enter the lesser of line 16 or line 17.....</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p>• If line 18 is \$2,500,000 or less, complete line 19 and skip lines 20 through 22.</p> <p>• If line 18 is more than \$2,500,000, skip line 19 and complete lines 20 through 22.</p> </div> <p>19 Multiply line 18 by 24% (.24). Enter the result.....</p> <p>20 Subtract \$2,500,000 from line 18. Enter the difference.....</p> <p>21 Multiply line 20 by 15% (.15). Enter the result.....</p> <p>22 Add \$600,000 to line 21. Enter the total.....</p> <p>23 Enter the amount from line 19 or line 22 here.....</p>	8		00		
	9		00		
	10		00		
	11		00		
	12		00		
	13		00		
	14	.			
			<b>15</b>		00
			<b>16</b>		00
			<b>17</b>		00
			<b>18</b>		00
			<b>19</b>		00
	<b>20</b>		00		
	<b>21</b>		00		
			<b>22</b>		00
			<b>23</b>		00

Continued on page 2 →

Name (as shown on page 1)	SSN
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**Part 3 Current Taxable Year's Credit Passed Through From S Corporations and Partnerships**

24 Enter the total amount of this credit passed through from partnerships on Form 308-P, Part 2, line 4. ....	24		00
25 Enter the total amount of this credit passed through from S corporations on Form 308-S, Part 2 line 4. ....	25		00

**Part 4 Total Current Taxable Year's Credit for Increased Research Activities**

26 <b>Total Credit:</b> Add lines 23 through 25. Enter the total. <b>This is your current year's total credit for increased research activities</b> .....	26		00
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**Part 5 Refundable Portion of the Current Taxable Year's Excess Credit**

Only complete Part 5 if you checked "Yes" in Part 1, line 2, or Part 1, line 4.

27 Total current taxable year's credit: Enter the amount from Part 4, line 26.....	27		00
28a Subtotal of tax: Enter the amount from Form 140, line 49; or Form 140PY, line 60; or Form 140NR, line 60; or Form 140X, line 37.....	28a		00
28b Nonrefundable tax credits: Enter the amount of nonrefundable tax credits from Form 301, Part 1, line 30 less the amount (if any) on Form 301, Part 1, line 4, column (c).....	28b		00
28c Current taxable year's credit for increased research activities that will be used to offset the current taxable year's tax liability: Subtract line 28b from line 28a and enter the difference. If the difference is zero or more, enter it on Part 8, line 51; also enter it on Form 301, Part 1, line 4, column (a), and on Form 301, Part 2, line 43. If the difference is less than zero, enter "0" .....	28c		00
29 Current taxable year's excess credit: Subtract line 28c from line 27 and enter the difference. If less than zero, enter "0", because no refund is available .....	29		00
30 Tentative refundable credit: Multiply line 29 by 75% (.75). Enter the result.....	30		00

**Maximum refundable credit: See instructions.**

31a Enter the maximum refundable credit amount authorized by the ACA from Part 1, line 2a2 for the credit you earned .....	31a		00
31b Enter the partner's maximum refundable credit amount from Form 308-P, Part 3, line 6. ....	31b		00
31c Enter the shareholder's maximum refundable credit from Form 308-S, Part 3, line 6. ....	31c		00
31d Add the amounts on lines 31a through 31c. Enter the total here .....	31d		00
32 <b>Refundable Credit:</b> Enter the lesser of line 30 or line 31d. See instructions .....	32		00

Complete Part 6 if you have carryovers from prior years. If you elect to receive a refund of 75% of the excess credit, you cannot carry forward any amount from the year of the refund.

Name (as shown on page 1)	SSN
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**Part 6 Available Credit Carryover**

	(a) Taxable Year	(b) Original Credit Amount	(c) Amount Previously Used	(d) Available Carryover: Subtract column (c) from column (b).
33	2003	00	00	00
34	2004	00	00	00
35	2005	00	00	00
36	2006	00	00	00
37	2007	00	00	00
38	2008	00	00	00
39	2009	00	00	00
40	2010	00	00	00
41	2011	00	00	00
42	2012	00	00	00
43	2013	00	00	00
44	2014	00	00	00
45	2015	00	00	00
46	2016	00	00	00
47	2017	00	00	00
48	Total Available Carryover: Add lines 33 through 47 in column (d). Enter the total.....			<b>48</b> 00

**Part 7 Limitation of Credit Carryovers**

If you completed Part 5 and are receiving a refund, do not complete Part 7.

LIMITATION OF CREDIT CARRYOVER: Complete Part 7 to determine which credit carryovers you may claim. Also, complete Part 7 to figure the total of all of your available credit carryover from Part 6, line 48, column (d) that you may claim this year.

49a Current year's liability: Enter the amount from Form 301, Part 2, line 39.....	<b>49a</b>	00
49b Current year's total credit: Enter the amount from Part 4, line 26 .....	<b>49b</b>	00
49c Subtract line 49b from line 49a. If the difference is zero or less, enter "0" .....	<b>49c</b>	00
50 Enter the lesser of Part 6, line 48, column (d) or line 49c. This is the amount of carryover that you may use.....	<b>50</b>	00

**Part 8 Total Available Nonrefundable Credit**

51 Current year's credit: If you completed Part 5 and are receiving a refund, enter the amount from Part 5, line 28c. Otherwise, enter the amount from Part 4, line 26. • Also enter this amount on Form 301, line 4, column (a) .....	<b>51</b>	00
52 If you completed Part 5 and are receiving a refund, enter "0". Otherwise, enter the carryover from Part 7, line 50. • Also enter this amount on Form 301, line 4, column (b) .....	<b>52</b>	00
53 <b>Total available credit:</b> Add lines 51 and 52. Enter the total. • Also enter this amount on Form 301, Part 1, line 4, column (c) .....	<b>53</b>	00