

For taxable year beginning _____, and ending _____

Attach to your return

Name(s) as shown on Forms 140, 140PY, 140NR, 140X, 120, 120A, 120S, 120X, or 165	Social security number or employer identification number
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1 Has the business been certified as a qualified defense contractor by the Arizona Department of Commerce? Yes No
If the answer to this question is no, the business is not eligible for the defense contracting credits.

Part I Net Increase in Defense Employment Positions

2 Average employment during the current taxable year under United States Department of Defense contracts

	2	
3 Employment baseline	3	
4 Net increase in defense employment positions - <i>subtract line 3 from line 2</i>	4	

Part II Net Increase in Qualified Private Commercial Employment Positions

5 Net increase in private commercial employment positions	5	
6 Number of new qualified private commercial employment positions. <i>See instructions</i>	6	
7 Net increase in qualified private commercial employment positions. <i>Enter the lesser of line 5 or line 6</i>	7	

Part III Credit Calculation for Qualified Employment Positions

	(a) Number of qualified defense positions	(b) Number of qualified commercial positions	(c) Credit per qualified employment position	(d) Allowable credit
8	Qualified net new employment positions		\$2,500	\$
9	Qualified employment positions in the second year of existence		\$2,000	\$
10	Qualified employment positions in the third year of existence		\$1,500	\$
11	Qualified employment positions in the fourth year of existence		\$1,000	\$
12	Qualified employment positions in the fifth year of existence		\$500	\$
13	Total			\$

Part IV Credit Calculation for Property Taxes Paid on Class One Property

14 Amount paid as taxes on property in Arizona classified as class one pursuant to ARS § 42-12001	14		00
15 Percent based on net new defense employment positions. <i>See instructions</i>	15	.	
16 <i>Multiply line 14 by line 15</i>	16		00
17 Percent based on defense contract income divided by total gross income. <i>See instructions</i>	17	.	
18 Allowable credit for property taxes. <i>Multiply line 16 by line 17</i>	18		00

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

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

Claim the defense contracting credits as shown on Part III, line 13, column (d) and Part IV, line 18 (for the taxable year mentioned above);

OR

Pass the defense contracting credits as shown on Part III, line 13, column (d) and Part IV, line 18 through to its shareholders (for taxable year mentioned above).

Signature _____

Title _____

Date _____

If passing the credit through to the shareholder, complete lines 20 through 23 separately for each shareholder.
 Furnish each shareholder with a copy of the completed Form 302.

20 Name of shareholder _____

21 Shareholder's TIN _____

22 Shareholder's share of the amount on Part III, line 13, column (d). _____

23 Shareholder's share of the amount on Part IV, line 18. _____

Part VI Partner's Share of Credit

Complete lines 24 through 27 separately for each partner. Furnish each partner with a copy of the completed Form 302.

24 Name of partner _____

25 Partner's TIN _____

26 Partner's share of the amount on Part III, line 13, column (d). _____

27 Partner's share of the amount on Part IV, line 18. _____

Part VII Available Credit Carryover (See instructions)

	(a) Original credit amount	(b) Amount previously used	(c) Available carryover - subtract column (b) from column (a)
28			

Part VIII Total Available Credit

29 Current year's credit for qualified employment positions. Individuals, corporations, or S corporations - enter amount from Part III, line 13, column (d). S corporation shareholders - enter amount from Part V, line 22. Partners of a partnership - enter amount from Part VI, line 26.....

29		00
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30 Current year's credit for property taxes paid on class one property. Individuals, corporations, or S corporations - enter amount from Part IV, line 18. S corporation shareholders - enter amount from Part V, line 23. Partners of a partnership - enter amount from Part VI, line 27.....

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31 Available credit carryover - enter amount from Part VII, line 28, column (c).....

31		00
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32 Total available credit - add lines 29, 30, and 31. Enter total here and on Form 300, Part I, line 1 or Form 301, Part I, line 1.....

32		00
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