

*Include with your return.*

For the calendar year 2018 or fiscal year beginning MM, DD, 2018 and ending MM, DD, YYYY.

Name as shown on Form 99T, 120, 120A, 120S, 120X or 165

Employer Identification Number

**Part 1 Qualification for the Credit**

- 1 Did you have qualified research expenses for the tax year indicated above?  Yes  No
  - a If "Yes" and you are claiming the Arizona Credit for Increased Research Activities, go to line 2.
  - b If "No", go to line 3.
- 2 Is this credit refundable?  Yes  No
  - a If "Yes":
    - 1 Include a copy of the certification you received from the Arizona Commerce Authority (ACA).
    - 2 Enter the maximum refund amount authorized by the ACA here and on Part 5, line 32 and Part 7, line 41a
  - b If "No", go to line 3.
- 3 Are you claiming a pass through of this credit from a partnership?  Yes  No  
(If you are claiming a pass through of this credit from more than one partnership, include copies of all Form(s) 308-P you received.)
- 4 Is this pass through credit refundable?  Yes  No
- 5 If you answered "Yes" to the question on line 1, go to Part 2.
- 6 If you answered "No" to the question on line 1 and "Yes" to the question on line 3, go to Part 3.
- 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 8. Otherwise, **STOP! YOU ARE NOT ELIGIBLE TO CLAIM THIS CREDIT.**

**2a2** 00

**Part 2 Current Taxable Year's Credit Calculation**

8 Basic research payments paid or incurred to qualified organizations: See instructions	8		00
9 Qualified organization base period amount	9		00
10 Subtract line 9 from line 8. If less than zero, enter "0"	10		00
11 Wages for qualified services (do not include wages used in figuring the federal work opportunity credit)	11		00
12 Cost of supplies	12		00
13 Cost to rent or lease computers	13		00
14 Contract research expenses: See instructions	14		00
15 Total research expenses: Add lines 11 through 14. Enter the total	15		00
16 Average annual Arizona gross receipts: See instructions	16		00
17 Fixed-base percentage [not more than 16% (.1600)]: See instructions	17	.	
18 Base amount: Multiply line 16 by the percentage on line 17. Enter the result	18		00
19 Subtract line 18 from line 15. If less than zero, enter "0"	19		00
20 Multiply line 15 by 50% (.50). Enter the result	20		00
21 Enter the lesser of line 19 or line 20	21		00
22 Add lines 10 and 21. Enter the total	22		00
<ul style="list-style-type: none"> <li>• If line 22 is \$2,500,000 or less, complete line 23 and skip lines 24 through 27.</li> <li>• If line 22 is more than \$2,500,000, skip line 23 and complete lines 24 through 27.</li> </ul>			
23 Multiply line 22 by 24% (.24). Enter the result	23		00
24 Subtract \$2,500,000 from line 22. Enter the difference	24		00
25 Multiply line 24 by 15% (.15). Enter the result	25		00
26 Add \$600,000 to line 25. Enter the total	26		00
27 Enter the amount from line 23 or line 26	27		00

Continued on page 2 →

Name (as shown on page 1)	EIN
---------------------------	-----

**Part 3 Current Taxable Year's Credit Passed Through From Partnerships**

28 Enter the total amount of this credit received from all Form(s) 308-P, Part 2, line 4. Include copies of those forms with your return.....	<b>28</b>		00
---	-----------	--	----

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

29 <b>Total Credit:</b> Add line 27 and line 28. Enter the total. This is your current year's total credit for increased research activities. <ul style="list-style-type: none"> <li>• <i>Partnerships:</i> Enter this amount on Part 2, line 3 of the partner's Form 308-P.</li> <li>• <i>S corporations passing this credit through to its shareholders:</i> Enter this amount on Part 2, line 3 of the shareholder's Form 308-S.....</li> </ul>	<b>29</b>		00
---	-----------	--	----

**Part 5 Partnerships and S Corporations Only**

**Determining Maximum Refund Amount to be Passed Through**

30 Enter the amount of your current year credit from Part 4, line 29.....	<b>30</b>		00
31 Multiply line 30 by 75%. Enter the result .....	<b>31</b>		00
32 Enter the amount of your maximum refundable credit from Part 1, line 2a2 .....	<b>32</b>	00	
33 Enter the total maximum refundable credits received from partnerships on Form(s) 308-P, Part 3, line 6 .....	<b>33</b>	00	
34 Add line 32 and line 33. Enter the total. This is the maximum refundable credit for this taxable year .....	<b>34</b>		00
35 Enter the lesser of line 31 or line 34. <b>This is the maximum refund amount to be passed through to partners or shareholders</b> .....	<b>35</b>		00

**Partnerships:**

Partnerships qualifying for this credit must pass it through to their partners. When passing this credit through to your partners, complete Form 308-P for each partner.

- Provide a completed copy of Form 308-P to each partner.
- Include a copy of each completed Form 308-P with your tax return.
- Keep a copy of each completed Form 308-P for your records.

**Part 6 S Corporation Credit Election and Shareholder's Share of the Credit**

S corporations may elect to pass this credit through to its shareholders, or it may choose to keep it and apply it to its tax liability generated at the S corporation level.

36 The S corporation has made an irrevocable election for the taxable year ending MM/DD/YYYY to:

(check only one box):

- 36a  Claim the credit for increased research and development as shown on Part 4, line 29 (for the taxable year indicated above);  
**OR**  
36b  Pass the credit through to its shareholders as shown on Part 4, line 29 (for the taxable year indicated above) through to its shareholders.

\_\_\_\_\_  
Signature Title Date

If passing the credit through to the shareholders, complete Form 308-S for each individual shareholder.

- Provide a copy of each completed Form 308-S to each shareholder.
- Include a copy of each completed Form 308-S with your tax return.
- Keep a copy of each completed Form 308-S for your records.
- If the S corporation passed the current year credit through to its shareholders **AND** it has carryovers of this credit from prior years, skip Part 7, and complete the remainder of this form as appropriate. Enter "0" on Part 10, line 60.

Name (as shown on page 1)	EIN
---------------------------	-----

**Part 7 Refundable Portion of the Taxpayer's Current Taxable Year's Excess Credit**

Complete Part 7 ONLY if you checked "Yes" in Part 1, line 2 or 4.

<b>37</b> Current taxable year's credit: Enter the amount from Part 4, line 29 .....			<b>37</b>		00
<b>38a</b> Enter the current year's tax, including recapture amounts, from Form 99T, line 8; or Form 120, line 18; or Form 120A, line 10; Form 120S, line 14; or Form 120X, line 18(c).....	<b>38a</b>			00	
<b>38b</b> Nonrefundable tax credits: Enter the amount of nonrefundable tax credits from Form 300, Part 1, line 21 less the amount (if any) on Form 300, Part 1, line 4, column (c).....	<b>38b</b>			00	
<b>38c</b> Current taxable year's credit for increased research activities that will be used to offset the current taxable year's tax liability: Subtract line 38b from line 38a and enter the difference. If the difference is zero or more, enter it on Part 10, line 60; also enter it on Form 300, Part 1, line 4, column (a), and Form 300, Part 2, line 32. If less than zero, enter "0" .....			<b>38c</b>		00
<b>39</b> Current taxable year's excess credit: Subtract line 38c from line 37 and enter the difference. If less than zero, enter "0", because no refund is available .....			<b>39</b>		00
<b>40</b> Tentative refundable credit: Multiply line 39 by 75% (.75). Enter the result.....			<b>40</b>		00

**Maximum refundable credit: See instructions.**

<b>41a</b> Enter the maximum refundable credit amount authorized by ACA from Part 1, line 2a2 .....	<b>41a</b>			00	
<b>41b</b> Enter the partner's maximum refundable credit amount from Form 308-P, Part 3, line 6. If this credit was passed through to you from more than one partnership, total the amounts indicated on Forms 308-P, Part 3, line 6. ....	<b>41b</b>			00	
<b>41c</b> Add the amounts on lines 41a and 41b. Enter the total here .....			<b>41c</b>		00
<b>42 Refundable Credit:</b> Enter the lesser of line 40 or line 41c. Also enter this amount on Form 99T, line 12; or Form 120, line 22; or Form 120A, line 14; Form 120S, line 18; or Form 120X, line 22(c).....			<b>42</b>		00

Complete Part 8 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.

**Part 8 Available Credit Carryover**

	(a) Taxable Year	(b) Original Credit Amount	(c) Amount Previously Used or Expired	(d) Available Carryover: Subtract column (c) from column (b).
<b>43</b>		00	00	00
<b>44</b>		00	00	00
<b>45</b>		00	00	00
<b>46</b>		00	00	00
<b>47</b>		00	00	00
<b>48</b>		00	00	00
<b>49</b>		00	00	00
<b>50</b>		00	00	00
<b>51</b>		00	00	00
<b>52</b>		00	00	00
<b>53</b>		00	00	00
<b>54</b>		00	00	00
<b>55</b>		00	00	00
<b>56</b>		00	00	00
<b>57</b>		00	00	00
<b>58</b> Total Available Carryover: Add lines 43 through 57 in column (d). Enter the total.....			<b>58</b>	00

Name (as shown on page 1)	EIN
---------------------------	-----

**Part 9 Limitation of Credit Carryover**

If you completed Part 7 and are receiving a refund, do not complete Part 9.

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 10. 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.

59a Current year's tax liability: Enter the amount from Form 300, Part 2, line 28.....	<b>59a</b>		00
59b Current taxable year's credit: Enter the amount from Part 4, line 29 of this form.....	<b>59b</b>		00
59c Subtract line 59b from line 59a. If the difference is zero or less, enter "0". This is the amount of this year's tax liability to which you may apply your credit carryovers.....	<b>59c</b>		00
59d Enter the total of your credit carryovers from Part 8, line 58, column (d) .....	<b>59d</b>		00
59e Enter the lesser of line 59c or line 59d. This is the amount of credit carryovers you can use to offset this year's tax liability.....	<b>59e</b>		00

**Part 10 Total Available Nonrefundable Credit**

60 Current year's credit: If you completed Part 7 and are receiving a refund, enter the amount from Part 7, line 38c. If you are not receiving a refund, enter the amount from Part 4, line 29. Partnerships and S corporations that passed the current year credit through to partners or shareholders, enter "0". • Also enter this amount on Form 300, Part 1, line 4, column (a) .....	<b>60</b>		00
61 Credit carryover: If you completed Part 7 and are receiving a refund, enter "0". Otherwise, enter the credit carryover from Part 9, line 59e. • Also enter this amount on Form 300, Part 1, line 4, column (b) .....	<b>61</b>		00
62 Total available credit: Add lines 60 and 61. Enter the total. • Also enter this amount on Form 300, Part 1, line 4, column (c) .....	<b>62</b>		00