

For the calendar year 2022 or fiscal year beginning MM, M, D, D | 2, 0, 2, 2 | and ending MM, M, D, D | 2, 0, Y, Y |.

Business Telephone Number (with area code)	Name	CHECK ONE: <input type="checkbox"/> Original <input type="checkbox"/> Amended
	Address – number and street or PO Box	
Business Activity Code (from federal Form 1120-S)	City, Town or Post Office	State
		ZIP Code

68 Check if: **A** First return **B** Name change **C** Address change

A Did the S Corporation make the Pass-Through Entity (PTE) election to pay tax on its flow-through income at the entity level? (See Instructions) Yes No

B Does the S corporation conduct business within and without Arizona?..... Yes No

C ARIZONA apportionment for **Multistate S Corporations only** (check one box):
 1 AIR CARRIER 2 STANDARD 3 SALES FACTOR ONLY

D Check if Multistate Service Provider Election and Computation (Arizona Schedule MSP) is included. Indicate the year of the election cycle: Yr 1 Yr 2 Yr 3 Yr 4 Yr 5

E Is this the S corporation's final Arizona return under this EIN?..... Yes No
 If "Yes", check one: 1 Dissolved 2 Withdrawn 3 Merged/Reorganized
 List EIN of the successor corporation, if any _____

F Will a composite return be filed on Form 140NR? See Instructions Yes No

G **Marijuana Establishments only:** 1 Adult Use only 2 Dual Lic. elected for-profit 3 Dual Lic. did not elect for-profit. 4 NMMD only

H ADHS Registry Identification Number: _____

Check box if return is filed under extension:
82 82F

REVENUE USE ONLY. DO NOT MARK IN THIS AREA.
88

81 PM **66** RCVD

Part 1 Calculation of S Corporation Tax Due/Overpayment:

1	TOTAL DISTRIBUTIVE INCOME (LOSS) from federal Form 1120-S, Schedule K.....	1		00
Complete lines 2-12 only if the S Corporation has excess net passive income or capital gains/built-in gains. An S Corporation that is not required to complete lines 2-12 must complete lines 13-32 if the S Corporation has a tax liability from the recapture of tax credits.				
2	Excess net passive income	2		00
3	Capital gains/built-in gains.....	3		00
4	Total federal income subject to corporate income tax: Add lines 2 and 3. Enter the difference.....	4		00
100% AZ S Corporations check box 4a <input type="checkbox"/> . Go to line 11. Multistate S Corporations , continue to line 5				
5	Nonapportionable or allocable income: Include schedule. Multistate S Corporations only	5		00
6	Apportionable income: Subtract line 5 from line 4. Enter the difference. Multistate S Corporations only	6		00
7	Arizona apportionment ratio from Schedule A or Schedule ACA.....	7		
8	Income apportioned to Arizona: Line 6 multiplied by line 7. Multistate S Corporations only	8		00
9	Other income allocated to Arizona: Include schedule. Multistate S Corporations only	9		00
10	Total income attributable to Arizona: Add lines 8 and 9. Enter the total.....	10		00
11 Net income subject to Arizona corporate income tax: 100% Arizona S Corporations: Enter amount from line 4. Multistate S Corporations: Enter the amount from line 10				
11		11		00
12	Enter tax: See instructions before completing this line.	12		00
13	Tax from recapture of tax credits from Arizona Form 300, Part 2, line 24.....	13		00
14	Subtotal: Add lines 12 and 13. Enter the total.....	14		00
15	Nonrefundable tax credits from Arizona Form 300, Part 2, line 44	15		00
16	Enter form number for each nonrefundable credit claimed: 161 <u>3</u> 162 <u>3</u> 163 <u>3</u> 164 <u>3</u>			
17	Tax liability: Subtract line 15 from line 14. Enter the difference.....	17		00
18	PTE Tax Liability: Enter the amount from Part 2, line 48	18		00
19	Total Tax Liability: Add line 17 and 18. Enter the total. This is the total amount of tax owed by the S Corporation	19		00
20	Refundable tax credits: Check box(es) and enter amount 201 <input type="checkbox"/> 308 202 <input type="checkbox"/> 349.....	20		00
21	Extension payment made with Form 120/165EXT or online: See instructions	21		00
22	Estimated tax payments: See instructions	22		00
23	Total payments: Add lines 20 through 22. Enter the total. For amended returns, see instructions	23		00
24	Balance of tax due: If line 19 is larger than line 23, subtract line 23 from line 19. Enter the difference. Skip line 25	24		00
25	Overpayment of tax: If line 23 is larger than line 19, subtract line 19 from line 23. Enter the difference.....	25		00

Continued on page 2 →

Name (as shown on page 1)	EIN
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Part 1: Continued from page 1.

26 Penalty and interest.....	26		00
27 Estimated tax underpayment penalty. If Form 220/PTE is included, check box 27A <input type="checkbox"/>	27		00
28 Information return penalty: See instructions	28		00
29 TOTAL DUE: See instructions	29		00
30 OVERPAYMENT: See instructions	30		00
31 Amount of line 30 to be applied to 2023 estimated tax.....	31	00	
32 Amount to be refunded: Subtract line 31 from line 30. Enter the difference.....	32		00

**Part 2 - Calculation of S Corporation Tax to be Paid at the Entity Level:
Complete only if the S Corporation answered "Yes" to Question A on page 1.**

Calculation of the income attributable to shareholders:

33 Enter the amount from line 1.....	33		00
34 Add lines C1 and C4 in column (c) of Schedule C. Enter the total. This is the total of the ownership shares for all resident individual shareholders and all resident estate and trust shareholders that did not opt out of the S Corporation's election to pay tax at the entity level on its pass-through income. (See Instructions).....	34		
35 Multiply line 33 by line 34. Enter the result. This is the S Corporation income attributable to resident individual shareholders and resident trust and estate shareholders that did not opt out of the S Corporation's election to pay tax at the entity level on its pass through income.	35		00
36 Add lines C2 and C5 in column (c) of Schedule C. Enter the total. This is the total of the ownership shares for all nonresident shareholders and all nonresident estate and trust shareholders that did not opt out of the S Corporation's election to pay tax at the entity level on its pass-through income.. (See Instructions).....	36		
37 Multiply line 33 by line 36. Enter the result. This is the S Corporation income attributable to nonresident shareholders and nonresident trust and estate shareholders that did not opt out of the S Corporation's election to pay tax at the entity level on its pass-through income	37		00
38 Enter the amount from line C3, column (c) of Schedule C. This is the total of the ownership shares for all part-year resident shareholders that did not opt out of the S Corporation's election to pay tax at the entity level on its pass-through income.. (See Instructions).....	38		
39 Multiply line 33 by line 38. Enter the result. This is the S Corporation income attributable to part-year resident shareholders that did not opt out of the S Corporation's election to pay tax on its pass-through income at the entity level.	39	00	
39A Enter the portion of line 39 that all part-year residents earned while residents of Arizona.....	39A		00
39B Enter the portion of line 39 that all part-year residents earned while nonresidents of Arizona.....	39B		00

NOTE: the total of lines 39A and 39B must equal the amount reported on line 39

40 Enter the amount from line C7, column (c) of Schedule C. This is the total of the ownership shares for all shareholders that opted out of the S Corporation's election to pay tax at the entity level on its pass-through income and all shareholders that are not eligible to make the election. (See Instructions).....	40		
41 Multiply line 33 by line 40. Enter the result. This is the S Corporation income attributable to shareholders that opted out of the S Corporation's election to pay tax at the entity level on its pass-through income and to shareholders that are not eligible to make the election.	41		00

Calculation of the tax attributable to shareholders that did not opt out of the PTE election:

42 Add line 35 and line 39A. Enter the total	42		00
43 Multiply the amount on line 42 by the PTE tax rate, 2.98% (0.0298) Enter the result. This is the amount of the tax attributable to resident shareholders and to part-year resident shareholders (during the period of residency) that did not opt out of the S Corporation election to pay tax at the entity level.	43		00
44 Add line 37 and line 39B. Enter the total.....	44		00
45 Enter the Arizona apportionment ratio from Schedule A or Schedule ACA.....	45		
46 Multiply the amount on line 44 by line 45. Enter the result.	46		00
47 Multiply the amount on line 46 by the PTE tax rate, 2.98% (0.0298). Enter the result. This is the amount of the tax attributable to nonresident shareholders and to part-year resident shareholders (during the period of non-residency) that did not opt out of the S Corporation to pay tax at the entity level	47		00
48 Add line 43 and line 47. Enter the total here and on line 18. This is the PTE Tax owed by the S Corporation	48		00

SCHEDULE A Apportionment Formula (Multistate S Corporations Only)

IMPORTANT: Qualifying air carriers must use Arizona Schedule ACA. Qualifying multistate service providers must include Arizona Schedule MSP. If the **"SALES FACTOR ONLY"** box on page 1, line C, is checked, complete only Section A3, Sales Factor, lines a through f. See instructions.

A1 Property Factor - STANDARD APPORTIONMENT ONLY

Value of real and tangible personal property (by averaging the value of owned property at the beginning and end of the tax period; rented property at capitalized value).

- a Owned Property (at original cost):
 - 1 Inventories
 - 2 Depreciable assets (do not include construction in progress)
 - 3 Land
 - 4 Other assets (describe): _____
 - 5 Less: Nonbusiness property (if included in above totals)
 - 6 Total of section a (the sum of lines 1 through 4 less line 5)
- b Rented property (capitalize at 8 times net rent paid)
- c Total owned and rented property (Total of section a plus section b)

A2 Payroll Factor - STANDARD APPORTIONMENT ONLY

Total wages, salaries, commissions and other compensation to employees (per federal Form 1120S, or payroll reports)

A3 Sales Factor

- a Sales delivered or shipped to Arizona purchasers
- b Sales from services or from designated intangibles for **qualifying multistate service providers only** (see instructions; include Schedule MSP)
- c Other gross receipts
- d Total sales and other gross receipts
- e Weight AZ sales: (STANDARD x 2; SALES FACTOR ONLY x 1)

f Sales Factor Only (for Column A, multiply line d by line e; for Column B, enter the amount from line d; for Column C, divide Column A by Column B.) Skip line A4 and line A5.

STANDARD Apportionment, continue to A4.
SALES FACTOR ONLY Apportionment, enter the amount from Column C on page 1, line 7.

A4 STANDARD Apportionment Total Ratio: Add Column C of lines A1c, A2, and A3f. Enter the total.

A5 Average Apportionment Ratio for STANDARD Apportionment: Divide line A4, Column C, by four (4). Enter the result on page 1, line 7. (If one of the factors is "0" in both Column A and Column B, see instructions.)

COLUMN A Total Within Arizona Round to nearest dollar	COLUMN B Total Everywhere Round to nearest dollar.	COLUMN C Ratio Within Arizona A ÷ B
	x2 OR x1	

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SCHEDULE B Shareholder Information

Complete Schedule B for all shareholders of the S corporation. If the S corporation has more than 10 shareholders, include additional schedules as necessary.

	(a) Shareholder Name	(b) Street Address	(d) Shareholder Tax Identification Number	(e) Resident (R) Nonresident (N) Part-Yr Res (P) Estate/Trust (E) Other Entity (O)	(f) Shareholder's Ownership Percentage	(g) Distributive Share of Income Page 1, Line 1
		(c) City, State ZIP				
B1						
B2						
B3						
B4						
B5						
B6						
B7						
B8						
B9						
B10						

Include additional sheets as necessary

SCHEDULE C Summary of Shareholder Information -- See Instructions

	(a) Shareholder Consent to PTE Election	(b) Shareholder Count	(c) Shareholders' Ownership Share
C1	Individual resident shareholders who did not opt out of the election.....		
C2	Individual nonresident shareholders who did not opt out of the election.....		
C3	Individual part-year resident shareholders who did not opt out of the election.....		
C4	Resident estate and trust shareholders who did not opt out of the election.....		
C5	Nonresident estate & trust shareholders who did not opt out of the election.....		
C6	Add lines C1 to C5. Enter the total. These are the totals for the shareholders who did not opt out of the election.....		
C7	Shareholders that opted out of the election or are excluded from making the election.....		
C8	Total shareholder count and total shareholder ownership share. Add lines C6 and C7 in columns (b) and (c). Enter the totals. (Column (c) should equal 1.000000).....		

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SCHEDULE D Schedule of Tax Payments Applied to S Corporation Tax Liability.

	(a) Payment Date	(b) Estimated Tax Payment	(c) Extension Payment
D1	MM DD YY	00	00
D2	MM DD YY	00	00
D3	MM DD YY	00	00
D4	MM DD YY	00	00
D5	MM DD YY	00	00
D6	MM DD YY	00	00
D7	Total Tax Payments	00	00

SCHEDULE E Other Information

- E1** Date business began in Arizona or date income was first derived from Arizona sources: MM/DD/YYYY
- E2** Address at which tax records are located for audit purposes:
 Number/Street: _____
 City: _____ State: _____ ZIP Code: _____
- E3** The taxpayer designates the individual listed below as the person to contact to schedule an audit of this return and authorizes the disclosure of confidential information to this individual. (See instructions, page 12.)
 Name: _____ Phone Number: _____
 Title: _____ (Area Code)
- E4** List prior taxable years ending in MM/DD/YYYY format for which a federal examination has been finalized:

- NOTE:** A.R.S. § 43-327 requires the taxpayer, within ninety days after final determination, to report these changes under separate cover to the Arizona Department of Revenue or to file amended returns reporting these changes. (See instructions, page 5.)
- E5** Indicate tax accounting method: Cash Accrual Other (Specify method.)

	The following declaration must be signed by one or more of the following officers: president, treasurer, or any other principal officer.		
Declaration	Under penalties of perjury, I, the undersigned officer authorized to sign this return, declare that I have examined this return, including the accompanying schedules and statements, and to the best of my knowledge and belief, it is a true, correct and complete return, made in good faith, for the taxable year stated pursuant to the income tax laws of the State of Arizona.		
Please Sign Here	OFFICER'S SIGNATURE _____	DATE _____	TITLE _____
	OFFICER'S PRINTED NAME _____		
Paid Preparer's Use Only	PAID PREPARER'S SIGNATURE _____	DATE _____	PAID PREPARER'S PTIN _____
	PAID PREPARER'S PRINTED NAME _____		
	FIRM'S NAME (OR PAID PREPARER'S NAME, IF SELF-EMPLOYED) _____		FIRM'S EIN _____
	FIRM'S STREET ADDRESS _____		FIRM'S TELEPHONE NUMBER _____
	CITY _____	STATE _____	ZIP CODE _____

This form must be e-filed unless the S Corporation has a waiver or is exempt from e-filing. See instructions for details.