

For taxable year beginning ____/____/____, and ending ____/____/____.

Attach to your return

Name(s) as shown on Forms 120, 120A, 120S, 120X, 140, 140PY, 140NR, 140X, or 165	Social security number or federal employer ID number
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Part I Current Taxable Year Credit Computation

1 Basic research payments paid or incurred to qualified organizations. <i>See instructions</i>	1			
2 Qualified organization base period amount	2			
3 Subtract line 2 from line 1. <i>If less than zero, enter zero (0)</i>			3	
4 Wages for qualified services (do not include wages used in figuring the federal work opportunity credit)	4			
5 Cost of supplies	5			
6 Rental or lease cost of computers	6			
7 Contract research expenses. <i>See instructions</i>	7			
8 Total qualified research expenses. <i>Add lines 4 through 7. Enter the total</i>			8	
9 Average annual gross receipts. <i>See instructions</i>	9			
10 Fixed-base percentage (not more than 16%). <i>See instructions</i>	10	.		
11 Base amount. <i>Multiply line 9 by the percentage on line 10. Enter the result</i>			11	
12 Subtract line 11 from line 8. <i>If less than zero, enter zero (0)</i>			12	
13 Multiply line 8 by 50% (.50). Enter the result			13	
14 Enter the lesser of line 12 or line 13			14	
15 Add lines 3 and 14. Enter the total.....			15	
16 Current year credit for increased research activities. <i>See instructions before completing this line</i>			16	

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

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

Claim the credit for increased research activities as shown on Part I, line 16 (for the taxable year mentioned above);

OR

Pass the credit for increased research activities as shown on Part I, line 16 (for taxable year shown above) through to its shareholders.

Signature

Title

Date

If passing the credit through to the shareholder, complete lines 18 through 20 separately for each shareholder. Furnish each shareholder with a copy of the completed Form 308.

18 Name of shareholder _____

19 Shareholder's TIN _____

20 Shareholder's share of the amount on Part I, line 16 _____

Part III Partner's Share of Credit

Complete lines 21 through 23 separately for each partner. Furnish each partner with a copy of the completed Form 308.

21 Name of partner _____

22 Partner's TIN _____

23 Partner's share of the amount on Part I, line 16 _____

Part IV Available Credit Carryover (Credit for Increased Research Activities)

[Part IV applies only to credits for qualified research expenses and basic research payments incurred in taxable years beginning from and after December 31, 2000]

	(a) Carryover from taxable year ending	(b) Original amount of credit	(c) Amount previously used or expired	(d) Available carryover - subtract column (c) from column (b)
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39	Total available credit carryover			

Part V Conversion of Excess Qualified Research Expenses (QRE) Carryover to Credit Carryover (Corporations and S Corporations only)

[Part V applies to excess qualified research expenses incurred by corporations or S corporations in taxable years beginning prior to January 1, 2001]

	(a) Carryover of excess QRE from taxable year ending	(b) Original amount of excess QRE	(c) Amount of excess QRE previously used to compute a credit (for taxable years beginning prior to January 1, 2001)	(d) Available carryover of excess QRE - subtract column (c) from column (b)	(e) Computed conversion credit carryover - multiply column (d) by 20 percent (.20)
40					
41					
42					
43					
44					
45					
46					
47					
48	Total computed conversion credit carryover				

Part VI Available Conversion Credit Carryover (Corporations and S corporations only)

	(a)	(b)	(c)	(d)
	Conversion credit carryover from taxable year ending	Original conversion credit carryover	Amount previously used or expired	Available conversion credit carryover - subtract column (c) from column (b)
49				
50				
51				
52				
53				
54				
55				
56				
57	Total available conversion credit carryover			

Part VII Total Available Credit

- 58 Current year's credit. *Individuals, corporations, or S corporations - enter the amount from Part I, line 16. S corporation shareholders - enter the amount from Part II, line 20. Partners of a partnership - enter the amount from Part III, line 23*
- 59 **CORPORATIONS AND S CORPORATIONS ONLY.** Available credit carryover - from Part IV, line 39, column (d)
- 60 **CORPORATIONS AND S CORPORATIONS ONLY.** Available conversion credit carryover - from Part VI, line 57, column (d)
- 61 **Total available credit.** *Corporations and S corporations - add lines 58, 59, and 60. Enter result here and on Form 300 Part I, line 6. Individuals - Enter the amount from line 58 here and on Form 301, Part I, line 6*