

For the calendar year 2010 or
fiscal year beginning MM,DD,YYYY and ending MM,DD,YYYY.

Attach to your return.

Name(s) as shown on Form 140, 140PY, 140NR, or 140X	Social security number
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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) 2001 and later.

Part I Qualification for Refund of Current Taxable Year's Excess Credit

- 1 Did you receive a "Certificate of Qualification" from the Arizona Department of Commerce?
If yes, attach a copy of the Certificate. If no, skip line 2...... Yes No
- 2 Enter the maximum refund amount on the Certificate from the Arizona Department of Commerce for this taxable year

2		00
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- 3 Did the entity from which you are claiming a pass through credit for increased research activities receive a "Certificate of Qualification" from the Arizona Department of Commerce? *If yes, attach a copy of the Certificate. If no, skip line 4. Also skip Part IV.*..... Yes No
- 4 Enter the maximum refund amount for this taxable year. Shareholders of an S corporation - *enter the amount from Form 308, Part III, line 27.* Partners of a partnership - *enter the amount from Form 308, Part IV, line 31.*.....

4		00
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Part II Current Taxable Year's Credit Calculation (Sole Proprietorships Only)

- | | | | |
|---|----|--|----|
| 5 Wages for qualified services (do not include wages used in figuring the federal work opportunity credit) | 5 | | 00 |
| 6 Cost of supplies | 6 | | 00 |
| 7 Rental or lease cost of computers | 7 | | 00 |
| 8 Contract research expenses. <i>See instructions</i> | 8 | | 00 |
| 9 Total qualified research expenses. <i>Add lines 5 through 8. Enter the total.</i> | 9 | | 00 |
| 10 Average annual Arizona gross receipts. <i>See instructions.</i> | 10 | | 00 |
| 11 Fixed-base percentage (not more than 16%). <i>See instructions.</i> | 11 | | % |
| 12 Base amount. <i>Multiply line 10 by the percentage on line 11. Enter the result</i> | 12 | | 00 |
| 13 Subtract line 12 from line 9. <i>If less than zero, enter zero (0).</i> | 13 | | 00 |
| 14 Multiply line 9 by 50% (.50). <i>Enter the result</i> | 14 | | 00 |
| 15 Enter the lesser of line 13 or line 14 | 15 | | 00 |
| 16 Current year credit for increased research activities. <i>See instructions before completing this line</i> | 16 | | 00 |

Part III Current Taxable Year's Credit Passed Through From S Corporations and Partnerships

- 17 Total amount of credit passed through from S corporations and partnerships. (Enter the aggregate amount of the credit for increased research activities from all Form(s) 308 received from S corporations and partnerships. Attach copies of any Form(s) 308 to your tax return)
- | | | |
|----|--|----|
| 17 | | 00 |
|----|--|----|

Part IV Refundable Portion of the Current Taxable Year's Excess Credit

ONLY COMPLETE PART IV IF THE "YES" BOX ON PART I, LINE 1 OR LINE 3, IS CHECKED.

18a	Current taxable year's credit from sole proprietorships - enter the amount from Part II, line 16	18a		00
18b	Current taxable year's credit from pass through entities - enter the amount from Part III, line 17.....	18b		00
18c	Total current taxable year's credit. Add lines 18a and 18b.....	18c		00
19a	Reduced tax. Enter the amount from Form 140, line 25; or Form 140PY, line 28; or Form 140NR, line 28; or Form 140X, line 30.....	19a		00
19b	Nonrefundable tax credits. Enter the amount of nonrefundable tax credits from Form 301. Exclude the credit or carryover for increased research activities.....	19b		00
19c	Current taxable year's tax liability. Subtract line 19b from line 19a. Enter the difference. If the difference is more than zero, also enter it on Form 301, Part I, line 6, and Part II, line 40. If the difference is less than zero, enter zero.....	19c		00
20	Current taxable year's excess credit - subtract line 19c from line 18c. Enter the difference. If less than zero, enter zero, because no refund is available	20		00
21	Tentative refundable credit - multiply line 20 by 75% (.75). Enter the result.....	21		00
22	Maximum refundable credit. Sole Proprietorships - enter the amount from Part I, Line 2. Shareholders of an S corporation or partners of a partnership - enter the amount from Part I, line 4.....	22		00
23	Refundable Credit. Enter the lesser of line 21 or line 22. See Instructions.....	23		00

COMPLETE PART V AND PART VI IF YOU HAVE CARRYOVERS FROM PRIOR YEARS. SKIP PART VII AND PART VIII.

Part V Available Pre-2003 Credit Carryover

	(a) Taxable year	(b) Original credit amount	(c) Amount previously used	(d) Available carryover - subtract column (c) from column (b)
24	2001			
25	2002			
26	Total available pre-2003 carryover			

Part VI Available Post-2002 Credit Carryover

	(a) Taxable year	(b) Original credit amount	(c) Amount previously used	(d) Available carryover - subtract column (c) from column (b)
27	2003			
28	2004			
29	2005			
30	2006			
31	2007			
32	2008			
33	2009			
34	Total available post-2002 carryover			

Part VII Limitation of Credit Carryovers

LIMITATION OF PRE-2003 CREDIT CARRYOVER: You may not be able to use all of your available pre-2003 credit carryovers from Part V to offset this year's tax liability. Complete Part VII to determine which credit carryovers you may claim. Also complete Part VII to figure the total of all of your available credit carryovers (amounts from Part V, line 26, column (d), and Part VI, line 34, column (d)) that you may claim this year.

35a	Current year's liability. Enter the amount from Form 301, Part II, line 32.....		35a		00
35b	Current taxable year's credit from sole proprietorships - enter the amount from Part II, line 16.....	35b		00	
35c	Current taxable year's credit from pass through entities - enter the amount from Part III, line 17.....	35c		00	
35d	Total current taxable year's credit. Add lines 35b and 35c.....		35d		00
35e	Subtract line 35d from line 35a - if the result is zero or less, enter zero.....		35e		00
36a	Available pre-2003 credit carryover - enter the amount from Part V, line 26, column (d).....	36a		00	
36b	Enter the lesser of line 35a or \$500,000.....	36b		00	
36c	Subtract line 35d from line 36b - if the result is zero or less, enter zero.....	36c		00	
36d	Enter the lesser of line 36a or line 36c. This is the amount of pre-2003 carryover that you may use.....		36d		00
37	Subtract line 36d from line 35e.....		37		00
38	Enter the lesser of line 34, column (d) or line 37. This is the amount of post-2002 carryover that you may use.....		38		00

Part VIII Total Available Nonrefundable Credit

39	Current year's credit - enter the amount from Part VII, line 35d.....	39		00
40	Pre-2003 carryover - from Part VII, line 36d.....	40		00
41	Post-2002 carryover - from Part VII, line 38.....	41		00
42	Total available credit. Add lines 39, 40 and 41. Enter total here and on Form 301, Part I, line 6.....	42		00