

For information or help, call one of the numbers listed:

Phoenix (602) 255-3381
From area codes 520 and 928, toll-free (800) 352-4090

Tax forms, instructions, and other tax information

If you need tax forms, instructions, and other tax information, go to the department's website at www.azdor.gov.

Income Tax Procedures and Rulings

These instructions may refer to the department's income tax procedures and rulings for more information. To view or print these, go to our website and click on *Legal Research* then click on *Procedures* or *Rulings* and select a tax type from the drop down menu.

Publications

To view or print the department's publications, go to our website and click on *Publications*.

General Instructions

You must complete and include Arizona Form 301 with your Arizona income tax return to claim nonrefundable tax credits unless you meet one of the exceptions listed under *When Form 301 is Not Required*. Use this form to:

- Summarize your total available nonrefundable tax credits.
- Determine the application of the available tax credits.
- Summarize your tax liability related to recapture of tax credits.
- Claim *any* available credit carryover.

When Form 301 is Not Required

You are not required to complete and include Form 301 with your tax return to *only* claim any of the following credits:

- Family Income Tax Credit (from the worksheet in your income tax form instructions),
- Property Tax Credit (Arizona Form 140PTC),
- Excise Tax Credit (from the worksheet in your income tax form instructions),
- The refundable portion of the Increased Research Activities Credit (Arizona Form 308-I),
- The Renewable Energy Industry Credit (Arizona Form 342), and/or
- The credit for Qualified Facilities (Arizona Form 349).

Line-by-Line Instructions

Enter your name and Social Security Number (SSN) as shown on Arizona Forms 140, 140PY, 140NR, or 140X.

All returns, statements, and other documents filed with the department require a taxpayer identification number (TIN). The TIN for an individual is the taxpayer's SSN or an Internal Revenue Service (IRS) individual taxpayer identification number (ITIN). Taxpayers that fail to include their identification number may be subject to a penalty.

Part 1: Nonrefundable Individual Tax Credits Available

Complete Part 1 to determine the total amount of *available* nonrefundable tax credits. The available tax credit amount for a particular credit is the total of the current taxable year's credit and any unused credit carryovers available from prior taxable years.

On lines 1 through 32 complete columns (a), (b) and (c) for each of the following credits available to you this taxable year.

Line 1 - Enterprise Zone Credit

Column (a): Do not enter an amount here.
Column (b): Enter the amount from Form 304, line 7.
Column (c): Enter the amount from column (b).

Line 2 - Environmental Technology Facility Credit

Column (a): Enter the amount from Form 305, line 38.
Column (b): Enter the amount from Form 305, line 39.
Column (c): Enter the amount from Form 305, line 40.

Line 3 - Military Reuse Zone Credit

Column (a): Enter the sum of lines 37 and 38 from Form 306.
Column (b): Enter the amount from Form 306, line 39.
Column (c): Enter the amount from Form 306, line 40.

Line 4 - Recycling Equipment Credit

Column (a): Do not enter an amount here.
Column (b): Enter the amount from Form 307, column (f).
Column (c): Enter the amount from column (b).

Line 5 - Credit for Increased Research Activities - Individuals

If you are claiming a refund of 75% of current year's excess credit:

Column (a): Enter the amount from Form 308-I, line 31(c).
Column (b): Enter "0". No carry forward of any amount is allowed from the year of the refund.
Column (c): Enter the amount from column (a).

If you are not claiming a refund of 75% of current year's excess credit:

Column (a): Enter the amount from Form 308-I, line 57.
Column (b): Enter the sum of lines 58 and 59 from Form 308-I.
Column (c): Enter the amount from Form 308-I, line 60.

Line 6 - Credit for Taxes Paid to Another State or Country

Column (a): Enter the amount from Form 309, line 17.
Column (b): Do not enter an amount here.
Column (c): Enter the amount from column (a).

Line 7 - Credit for Solar Energy Devices

Column (a): Enter the amount from Form 310, line 16.
Column (b): Enter the amount from Form 310, line 17.
Column (c): Enter the amount from Form 310, line 18.

Line 8 - Agricultural Water Conservation System Credit

Column (a): Enter the amount from Form 312, line 17.

Column (b): Enter the amount from Form 312, line 18.

Column (c): Enter the amount from Form 312, line 19.

Line 9 - Pollution Control Credit

Column (a): Enter the amount from Form 315, line 27.

Column (b): Enter the amount from Form 315, line 28.

Column (c): Enter the amount from Form 315, line 29.

Line 10 - Credit for Solar Hot Water Heater Plumbing Stub Outs and Electric Vehicle Recharge Outlets

Column (a): Enter the amount from Form 319, line 27.

Column (b): Enter the amount from Form 319, line 30.

Column (c): Enter the amount from Form 319, line 31.

Line 11 - Credit for Employment of TANF Recipients

Column (a): Enter the amount from Form 320, line 25.

Column (b): Enter the amount from Form 320, line 26.

Column (c): Enter the amount from Form 320, line 27.

Line 12 - Credit for Contributions to Qualifying Charitable Organizations

Column (a): Enter the amount from Form 321, line 20.

Column (b): Enter the amount from Form 321, line 21.

Column (c): Enter the amount from Form 321, line 22.

Line 13 - Credit for Contributions Made or Fees Paid to Public Schools

Column (a): Enter the amount from Form 322, line 20.

Column (b): Enter the amount from Form 322, line 21.

Column (c): Enter the amount from Form 322, line 22.

Line 14 - Credit for Contributions to Private School Tuition Organizations

Column (a): Enter the amount from Form 323, line 20.

Column (b): Enter the amount from Form 323, line 21.

Column (c): Enter the amount from Form 323, line 22.

Line 15 - Agricultural Pollution Control Equipment Credit

Column (a): Enter the amount from Form 325, line 27.

Column (b): Enter the amount from Form 325, line 28.

Column (c): Enter the amount from Form 325, line 29.

Line 16 - Credit for Donation of School Site

Column (a): Enter the amount from Form 331, line 19.

Column (b): Enter the amount from Form 331, line 20.

Column (c): Enter the amount from Form 331, line 21.

Line 17 - Credits for Healthy Forest Enterprises

Column (a): Enter the sum of lines 66 and 67 from Form 332.

Column (b): Enter the sum of lines 68 and 69 from Form 332.

Column (c): Enter the amount from Form 332, line 70.

Line 18 - Credit for Employing National Guard Members

Column (a): Enter the amount from Form 333, line 17.

Column (b): Enter the amount from Form 333, line 18.

Column (c): Enter the amount from Form 333, line 19.

Line 19 - Credit for Business Contributions by an S Corporation to School Tuition Organizations - Individual

Column (a): Enter the amount from Form 335-I, line 19.

Column (b): Enter the amount from Form 335-I, line 20.

Column (c): Enter the amount from Form 335-I, line 21.

Line 20 - Credit for Solar Energy Devices - Commercial and Industrial Applications

Column (a): Enter the amount from Form 336, line 34.

Column (b): Enter the amount from Form 336, line 35.

Column (c): Enter the amount from Form 336, line 36.

Line 21 - Credit for Investment in Qualified Small Businesses

Column (a): Enter the amount from Form 338, line 9.

Column (b): Enter the amount from Form 338, line 10.

Column (c): Enter the amount from Form 338, line 11.

Line 22 - Credit for Donations to the Military Family Relief Fund

Column (a): Enter the amount from Form 340, line 4.

Column (b): Do not enter an amount here.

Column (c): Enter the amount from column (a).

Line 23 - Credit for Business Contributions by an S Corporation to School Tuition Organizations for Displaced Students or Students with Disabilities - Individual

Column (a): Enter the amount from Form 341-I, line 19.

Column (b): Enter the amount from Form 341-I, line 20.

Column (c): Enter the amount from Form 341-I, line 21.

Line 24 - Renewable Energy Production Tax Credit

Column (a): Enter the amount from Form 343, line 14.

Column (b): Enter the amount from Form 343, line 15.

Column (c): Enter the amount from Form 343, line 16.

Line 25 - Solar Liquid Fuel Credit

Column (a): Enter the amount from Form 344, line 34.

Column (b): Do not enter an amount here.

Column (c): Enter the amount from column (a).

Line 26 - Credit for New Employment

Column (a): Enter the amount from Form 345, line 22.

Column (b): Enter the amount from Form 345, line 23.

Column (c): Enter the amount from Form 345, line 24.

Line 27 - Additional Credit for Increased Research Activities for Basic Research Payments

Column (a): Enter the amount from Form 346, line 20.

Column (b): Enter the amount from Form 346, line 21.

Column (c): Enter the amount from Form 346, line 22.

Line 28 - Credit for Qualified Health Insurance Plans

Column (a): Do not enter an amount here.

Column (b): Enter the amount from Form 347, column (d).

Column (c): Enter the amount from column (b).

Line 29 - Credit for Contributions to Certified School Tuition Organization (for contributions that exceed the allowable credit on Arizona Form 323)

Column (a): Enter the amount from Form 348, line 23.

Column (b): Enter the amount from Form 348, line 24.

Column (c): Enter the amount from Form 348, line 25.

Line 30 - Credit for Renewable Energy Investment and Production for Self-Consumption by Manufacturers and International Operations Centers

Column (a): Enter the amount from Form 351, line 31.

Column (b): Enter the amount from Form 351, line 32.

Column (c): Enter the amount from Form 351, line 33.

Line 31 - Credit for Contributions to Qualifying Foster Care Charitable Organizations

Column (a): Enter the amount from Form 352, line 20.

Column (b): Enter the amount from Form 352, line 21.

Column (c): Enter the amount from Form 352, line 22.

Line 32 - Reserved

Do not enter an amount on line 32.

Line 33 - Total Available Tax Credits

For column (c), add lines 1 through 32. Enter the total. This is the total amount of all nonrefundable tax credits, except the family income tax credit, *available* for your use.

Part 2: Application of Tax Credits and Recapture

Complete Part 2 to figure any recapture. Also, complete Part 2 to determine which tax credits you will use and the portion of the available credit amount from Part 1 that you will use for a particular tax credit.

Line 34 -

Enter the amount of tax from your income tax form.

| If you file Form: | Enter the amount from line: |
|-------------------|-----------------------------|
| 140 | 46 |
| 140PY | 58 |
| 140NR | 56 |
| 140X | 34 |

Line 35 -

Enter the amount of tax from recapture of the environmental technology facility credit from Form 305, Part 5, line 21.

Line 36 -

Enter the amount of tax from recapture of the credits for healthy forest enterprises. Use the following worksheet to calculate the amount of recapture to enter on line 36.

| Healthy Forest Recapture Tax Worksheet | |
|--|--|
| 1. Enter the tax from recapture of the <u>employment</u> credit from Form 332, Part 11, line 47. | |
| 2. Enter the tax from recapture of the <u>training</u> credit from Form 332, Part 12, line 53. | |
| 3. Add lines 1 and line 2. Enter the total here and on Form 301, line 36. | |

Line 37 -

Enter the amount of tax from recapture of the credit for renewable energy industry from Form 342, Part 5, line 14.

Line 38 -

Enter the amount of tax from recapture of the credit for qualified facilities from Form 349, Part 7, line 19.

Line 39 -

Enter the amount of tax from recapture of the credit for renewable energy investment and production for self-consumption by manufactures and international operations centers from Form 351, Part 2, line 24.

Line 40 - Recapture Total

Add lines 35 through 39. Enter the total here and on your income tax form.

| If you file Form: | Enter the amount on line: |
|-------------------|---------------------------|
| 140 | 47 |
| 140PY | 59 |
| 140NR | 57 |
| 140X | 35 |

Line 41 -

Add lines 34 and 40. Enter the total here.

Line 42 -

If you claimed a family income tax credit, enter the amount of family income tax credit claimed on your income tax form.

| If you file Form: | Enter the amount from line: |
|--|-----------------------------|
| 140 | 49 |
| 140PY | 61 |
| 140X | 37 |
| Form 140NR filers; enter "0" on line 42. | |

Line 43 -

Subtract line 42 from line 41. Enter the difference. **If less than zero, enter "0".**

Nonrefundable Tax Credits Used This Taxable Year

The total amount of tax credits you use cannot exceed the amount entered on line 43. In order for you to determine which tax credit(s) to use and the amount to use for a particular tax credit, you must consider any limitations on the allowable amount of a particular tax credit and whether you may carry the unused portion of a particular tax credit forward.

Line 44 - Enterprise Zone Credit

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 304 for more information. Enter the amount used.

Line 45 - Environmental Technology Facility Credit

You may carry the unused portion of this tax credit forward for 15 succeeding taxable years. If the taxpayer is subject to the tax related to recapture of this tax credit for the facility, the

carryover of the tax credit is reduced by the percentages listed in Form 305 instructions.

The portion of the available credit amount from Part 1, line 2, that you may use is limited to 75% of the amount of tax entered on line 41. See Form 305 for details. Enter the amount used.

Line 46 - Military Reuse Zone Credit

You may carry the unused portion of this tax credit forward for five succeeding taxable years if the business remains in the military reuse zone. You lose the carryover if the business relocates outside of the military reuse zone. See Form 306 for details. Enter the amount used.

Line 47 - Recycling Equipment Credit

The recycling equipment credit allowable to individuals has been repealed for taxable years beginning January 1, 2003 or later. However, the repeal did not affect any credit carryover that accrued prior to the repeal. See Form 307 for details.

The portion of the available credit carryover that you may use is limited to the *lesser* of 25% of the amount of tax entered on line 41 or \$5,000. Enter the amount used.

Line 48 - Credit for Increased Research Activities - Individuals

The unused portion of this tax credit may be carried forward for 15 succeeding taxable years. See Form 308-I for details. Enter the amount used.

NOTE: If you qualify for and are claiming a 75% refund of your excess credit for the current year, enter *only* the nonrefundable portion of the current year's credit here (from Form 308-I, Part 5, line 31c). Enter the refundable portion of the credit (the amount from Form 308-I, Part 5, line 34) on Form 140, line 57; or Form 140NR, line 64; or Form 140PY, line 68; or Form 140X, line 43.

Carry forwards from previous years of the credit for increased research activities will carry over to the following year, provided the credit is within the 15 year carry forward period.

Line 49 - Credit for Taxes Paid to Another State or Country

There is no carry forward of the unused portion of this tax credit. See Form 309 for details. Enter the amount used.

Line 50 - Credit for Solar Energy Devices

You may carry the unused portion of this credit forward for five succeeding taxable years. See Form 310 for details. Enter the amount used. Form 140NR filers, enter "0".

Line 51 - Agricultural Water Conservation System Credit

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 312 for details. Enter the amount used.

Line 52 - Pollution Control Credit

You may carry the unused portion of this credit forward for five succeeding taxable years. See Form 315 for details. Enter the amount used.

Line 53 - Credit for Solar Hot Water Heater Plumbing Stub Outs and Electric Vehicle Recharge Outlets

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 319 for details. Enter the amount used.

Line 54 - Credit for Employment of TANF Recipients

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 320 for details. Enter the amount used.

Line 55 - Credit for Contributions to Qualifying Charitable Organizations

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 321 for details. Enter the amount used.

Line 56 - Credit for Contributions Made or Fees Paid to Public Schools

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 322 for details. Enter the amount used.

Line 57 - Credit for Contributions to Private School Tuition Organizations

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 323 for details. Enter the amount used.

Line 58 - Agricultural Pollution Control Equipment Credit

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 325 for details. Enter the amount used.

Line 59 - Credit for Donation of School Site

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 331 for details. Enter the amount used.

Line 60 - Credits for Healthy Forest Enterprises

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 332 for details. Enter the amount used.

Line 61 - Credit for Employing National Guard Members

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 333 for details. Enter the amount used.

Line 62 - Credit for Business Contributions by an S Corporation to School Tuition Organizations - Individual

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 335-I for details. Enter the amount used.

Line 63 - Credit for Solar Energy Devices - Commercial and Industrial Applications

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 336 for details. Enter the amount used.

Line 64 - Credit for Investment in Qualified Small Businesses

You may carry the unused portion of this tax credit forward for three succeeding taxable years. See Form 338 for details. Enter the amount used.

Line 65 - Credit for Donations to the Military Family Relief Fund

There is no carryover for this credit. You must use this credit on the tax return filed for the taxable year in which you made your donation.

The amount of the credit that you may use is limited to the amount of your tax liability. See Form 340 for details. Enter the smaller of the amount entered on Form 301, Part 1, line 22 or on Form 301, Part 2, line 41.

Line 66 - Credit for Business Contributions by an S Corporation to School Tuition Organizations for Displaced Students or Students with Disabilities - Individual

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 341-I for details. Enter the amount used.

Line 67 - Renewable Energy Production Tax Credit

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 343 for details. Enter the amount used.

Line 68 - Solar Liquid Fuel Credit

The unused portion of this credit may **not** be carried forward. See Form 344 for details. Enter the amount used.

Line 69 - Credit for New Employment

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 345 for details. Enter the amount used.

Line 70 - Additional Credit for Increased Research Activities for Basic Research Payments

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 346 for details. Enter the amount used.

Line 71 - Credit for Qualified Health Insurance Plans

Taxpayers can no longer *establish* this credit on their tax return or any future return. You may carry the unused portion of this tax credit forward for the next three consecutive taxable years. See Form 347 for details. Enter the amount used.

Line 72 - Credit for Contributions to Certified School Tuition Organization (for contributions that exceed the allowable credit on Arizona Form 323)

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 348 for details. Enter the amount used.

Line 73 - Credit for Renewable Energy Investment and Production for Self-Consumption by Manufacturers and International Operations Centers

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 351 for details. Enter the amount used.

Line 74 - Credit for Contributions to Qualifying Foster Care Charitable Organizations

You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 352 for details. Enter the amount used.

Line 75 - Reserved

Do not enter an amount on line 75.

Line 76 - Total Tax Credits Used

Add lines 44 through 75 and enter the total here.

This amount cannot exceed the amount entered on Form 301, line 43.

Enter the amount from this line on your income tax form.

| If you file Form: | Enter the amount on line: |
|-------------------|---------------------------|
| 140 | 50 |
| 140PY | 62 |
| 140NR | 59 |
| 140X | 38 |

Credit Carryover Worksheet

To figure how much of a credit carryover that you will have for next year, complete the carryover worksheet on the next page.

Keep the worksheet with your records and use the information to complete your 2018 return that you will file in 2019. If you have more than four credit types available, use your own worksheet. Make sure the additional worksheet has the same information as this worksheet.

Credit Carryover Worksheet

Keep this worksheet with your records. Use this information to complete your 2018 credit forms that you will file in 2019.

| | (a) Credit Type | (b) Carryover? | | (c) Credit Available for 2017 | (d) Credit Used for 2017 | (e) Carryover Available for 2018 |
|----|--|---|-----------|---|--|--|
| | <p>On lines 1 through 4 below, enter the form number of the credit(s) available to you for 2017.</p> | <p>May the unused portion from the credit listed in column (a) be carried forward? (See the applicable credit form for carry forward information.)</p> <p>Check either yes or no.</p> <p>If the answer is no, do not complete columns (c) through (e) for that line.</p> | | <p>On lines 1 through 4 below, enter the amount of each credit <i>available</i> to you for 2017.</p> <p>Take these amounts from Form 301, lines 1 through 32.</p> | <p>On lines 1 through 4 below, enter the amount of each credit <i>used</i> for 2017.</p> <p>Take these amounts from Form 301, lines 44 through 75.</p> | <p>For each line on which you have entered an amount, subtract the amount in column (d) from the amount in column (c). This is the amount of each credit that you may carryover to 2018, providing the credit carryover may be carried to 2018.</p> <p>Use this figure when completing the appropriate carryover amount(s) on the 2018 credit form(s).</p> |
| | | YES | NO | | | |
| 1. | | | | .00 | .00 | .00 |
| 2. | | | | .00 | .00 | .00 |
| 3. | | | | .00 | .00 | .00 |
| 4. | | | | .00 | .00 | .00 |