

Arizona Form
120S Schedule K-1(NR)

**Nonresident Shareholder's Share
of Income and Deductions**

2025

For the ☐ calendar year 2025 or ☐ fiscal year beginning MM/DD/2025 and ending MM/DD/20YY.

CHECK ONE: ☐ Original ☐ Amended

Shareholder's Tax Identification Number	S Corporation's Employer Identification Number (EIN)
Shareholder's Name	S Corporation's Name
Shareholder's Address – number and street or rural route	S Corporation's Address – number and street or rural route
Shareholder's City, Town or Post Office State ZIP Code	S Corporation's City, Town or Post Office State ZIP Code
Shareholder's percentage of stock ownership for the taxable year: %	

Pass-Through Entity Election

See Instructions:

A. Did the S Corporation make the Pass-Through Entity Election? ☐ Yes ☐ No

B. If the S Corporation made the Pass-Through Election, did this Shareholder consent to that election? ☐ Yes ☐ No

C. If the answer to the question on line B is "Yes", is this shareholder a grantor trust or an SMLLC that is disregarded to an individual? ☐ Yes ☐ No
If "Yes" enter the Beneficial Owner's name: _____; and TIN: _____

Part 1 Share of Income and Deductions

Pro Rata Share Items From federal Form 1120-S, Schedule K-1	(a) Distributive Share Amount	(b) Arizona Apportionment Ratio	(c) Arizona Source Income	Form 140NR Filers: Enter the amount in column (c) on:
1 Ordinary income (loss) from trade or business activities.....				
2 Net income (loss) from rental real estate activities...				
3 Net income (loss) from other rental activities				
4 Total: Add lines 1, 2, and 3				Line 21
5 Interest.....				Line 16
6 Dividends.....				Line 17
7 Royalties.....				Line 21
8 Net short-term capital gain (loss).....				Line 20
9 Net long-term capital gain (loss).....				Line 20
10 Net IRC Section 1231 gain (loss)				Line 20
11 Other income (loss)				Line 22
12 IRC Section 179 expense.....				Line 21
13 Other deductions: Include schedule				

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Name of S Corporation (as shown on page 1)	Employer Identification Number
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Part 2 Net Capital Gain (Loss) From Investment in a Qualified Small Business – Information Schedule

If the shareholder's federal Schedule K-1 (Form 1120-S) does not include any net capital gain (loss) from investment in a qualified small business as determined by the Arizona Commerce Authority, the S Corporation is not required to complete Part 2.

Pro Rata Share Items	(a) Distributive Share Amount	(b) Arizona Apportionment Ratio	(c) Arizona Source Income
14 Net capital gain (loss) from investment in a qualified small business..... 14			

Part 3 Net Capital Gain (Loss) From the Exchange of Legal Tender – Information Schedule

If the shareholder's federal Schedule K-1 (Form 1120-S) does not include any net capital gain (loss) from the exchange of legal tender, the S Corporation is not required to complete Part 3.

Pro Rata Share Items	(a) Distributive Share Amount	(b) Arizona Apportionment Ratio	(c) Arizona Source Income
15 Net capital gain (loss) from the exchange of legal tender 15			

Part 4 Net Long-Term Capital Gain (Loss) Subtraction – Information Schedule

If the shareholder's federal Schedule K-1 (Form 1120-S) includes capital gain (loss), complete lines 16 through 18. If the shareholder's federal Schedule K-1 (Form 1120-S) does not include any capital gain (loss), the S Corporation is not required to complete Part 4.

Pro Rata Share Items From federal Form 1120-S, Schedule K-1	(a) Distributive Share Amount From page 1, line 9, column (a) and/or line 10, column (a).	(b) Arizona Source Income From page 1, line 9, column (c) and/or line 10, column (c).	(c) Net <u>long-term</u> capital gain (loss) included in column (b) from assets acquired before January 1, 2012	(d) Net <u>long-term</u> capital gain (loss) included in column (b) from assets acquired after December 31, 2011
16 Total net long-term capital gain (loss)..... 16				

ADDITIONAL INFORMATION:

17 Net long-term capital gain (loss) from investment in a qualified small business (amount already included in line 16, column (d)) 17				
18 Net long-term capital gain (loss) from exchange of legal tender (amount already included in line 16, column (d))..... 18				

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Name of S Corporation (as shown on page 1)	Employer Identification Number
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Part 5 Marijuana Establishments Only - Information Schedule

Shareholder's Pro Rata Share of Disallowed Federal Expenses	Shareholder's Distributive Share
19 Enter the S Corporation's disallowed federal expenses from line 16 of Schedule DFE..... 19	
20 Multiply the amount on line 19 by the shareholder's ownership percentage shown on page 1. Enter the result. This is the shareholder's portion of the credit. 20	

SHAREHOLDER:

The amount reported on line 20 is your share of the S Corporation's disallowed federal expenses.

Enter this amount on your Arizona income tax return.

- If you ***did not make the Small Business Income election*** and are filing Arizona Form 140NR, enter this amount on page 6, line L.
- If you ***did not make the Small Business Income election*** and are filing Arizona Form 140PY, enter this amount on page 6, line V.
- If you ***made the Small Business Income election*** and are filing Arizona Form 140NR-SBI, enter this amount on line 44.
- If you ***made the Small Business Income election*** and are filing Arizona Form 140PY-SBI, enter this amount on line 44.

Part 6 Shareholder's Share of the S Corporation's Pass-Through Entity Tax Credit

Complete Part 6 if the shareholder consented to the S Corporation's election to be a Pass-Through Entity (PTE) in this year, or in a prior year. (See Instructions.) Otherwise, leave blank.

Shareholder's Pro Rata Share of PTE Election	Shareholder's Distributive Share
21 Shareholder's pro-rata share of the PTE Tax Credit. • Individuals, enter this amount on Form 355, Part 1, line 2. • Estates and trusts, see the instructions for Form 141AZ, line 19 to claim this credit..... 21	
22 Shareholder's pro-rata share of the Arizona PTE Taxes paid in 2025 for taxable years prior to 2025. • Individuals that <i>did not make the Small Business Income election</i> , add this amount back on Form 140NR, page 5, line L, or Form 140PY, page 5, line N . • Individuals that <i>made the Small Business Income election</i> , add this amount back on Form 140NR-SBI, line 24, or Form 140PY-SBI, page 2, line 25. • Estates and trusts, add this amount back on Form 141AZ, Schedule B, line B3. 22	
23 Shareholder's pro-rata share of the Arizona PTE Taxes paid in 2025 for taxable year 2025. • Individuals that <i>did not make the Small Business Income election</i> , add this amount back on Form 140NR, page 5, line L, or Form 140PY, page 5, line N. • Individuals that <i>made the Small Business Income election</i> , add this amount back on Form 140NR-SBI, line 24 or Form 140PY-SBI, page 2, line 25. • Estates and trusts, add this amount back on Form 141AZ, Schedule B, line B3. 23	
24 Shareholder's pro-rata share of comparable PTE Taxes from other states paid in 2025 for taxable years prior to 2025. • Individuals that <i>did not make the Small Business Income election</i> , add this amount back on Form 140NR, page 5, line L or Form 140PY, page 5, line N. • Individuals that <i>made the Small Business Income election</i> , add this amount back on Form 140NR-SBI, line 24. or Form 140PY-SBI, page 2, line 25 • Estates and trusts, add this amount back on Form 141AZ, Schedule B, line B3. 24	
25 Shareholder's pro-rata share of comparable PTE Taxes from other states paid in 2025 for taxable year 2025. • Individuals that <i>did not make the Small Business Income election</i> , add this amount back on Form 140NR, page 5, line L or Form 140PY, page 5, line N. • Individuals that <i>made the Small Business Income election</i> , add this amount back on Form 140NR-SBI, line 24 or Form 140PY-SBI, page 2, line 25. • Estates and trusts, add this amount back on Form 141AZ, Schedule B, line B3. 25	