

*Include with your return.*For the calendar year 2025 or fiscal year beginning MM/DD 2,0,2,5 and ending MM/DD/YY YY.

Name as shown on Form 99T, 120, 120A, 120S, 120X or 165

Employer Identification Number

If the taxpayer is electing the Alternative Simplified Credit (ASC) for this year, check the box. ASC**Part 1 Qualification for the Credit**

| | | | | | |
|---|--|------------------------------|-----------------------------|--|--|
| 1 | Did you have qualified research expenses for the tax year indicated above? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | |
| a | If "Yes", and you are claiming the Arizona Credit for Increased Research Activities, go to line 2. | | | | |
| b | If "No", go to line 3. | | | | |
| 2 | Is this credit refundable? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | |
| a | If "Yes": | | | | |
| 1 | Include a copy of the certification you received from the Arizona Commerce Authority (ACA). | | | | |
| 2 | Enter the maximum refund amount authorized by the ACA here and on Part 5, line 32 and Part 7, line 41a | 2a2 00 | | | |
| b | If "No", go to line 3. | | | | |
| 3 | Are you claiming a pass through of this credit from a partnership?..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | |
| | (If you are claiming a pass through of this credit from more than one partnership, include copies of all Form(s) 308-P you received.) | | | | |
| 4 | Is this pass through credit refundable?..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | |
| 5 | If you answered "Yes" to the question on line 1, go to Part 2. | | | | |
| 6 | If you answered "No" to the question on line 1 and "Yes" to the question on line 3, go to Part 3. | | | | |
| 7 | If you answered "No" to the question on line 1 and "No" to the question on line 3, complete this form ONLY if you have credit carryovers. Go to Part 8. Otherwise, STOP! YOU ARE NOT ELIGIBLE TO CLAIM THIS CREDIT. | | | | |

Part 2 Current Taxable Year's Regular Credit Calculation- (Complete lines 8 through 27a if electing to claim the regular credit. To elect the Alternative Simplified Credit, skip to page 5, Part 12, line 75.)

| | | | | | |
|--|---|-----|----|----|--|
| 8 | Basic research payments paid or incurred to qualified organizations: See instructions..... | 8 | 00 | | |
| 9 | Qualified organization base period amount..... | 9 | 00 | | |
| 10 | Subtract line 9 from line 8. If less than zero, enter "0"..... | 10 | 00 | | |
| 11 | Wages for qualified services (do not include wages used in figuring the federal work opportunity credit)..... | 11 | 00 | | |
| 12 | Cost of supplies..... | 12 | 00 | | |
| 13 | Cost to rent or lease computers | 13 | 00 | | |
| 14 | Contract research expenses: See instructions | 14 | 00 | | |
| 15 | Total research expenses: Add lines 11 through 14. Enter the total..... | 15 | 00 | | |
| 16 | Average annual Arizona gross receipts: See instructions..... | 16 | 00 | | |
| 17 | Fixed-base percentage [not more than 16% (.1600)]: See instructions..... | 17 | . | 00 | |
| 18 | Base amount: Multiply line 16 by the percentage on line 17. Enter the result..... | 18 | 00 | | |
| 19 | Subtract line 18 from line 15. If less than zero, enter "0"..... | 19 | 00 | | |
| 20 | Multiply line 15 by 50% (.50). Enter the result..... | 20 | 00 | | |
| 21 | Enter the lesser of line 19 or line 20..... | 21 | 00 | | |
| 22 | Add lines 10 and 21. Enter the total | 22 | 00 | | |
| <ul style="list-style-type: none"> • If line 22 is \$2,500,000 or less, complete line 23 and skip lines 24 through 26. • If line 22 is more than \$2,500,000, skip line 23 and complete lines 24 through 26. | | | | | |
| 23 | Multiply line 22 by 24% (.24). Enter the result..... | 23 | 00 | | |
| 24 | Subtract \$2,500,000 from line 22. Enter the difference | 24 | 00 | | |
| 25 | Multiply line 24 by 15% (.15). Enter the result..... | 25 | 00 | | |
| 26 | Add \$600,000 to line 25. Enter the total | 26 | 00 | | |
| 27a | If the taxpayer is electing the regular credit, enter the amount from line 23 or line 26 | 27a | 00 | | |
| 27b | If the taxpayer is electing the Alternative Simplified Credit, enter the amount from page 5, Part 12, line 93. | 27b | 00 | | |

Continued on page 2 ➔

| | |
|---------------------------|-----|
| Name (as shown on page 1) | EIN |
|---------------------------|-----|

Part 3 Current Taxable Year's Credit Passed Through from Partnerships

28 Enter the total amount of this credit received from all Form(s) 308-P, Part 2, line 4. Include copies of those forms with your return..... 28 00

Part 4 Total Current Taxable Year Credit for Increased Research Activities

29 Total Current Year Credit:
 If the taxpayer is electing the regular credit, add line 27a and line 28. Enter the total.
 If the taxpayer is electing to claim the Alternative Simplified Credit, add line 27b and line 28. Enter the total.
 • *Partnerships:* Enter this amount on Part 2, line 3 of the partner's Form 308-P.
 • *S Corporations passing this credit through to its shareholders:* Enter this amount on Part 2, line 3 of the shareholder's Form 308-S..... 29 00

Part 5 Partnerships and S Corporations Only

Determining Maximum Refund Amount to be Passed Through

| | | |
|--|----|----|
| 30 Enter the amount of your current year credit from Part 4, line 29..... | 30 | 00 |
| 31 Multiply line 30 by 75% (.75). Enter the result..... | 31 | 00 |
| 32 Enter the amount of your maximum refundable credit from Part 1, line 2a2 | 32 | 00 |
| 33 Enter the total maximum refundable credits received from partnerships on Form(s) 308-P, Part 3, line 6..... | 33 | 00 |
| 34 Add line 32 and line 33. Enter the total. This is the maximum refundable credit for this taxable year | 34 | 00 |
| 35 Enter the lesser of line 31 or line 34. This is the maximum refund amount to be passed through to partners or shareholders | 35 | 00 |

Partnerships:

Partnerships qualifying for this credit must pass it through to their partners. When passing this credit through to your partners, complete Form 308-P for each partner.

- Provide a completed copy of Form 308-P to each partner.
- Include a copy of each completed Form 308-P with your tax return.
- Keep a copy of each completed Form 308-P for your records.

Part 6 S Corporation Credit Election and Shareholder's Share of the Credit

S Corporations may elect to pass this credit through to its shareholders, or it may choose to keep it and apply it to its tax liability generated at the S Corporation level.

36 The S Corporation has made an irrevocable election for the taxable year ending MM, DD, YY, YY to:

(check only one box):

36a Claim the credit for increased research and development as shown on Part 4, line 29 (for the taxable year indicated above);
 OR
 36b Pass the credit as shown on Part 4, line 29 (for the taxable year indicated above) through to its shareholders.

Signature

Title

Date

If passing the credit through to the shareholders:

- Complete Form 308-S for each individual shareholder.
- Provide a copy of each completed Form 308-S to each shareholder.
- Include a copy of each completed Form 308-S with your tax return.
- If the S Corporation passed the current year credit through to its shareholders, AND it has carryovers of this credit from prior years, skip Part 7 and complete the remainder of this form as appropriate.
- Enter "0" on Part 11, line 72.

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| Name (as shown on page 1) | EIN |
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Part 7 Refundable Portion of the Taxpayer's Current Taxable Year's Excess Credit

Complete Part 7 **ONLY** if you checked "Yes" in Part 1, line 2 or 4.

| | | |
|---|-----|----|
| 37 Current taxable year's credit: Enter the amount from Part 4, line 29 | 37 | 00 |
| 38a Enter the current year's tax, including recapture amounts, from Form 99T, line 8; or Form 120, line 18; or Form 120A, line 10; Form 120S, line 14; or Form 120X, line 18(c)..... | 38a | 00 |
| 38b Nonrefundable tax credits: Enter the amount of nonrefundable tax credits from Form 300, Part 1, line 16 less the amount (if any) on Form 300, Part 1, line 1, column (c)..... | 38b | 00 |
| 38c Current taxable year's credit for increased research activities that will be used to offset the current taxable year's tax liability: Subtract line 38b from line 38a and enter the difference. If the difference is zero or more, enter it on Part 11, line 72; also enter it on Form 300, Part 1, line 1, column (a), and Form 300, Part 2, line 25. If less than zero, enter "0" | 38c | 00 |
| 39 Current taxable year's excess credit: Subtract line 38c from line 37 and enter the difference. If less than zero, enter "0", because no refund is available | 39 | 00 |
| 40 Tentative refundable credit: Multiply line 39 by 75% (.75). Enter the result..... | 40 | 00 |

Maximum refundable credit: See instructions.

| | | |
|--|-----|----|
| 41a Enter the maximum refundable credit amount authorized by ACA from Part 1, line 2a2 | 41a | 00 |
| 41b Enter the partner's maximum refundable credit amount from Form 308-P, Part 3, line 6. If this credit was passed through to you from more than one partnership, total the amounts indicated on Forms 308-P, Part 3, line 6. | 41b | 00 |
| 41c Add the amounts on lines 41a and 41b. Enter the total here | 41c | 00 |
| 42 Refundable Credit: Enter the lesser of line 40 or line 41c. Also enter this amount on Form 99T, line 12; or Form 120, line 22; or Form 120A, line 14; Form 120S, line 20; or Form 120X, line 22(d)..... | 42 | 00 |

Complete Part 8 if you have carryovers generated before 01/01/2022. If you elect to receive a refund of 75% of the excess credit, you cannot carry forward any amount from the year of the refund.

Part 8 Available Credit Carryover Generated Before 01/01/2022

| | (a) Taxable Year | (b) Original Credit Amount | (c) Amount Previously Used or Expired | (d) Available Carryover: Subtract column (c) from column (b). |
|----|--|-------------------------------|--|---|
| 43 | | 00 | 00 | 00 |
| 44 | | 00 | 00 | 00 |
| 45 | | 00 | 00 | 00 |
| 46 | | 00 | 00 | 00 |
| 47 | | 00 | 00 | 00 |
| 48 | | 00 | 00 | 00 |
| 49 | | 00 | 00 | 00 |
| 50 | | 00 | 00 | 00 |
| 51 | | 00 | 00 | 00 |
| 52 | | 00 | 00 | 00 |
| 53 | | 00 | 00 | 00 |
| 54 | | 00 | 00 | 00 |
| 55 | | 00 | 00 | 00 |
| 56 | | 00 | 00 | 00 |
| 57 | | 00 | 00 | 00 |
| 58 | Total Available Carryover: Add lines 46 through 57 in column (d). Enter the total..... | | 58 | 00 |

| | |
|---------------------------|-----|
| Name (as shown on page 1) | EIN |
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Complete Part 9 if you have carryovers generated after 12/31/2021. If you elect to receive a refund of 75% of the excess credit, you cannot carry forward any amount from the year of the refund.

Part 9 Available Credit Carryover Generated After 12/31/2021

| | (a) Taxable Year | (b) Original Credit Amount | (c) Amount Previously Used or Expired | (d) Available Carryover: Subtract column (c) from column (b). |
|----|--|-------------------------------|---|--|
| 59 | | 00 | 00 | 00 |
| 60 | | 00 | 00 | 00 |
| 61 | | 00 | 00 | 00 |
| 62 | | 00 | 00 | 00 |
| 63 | | 00 | 00 | 00 |
| 64 | | 00 | 00 | 00 |
| 65 | | 00 | 00 | 00 |
| 66 | | 00 | 00 | 00 |
| 67 | | 00 | 00 | 00 |
| 68 | | 00 | 00 | 00 |
| 69 | Total Available Carryover: Add lines 59 through 61 in column (d). Enter the total..... | 69 | | 00 |

Part 10 Total Credit Carryover(s)

If you completed Part 7 and are receiving a refund or if you have no carryovers of this credit, do not complete Part 10.

Complete Part 10 to figure the amount of credit carryover(s) you may claim to offset your tax liability this year.

| | | |
|---|-----|----|
| 70a Enter the credit carryover generated before 01/01/2022 from Part 8, line 58, column (d) | 70a | 00 |
| 70b Enter the credit carryover generated after 12/31/2021 from Part 9, line 69, column (d) | 70b | 00 |
| 71 Add lines 70a and 70b. Enter the total. This is the total credit carryover available. | 71 | 00 |

Part 11 Total Available Nonrefundable Credit

72 Current year's credit: If you completed Part 7 and are receiving a refund, enter the amount from Part 7, line 38c. If you are not receiving a refund, enter the amount from Part 4, line 29.
 Partnerships and S Corporations that passed the current year credit through to partners or shareholders, enter "0".
 • Also enter this amount on Form 300, Part 1, line 1, column (a)

73 Total credit carryover: If you completed Part 7 and are receiving a refund, enter "0". Otherwise, enter the credit carryover from Part 10, line 71.
 • Also enter this amount on Form 300, Part 1, line 1, column (b)

74 Total available credit: Add lines 72 and 73. Enter the total.
 • Also enter this amount on Form 300, Part 1, line 1, column (c)

| | |
|----|----|
| 72 | 00 |
| 73 | 00 |
| 74 | 00 |

ALTERNATIVE SIMPLIFIED CREDIT WORKSHEET

Part 12

Current Taxable Year's Alternative Simplified Credit Calculation- (Complete lines 75 through 93 if electing the Alternative Simplified Credit. To elect the regular credit, complete Part 2, lines 8 through 27a.)

| | | | | | | |
|--|---|----|----|--|--|--|
| 75 | Basic research payments paid or incurred to qualified organizations: | 75 | 00 | | | |
| 76 | Qualified organization base period amount..... | 76 | 00 | | | |
| 77 | Subtract line 76 from line 75. Enter the difference. If less than zero, enter "0". | 77 | 00 | | | |
| 78 | Current year wages for qualified services (do not include wages used in figuring the federal work opportunity credit)..... | 78 | 00 | | | |
| 79 | Current year cost of supplies..... | 79 | 00 | | | |
| 80 | Current year cost to rent or lease computers | 80 | 00 | | | |
| 81 | Current contract research expenses: See instructions | 81 | 00 | | | |
| 82 | Total research expenses for the current year: Add lines 78 through 81. Enter the total | 82 | 00 | | | |
| 83 | Enter your total qualified research expenses for the prior 3 years. If you have no QREs in any one of those three years, STOP! You do not qualify for the ASC..... | 83 | 00 | | | |
| 84 | Average qualified research expenses for the prior three years. Divide line 83 by 6.0. Enter the result. | 84 | 00 | | | |
| 85 | Subtract line 84 from line 82. Enter the difference. If less than zero, enter "0". | 85 | 00 | | | |
| 86 | Multiply line 82 by 50% (.50). Enter the result. | 86 | 00 | | | |
| 87 | Enter the lesser of line 85 or line 86..... | 87 | 00 | | | |
| 88 | Add line 77 and line 87. Enter the total..... | 88 | 00 | | | |
| <ul style="list-style-type: none"> • If line 88 is \$2,500,000 or less, complete lines 89 and 93. Skip lines 90 through 92. • If line 88 is more than \$2,500,000, skip line 89. Complete lines 90 through 93. | | | | | | |
| 89 | If line 88 is \$2,500,000 or less, multiply line 88 by 24% (.24). Enter the result..... | 89 | 00 | | | |
| 90 | If line 88 is more than \$2,500,000, subtract \$2,500,000 from line 88. Enter the difference..... | 90 | 00 | | | |
| 91 | Multiply line 90 by 15% (.15). Enter the result..... | 91 | 00 | | | |
| 92 | Add \$600,000 to line 91. Enter the total..... | 92 | 00 | | | |
| 93 | Enter the amount from line 89 or 92. Also enter this amount on page 1, Part 2, line 27b of this form and complete the remainder of Form 308. | 93 | 00 | | | |