

2020 Nonrefundable Individual Tax Credits and Recapture

Arizona Form 301

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 *Reports and Legal Research* then click on *Legal Research* and select a *Document Type* and *Category* from the drop down menus.

Publications

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

General Instructions

You must complete and include Arizona Form 301 and the credit form(s) 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.

If you don't meet one of the exceptions below and do not complete and include Form 301 and all required tax credit forms with your income tax return, your claim for tax credit(s) may be denied.

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:

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

Line-by-Line Instructions

Enter your name and Social Security Number (SSN) as shown on Arizona Form 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 26 complete columns (a), (b) and (c) for each of the following credits available to you this taxable year.

Line 1 - Military Reuse Zone Credit

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

Column (b): Enter the amount from Form 306, line 7.

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

Line 2 - 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 28(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 51.

Column (b): Enter the amount from line 52 from Form 308-I.

Column (c): Enter the amount from Form 308-I, line 53.

Line 3 - 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 4 - 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 5 - 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 6 - 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 7 - Credit for Solar Hot Water Heater Plumbing Stub Outs and Electric Vehicle Recharge Outlets

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

Column (b): Enter the amount from Form 319, line 10.

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

Line 8 - 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 9 - 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 10 - 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 11 - 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 12 - Agricultural Pollution Control Equipment Credit

Column (a): Enter the amount from Form 325, line 25.

Column (b): Enter the amount from Form 325, line 26.

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

Line 13 - Credit for Donation of School Site

Column (a): Enter the amount from Form 331, line 17.

Column (b): Enter the amount from Form 331, line 18.

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

Line 14 - Credit for Employment by Healthy Forest Enterprises

Column (a): Enter the amount from Form 332, line 56.

Column (b): Enter the sum of lines 57 and 58 from Form 332.

Column (c): Enter the amount from Form 332, line 59.

Line 15 - 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 16 - 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 17 - Credit for Solar Energy Devices - Commercial and Industrial Applications

Column (a): Do not enter an amount in column (a).

Column (b): Enter the amount from Form 336, line 6.

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

Line 18 - 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 19 - Credit for Donations to the Military Family Relief Fund

Column (a): Enter the amount from Form 340, line 6.

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

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

Line 20 - 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 21 - 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 22 - 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 23 - 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 24 - 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 25 - 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 26 - Reserved for future use

Do not enter an amount on line 26.

Line 27 - Total Available Nonrefundable Tax Credits

For column (c), add lines 1 through 25. 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 28 -

Enter the amount of tax from your income tax form.

| If you file Form: | Enter the amount from line: |
|-------------------|-----------------------------|
| 140 | 46 |
| 140PY | 56 |
| 140NR | 56 |
| 140X | 35 |

Line 29 -

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 32.

| Healthy Forest Recapture Tax Worksheet | |
|---|--|
| 1. Enter the tax from recapture of the <u>employment</u> credit from Form 332, Part 9, line 39. | |
| 2. Enter the tax from recapture of the <u>training</u> credit from Form 332, Part 10, line 45. | |
| 3. Add lines 1 and line 2. Enter the total here and on Form 301, line 29 | |

Line 30 -

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

Line 31 - Recapture Total

Add lines 29 and 30. Enter the total here and on your income tax form.

| If you file Form: | Enter the amount on line: |
|-------------------|---------------------------|
| 140 | 47 |
| 140PY | 57 |
| 140NR | 57 |
| 140X | 36 |

Line 32 - Subtotal

Add lines 28 and 31. Enter the total here.

Line 33 - Family Income Tax Credit and Dependent Tax Credit

If you claimed a family income tax credit and/or the dependent tax credit, enter the total amount of family income tax credit and dependent tax credit claimed on your income tax form.

| If you file Form: | Enter the total amount from lines: |
|-------------------|------------------------------------|
| 140 | 50 and 49 |
| 140PY | 59 and 60 |
| 140NR | 59 |
| 140X | 38a and 38b |

Line 34 -

Subtract line 33 from line 32. 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 34. 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 35 - 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 36 - 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.

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 28c**). Enter the refundable portion of the credit (the amount from Form 308-I, **Part 5, line 32**) on Form 140, line 58; or Form 140NR, line 65; or Form 140PY, line 67; 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 37 - 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 38 - 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. Nonresidents filing Form 140NR; enter "0".

Line 39 - 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 40 - 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 41 - 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 42 - 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 43 - 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 44 - 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 45 - 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 46 - 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 47 - 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 48 - Credit for Employment by 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 49 - 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 50 - 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 51 - 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 52 - 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 53 - 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 19 or on Form 301, Part 2, line 32.

Line 54 - 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 55 - 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 56 - 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 57 - 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 58 - 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 59 - 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 60- Reserved for future use

Do not enter an amount on line 60.

Line 61 - Total Tax Credits Used

Add lines 35 through 59 and enter the total here.

This amount cannot exceed the amount entered on Form 301, line 34.

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

| If you file Form: | Enter the amount on line: |
|-------------------|---------------------------|
| 140 | 51 |
| 140PY | 61 |
| 140NR | 60 |
| 140X | 39 |

Credit Carryover Worksheet

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

Keep the worksheet with your records and use the information to complete your 2021 return that you will file in 2022. 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 2021 credit forms that you will file in 2022. | | | | | | |
| (a) Credit Type | | (b) Carryover? | | (c) Credit Available for 2020 | (d) Credit Used for 2020 | (e) Carryover Available for 2021 |
| On lines 1 through 4 below, enter the form number of the credit(s) available to you for 2020. | | May the unused portion from the credit listed in column (a) be carried forward? (See the applicable credit form for carry forward information.) Check either yes or no. If the answer is no, do not complete columns (c) through (e) for that line. | | On lines 1 through 4 below, enter the amount of each credit <i>available</i> to you for 2020. Take these amounts from Form 301, lines 1 through 26. | On lines 1 through 4 below, enter the amount of each credit <i>used</i> for 2020. Take these amounts from Form 301, lines 35 through 60. | 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 2021, providing carryover may be carried to 2021. Use this figure when completing the appropriate carryover amount(s) on the 2021 credit form(s). |
| | | | | | | |
| 1. | | | | .00 | .00 | .00 |
| 2. | | | | .00 | .00 | .00 |
| 3. | | | | .00 | .00 | .00 |
| 4. | | | | .00 | .00 | .00 |