

2021 Nonrefundable Individual Tax Credits and Recapture

Arizona Form 301-SBI

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

Phoenix (602) 255-3381
From area code 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 select *Reports, Statistics and Legal Research* from the main menu 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, Statistics and Legal Research* from the main menu then click on *Publications* in the left hand column.

General Instructions

You must complete and include Arizona Form 301-SBI and the credit form(s) with your Arizona Small Business Income Tax return to claim nonrefundable.

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-SBI and all required tax credit forms with your income tax return, your claim for tax credit(s) may be denied.

When Form 301-SBI is Not Required

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

- 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-SBI, 140PY-SBI, 140NR-SBI, or 140X-SBI.

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 18 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(d).

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 amount from Form 308-I, line 58.

Column (c): Enter the amount from Form 308-I, line 59.

Line 3 - Credit for Taxes Paid to Another State or Country

Column (a): Enter the amount from Form 309-SBI, line 17.

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

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

Line 4 - 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 5 - 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 6 - 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 8.

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

Line 7 - 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 8 - 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 9 - Credit for Employment by Healthy Forest Enterprises

Column (a): Enter the amount from Form 332, line 55.
 Column (b): Enter the sum of lines 56 and 57 from Form 332.
 Column (c): Enter the amount from Form 332, line 58.

Line 10 - 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 11 - 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 12 - 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 5.
 Column (c): Enter the amount from column (b).

Line 13 - 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 14 - 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 15 - 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 16 - 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 17 - 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 18 - Healthy Forest Production Tax Credit

Column (a): Enter the amount from Form 353, line 9.

Column (b): Do not enter an amount in column (b).
 Column (c): Enter the amount from Form 353, line 10.

Line 19 - Total Available Nonrefundable Tax Credits

For column (c), add lines 1 through 18. 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 20 -

Enter the amount of tax from your income tax form.

If you file Form:	Enter the amount from line:
140-SBI	50
140PY-SBI	50
140NR-SBI	48
140X-SBI	49

Line 21 -

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 21.

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-SBI, line 21.	

Line 22 -

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

Line 23 - Recapture Total

Add lines 21 and 22. Enter the total here and on your income tax form.

If you file Form:	Enter the amount on line:
140-SBI	51
140PY-SBI	51
140NR-SBI	49
140X-SBI	50

Line 24 - Subtotal

Add lines 20 and 23. Enter the total here.

Nonrefundable Tax Credits Used This Taxable Year

The total amount of tax credits you use cannot exceed the amount entered on line 24. 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. The amount entered on each of lines 25-42 cannot exceed the Total Available Credit amount on the corresponding lines on Form 301-SBI, page 1, column (c).

Line 25 - Military Reuse Zone Credit

The amount you enter on line 25 cannot exceed the amount from Form 301-SBI, line 1, column (c). 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 26 - Credit for Increased Research Activities - Individuals

The amount you enter on line 26 cannot exceed the amount from Form 301-SBI, line 2, column (c). 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 28d**). Enter the refundable portion of the credit (the amount from Form 308-I, **Part 7, line 38**) on Form 140-SBI, line 57; or Form 140NR-SBI, line 55; or Form 140PY-SBI, line 55; or Form 140X, line 56.

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 27 - Credit for Taxes Paid to Another State or Country

The amount you enter on line 27 cannot exceed the amount from Form 301-SBI, line 3, column (c). There is no carry forward of the unused portion of this tax credit. See Form 309-SBI for details. Enter the amount used.

Line 28 - Agricultural Water Conservation System Credit

The amount you entered on line 28 cannot exceed the amount from Form 301-SBI, line 4, column (c). 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 29 - Pollution Control Credit

The amount you enter on line 29 cannot exceed the amount from Form 301-SBI, line 5, column (c). 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 30 - Credit for Solar Hot Water Heater Plumbing Stub Outs and Electric Vehicle Recharge Outlets

The amount you enter on line 30 cannot exceed the amount from Form 301-SBI, line 6, column (c). 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 31 - Agricultural Pollution Control Equipment Credit

The amount you enter on line 31 cannot exceed the amount from Form 301-SBI, line 7, column (c). 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 32 - Credit for Donation of School Site

The amount you enter on line 32 cannot exceed the amount from Form 301-SBI, line 8, column (c). 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 33 - Credit for Employment by Healthy Forest Enterprises

The amount you enter on line 33 cannot exceed the amount from Form 301-SBI, line 9, column (c). 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 34 - Credit for Employing National Guard Members

The amount you enter on line 34 cannot exceed the amount from Form 301-SBI, line 10, column (c). 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 35 - Credit for Business Contributions by an S Corporation to School Tuition Organizations - Individual

The amount you enter on line 35 cannot exceed the amount from Form 301-SBI, line 11, column (c). 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 36 - Credit for Solar Energy Devices - Commercial and Industrial Applications

The amount you enter on line 36 cannot exceed the amount from Form 301-SBI, line 12, column (c). 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 37 - Credit for Investment in Qualified Small Businesses

The amount you enter on line 37 cannot exceed the amount from Form 301-SBI, line 13 column (c). 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 38 - Credit for Business Contributions by an S Corporation to School Tuition Organizations for Displaced Students or Students with Disabilities - Individual

The amount you enter on line 38 cannot exceed the amount from Form 301-SBI, line 14, column (c). 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 39 - Renewable Energy Production Tax Credit

The amount you enter on line 39 cannot exceed the amount from Form 301-SBI, line 15, column (c). 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 40 - Credit for New Employment

The amount you enter on line 40 cannot exceed the amount from Form 301-SBI, line 16, column (c). 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 41 - Additional Credit for Increased Research Activities for Basic Research Payments

The amount you enter on line 41 cannot exceed the amount from Form 301-SBI, line 17, column (c). 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 42- Healthy Forest Production Credit

The amount you enter on line 42 cannot exceed the amount from Form 301-SBI, line 18, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 353 for details. Enter the amount used.

Line 43 - Tax Credits Used

Add lines 25 through 42 and enter the total here.

Part 3: Amount of tax credits from Form 301-SBI Available to use on Form 301

Taxpayers filing Form 301-SBI may transfer certain unused credits to Form 301 to use on their individual income tax return.

Complete this section if both of the following are true:

- The total available credits on Form 301-SBI, Part 1, line 19, exceeds the total tax credits used on Form 301-SBI, Part 2, line 43.
- The balance of tax on Form 140, 140PY, 140NR or 140X after applying the non-refundable credits from Form 301 is greater than "0".

Lines 44 through 46

Completed lines 44-46 to determine if you have a tax liability remaining after applying your non-refundable tax credits on your regular income tax return.

Lines 47 through 64

If line 46 is greater than zero, "0", complete lines 47 through 64 to report the amount of credits available to transfer to Form 301.

- Column (a): Enter the available credit from Part 1, column (c) minus credit used in Part 2. Enter the difference.
- Column (b): Enter the amount for each credit that you are transferring to Form 301.

Line 65 – Total Credits Transferred to Form 301, line 60.

Add lines 47-64 and enter the total in column (b) and on Form 301, line 60. **Amount on line 65 cannot be greater than line 46.**

Credit Carryover Worksheet

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

Keep the worksheet with your records and use the information to complete your 2022 return that you will file in 2023. 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.

301-SBI Credit Carryover Worksheet

Keep this worksheet with your records. Use this information to complete your 2022 credit forms that you will file in 2023.

Note: For Credit Form 308-I: Do not include the 308-I in the schedule if you received the excess as a refundable credit. In this case, there is no carryover available.

	(a) Credit Type	(b) Carryover?		(c) Credit Available for 2021	(d) Credit Used for 2021	(e) Credit Transferred to Form 301	(f) Carryover Available for 2022
	On lines 1 through 4 below, enter the form number of the credit(s) available to you for 2021.	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 (f) for that line.		On lines 1 through 4 below, enter the amount of each credit <i>available</i> to you for 2021. Take these amounts from Form 301-SBI, lines 1 through 18.	On lines 1 through 4 below, enter the amount of each credit <i>used</i> on Form 301-SBI for 2021. Take these amounts from Form 301, lines 47 through 64.	On lines 1 through 4 below, enter the amount of each credit <i>transferred from Form 301-SBI to Form 301</i> for 2021. Enter the amounts from Part 3, lines 47 through 64, column (b).	For each line on which you have entered an amount, subtract the amount in column (e) from the amount in column (d). This is the amount of each credit that you may carryover to 2022, providing carryover may be carried to 2022. Use this amount when completing the appropriate carryover amount(s) on the 2022 credit form(s).
		YES	NO				
1.				.00	.00	.00	.00
2.				.00	.00	.00	.00
3.				.00	.00	.00	.00
4.				.00	.00	.00	.00