

*Include with your return.*

For the calendar year 2016 or fiscal year beginning MMDD 2,016 and ending MMDD 2,0YY.

**All businesses must be certified by the Arizona Commerce Authority and the Department of Revenue before applying for this credit.**

Name as shown on Form 140, 140PY, 140NR, 140X, 99T, 120, 120A, 120S, 120X, or 165	Social Security or Employer Identification Number
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**Part 1 Qualification for Additional Credit**

<p>1 Did you receive a Letter of Approval from the Arizona Department of Revenue (Revenue) for this credit? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p style="margin-left: 20px;">a If "Yes", include a copy of the letter.</p> <p style="margin-left: 20px;">b If "No", go to line 3.</p>				
2 Enter the credit amount from the Letter of Approval from Revenue .....	2			00
<p>3 Are you claiming this credit as a pass through from a partnership or S corporation and you received Form(s) 346-P from the partnership(s) and/or Form(s) 346-S from the S corporation(s)? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p style="margin-left: 20px;">a If "Yes", include a copy of each Form 346-P or Form 346-S you received.</p> <p style="margin-left: 20px;">b If "No", skip to line 4.</p>				
4 If you answered "Yes" to the question on line 1 and/or the question on line 3, go to Part 2.				
5 If you answered "No" to the question on line 1 and to the question on line 3, <b>STOP! YOU ARE NOT ELIGIBLE TO CLAIM THIS CREDIT.</b>				

**Part 2 Current Taxable Year's Credit Calculation**

<b>Portion Earned by the Taxpayer</b>				
6 Basic research payments paid to qualified organizations: See instructions	6		00	
7 Qualified organization base period amount .....	7		00	
8 Subtract line 7 from line 6. If less than zero, enter zero .....			8	00
9 Multiply line 8 by 10% (.10). Enter the result. The result cannot exceed the amount on line 2 .....			9	00
<b>Portion Passed Through From Partnerships or S Corporations</b>				
10 Enter your share of this credit passed through to you on Form(s) 346-P, line 4 or Form(s) 346-S line 4.				
<ul style="list-style-type: none"> <li>• If you received a pass through credit from two or more partnerships or S corporations, total the credits received on a separate schedule and enter the total amount of credit passed through to you here. Include a copy of that schedule and each Form(s) 346-P and/or Form(s) 346-S you received .....</li> </ul>	10		10	00

**Part 3 Total Current Year's Credit**

11 Total Credit: Add line 9 and line 10. Enter the total here. <b>This is the current year's Additional Credit for Increased Research Activities for Basic Research Payments</b> .....	11			00
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**IMPORTANT:**

- Partnerships, complete Form 346-P for each partner and include a copy of this form with your return. Provide a copy of Form 346-P to each partner.
- S corporations electing to pass this credit through to shareholders, proceed to Part 6.

Continued on page 2 →

Name (as shown on page 1)	TIN
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**Part 4 Available Credit Carryover**

	(a) Taxable Year	(b) Original Credit Amount	(c) Amount Previously Used or Expired	(d) Available Carryover: Subtract column (c) from column (b).
12		00	00	00
13		00	00	00
14		00	00	00
15		00	00	00
16		00	00	00
17	Total Available Carryover: Add lines 12 through 16 in column (d) .....			00

**Part 5 Total Additional Available Credit for Increased Research Activities for Basic Research Payments**

18	Current year's credit: <ul style="list-style-type: none"> <li>• <i>Individuals:</i> Enter the amount from line 11. Also enter this amount on Form 301, line 28, column (a).</li> <li>• <i>Corporations, S corporations electing to claim this credit at the corporate level, and exempt organizations with UBTI:</i> Enter the amount from line 11. Also enter this amount on Form 300, line 21, column (a).....</li> </ul>		00
19	Available credit carryover: Enter the amount from line 17. <ul style="list-style-type: none"> <li>• <i>Individuals:</i> Also enter this amount on Form 301, line 28, column (b).</li> <li>• <i>Corporations, S corporations electing to claim this credit at the corporate level, and exempt organizations with UBTI:</i> Also enter this amount on Form 300, line 21, column (b) .....</li> </ul>		00
20	<b>Total available credit:</b> Add lines 18 and 19 and enter the total here. <ul style="list-style-type: none"> <li>• <i>Individuals:</i> Also enter this amount on Form 301, line 28, column (c).</li> <li>• <i>Corporations, S corporations electing to claim this credit at the corporate level, and exempt organizations with UBTI:</i> Also enter this amount on Form 300, line 21, column (c).....</li> </ul>		00

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

The S corporation has made an irrevocable election for the taxable year ending [M, M, D, D, Y, Y, Y, Y] to (check only one box):

- Claim the additional credit for increased research activities for basic research payments as shown on Part 3, line 11 (for the taxable year mentioned above) at the corporate level;
- OR**
- Pass the additional credit for increased research activities for basic research payments as shown on Part 3, line 11 (for the taxable year mentioned above) through to its shareholders.

\_\_\_\_\_  
Signature Title Date

S corporations making the election to pass on this credit to its shareholders, complete Form 346-S for each shareholder, and include a copy of this form with your return. Provide a copy of Form 346-S to each shareholder.