

# 2023 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](http://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 the *About* tab on the home page and select *Legal Research* from the drop-down menu and then click on *Procedures* or *Rulings* from the drop-down menu. Using the Category box, select the tax type and then scroll down to find the *Document ID* or use the *Search Keyword* function to locate the document.

## Publications

To view or print the department's publications, go to our website select the *About* tab on the home page and select *Legal Research* from the drop-down menu and then click on *Publications* from the drop-down menu.

## 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 Motion Picture Production Costs (Arizona Form 334).
- 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 17 complete columns (a), (b) and (c) for each of the following credits available to you this taxable year.

### Line 1 - 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 34(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 68.

Column (b): Enter the amount from Form 308-I, line 69.

Column (c): Enter the amount from Form 308-I, line 70.

### Line 2 - 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 3 - 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 4 - Pollution Control Credit

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

Column (b): Enter the amount from Form 315, line 26.

Column (c): Enter the amount from Form 315, line 27.

### Line 5 - 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 6 - Credit for Donation of School Site**

Column (a): Enter the amount from Form 331, line 19.  
 Column (b): Enter the amount from Form 331, line 20.  
 Column (c): Enter the amount from Form 331, line 21.

**Line 7 - 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 8 - 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 9 - 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 4.  
 Column (c): Enter the amount from column (b).

**Line 10 - 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 11 - 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 12 - 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 13 - 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 14 - 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 15 - Healthy Forest Production Tax Credit**

Column (a): Enter the amount from Form 353, line 15.  
 Column (b): Enter the amount from Form 353, line 16.  
 Column (c): Enter the amount from Form 353, line 17.

**Line 16 - Affordable Housing Credit**

Column (a): Enter the amount from Form 354, line 20.  
 Column (b): Enter the amount from Form 354, line 21.  
 Column (c): Enter the amount from Form 354, line 22.

**Line 17 - Credit for Entity-Level Income Tax**

Column (a): Enter the amount from Form 355, line 11.  
 Column (b): Enter the amount from Form 355, line 12.  
 Column (c): Enter the amount from Form 355, line 13.

**Line 18 - Reserved**

Do not enter an amount on this line.

**Line 19 - Total Available Nonrefundable Tax Credits**

For column (c), add lines 1 through 17. 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	54
140PY-SBI	54
140NR-SBI	52
140X-SBI	54

**Line 21 - Motion Picture Production Costs Recapture Tax**

Enter the amount of tax from recapture of the credit for Qualified Facilities from Form 334, line 15.

**Line 22 - Qualified Facilities Recapture Tax**

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

**Line 23 - Affordable Housing Recapture Tax**

Enter the amount of tax from recapture of the credit for Qualified Facilities from Form 354, line 12.

**Line 24 - Recapture Total**

Add lines 21, 22 and 23. Enter the total here and on your income tax form.

If you file Form:	Enter the amount on line:
140-SBI	55
140PY-SBI	55
140NR-SBI	53
140X-SBI	55

**Line 25 - Subtotal**

Add lines 20 and 24. 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 25* 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 26 - 42 cannot exceed the Total Available Credit amount on the corresponding lines on Form 301-SBI, page 1, column (c).

### **Line 26 - Credit for Increased Research Activities - Individuals**

The amount you enter on line 26 cannot exceed the amount from Form 301-SBI, line 1, 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 61; or Form 140NR-SBI, line 59; or Form 140PY-SBI, line 61; or Form 140X, line 61.

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 2, 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 3, 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 entered on line 29 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 315 for details. Enter the amount used.

### **Line 30 - Agricultural Pollution Control Equipment Credit**

The amount you enter on line 30 cannot exceed the amount from Form 301-SBI, line 5, 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 31 - Credit for Donation of School Site**

The amount you enter on line 31 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 331 for details. Enter the amount used.

### **Line 32 - Credit for Employing National Guard Members**

The amount you enter on line 32 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 333 for details. Enter the amount used.

### **Line 33 - Credit for Business Contributions by an S Corporation to School Tuition Organizations - Individual**

The amount you enter on line 33 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 335-I for details. Enter the amount used.

### **Line 34 - Credit for Solar Energy Devices - Commercial and Industrial Applications**

The amount you enter on line 34 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 336 for details. Enter the amount used.

### **Line 35 - Credit for Investment in Qualified Small Businesses**

The amount you enter on line 35 cannot exceed the amount from Form 301-SBI, line 10 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 36 - 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 36 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 341-I for details. Enter the amount used.

### **Line 37 - Renewable Energy Production Tax Credit**

The amount you enter on line 37 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 343 for details. Enter the amount used.

### **Line 38 - Credit for New Employment**

The amount you enter on line 38 cannot exceed the amount from Form 301-SBI, line 13, 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 39 - Additional Credit for Increased Research Activities for Basic Research Payments**

The amount you enter on line 39 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 346 for details. Enter the amount used.

**Line 40 - Healthy Forest Production Credit**

The amount you enter on line 40 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 353 for details. Enter the amount used.

**Line 41 - Affordable Housing Credit**

The amount you enter on line 41 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 354 for details. Enter the amount used.

**Line 42 - Credit for Entity-Level Income Tax**

The amount you enter on line 42 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 355 for details. Enter the amount used.

**Line 43 - Reserved**

Do not enter an amount on this line.

**Line 44 - Tax Credits Used**

Add lines 26 through 42 and enter the total here.

Also enter this amount on your small business income tax form.

If you file Form:	Enter the amount on line:
140-SBI	57
140PY-SBI	57
140NR-SBI	55
140X-SBI	57

Total credits used cannot be more than line 25.

**Lines 45 through 47**

Completed lines 45 - 47 to determine if you have a tax liability remaining after applying your non-refundable tax credits on your regular income tax return.

**Lines 48 through 66**

If line 47 is greater than zero, "0", complete lines 48 through 66 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 - Reserved**

Do not enter an amount on this line.

**Line 66 - Total Credits Transferred to Form 301, line 61.**

Add lines 48 - 64 and enter the total in column (b) on Form 301, line 61. **Amount on line 66 cannot be greater than line 47.**

**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 2024 return that you will file in 2025. 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.

**Part 3: Amount of tax credits from Form 301-SBI Available to Transfer (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 44.
- The balance of tax on Form 140, 140PY, 140NR or 140X after applying the non-refundable credits from Form 301 is greater than "0".

**301-SBI Credit Carryover Worksheet**

Keep this worksheet with your records. Use this information to complete your 2024 credit forms that you will file in 2025.  
**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 2023	(d) Credit Used for 2023	(e) Credit Transferred to Form 301	(f) Carryover Available for 2024
On lines 1 through 10 below, enter the form number of the credit(s) available to you for 2023.		May the unused portion from the credit listed in column (a) be carried forward? (See the applicable credit form for carry forward information.)		On lines 1 through 10 below, enter the amount of each credit <i>available</i> to you for 2023.  Take these amounts from Form 301-SBI, lines 1 through 17.	On lines 1 through 10 below, enter the amount of each credit <i>used</i> on Form 301-SBI for 2023.  Take these amounts from Form 301-SBI, lines 26 through 42.	On lines 1 through 10 below, enter the amount of each credit <i>transferred from Form 301-SBI to Form 301</i> for 2023. Enter the amounts from Part 3, lines 48 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 2024, providing carryover may be carried to 2024.  Use this amount when completing the appropriate carryover amount(s) on the 2024 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
5.				.00	.00	.00	.00
6.				.00	.00	.00	.00
7.				.00	.00	.00	.00
8.				.00	.00	.00	.00
9.				.00	.00	.00	.00
10.				.00	.00	.00	.00