

I displayed the Training Data so you can see how the credits are recaptured (used) to reduce the tax liability.

Let's start looking around the results to notice how credits were used.

Form 301 For Previous Year --

1. Total carryover credits available—
 - a. Form 321 → 130
Carryover from years 2013, 2015, and 2016
 - b. Form 352 → 100
Carryover from year 2017
2. Recaptured (used) credits—
 - a. Form 321 → 100
 - b. Form 340 → 200
3. Total nonrefundable credits → 630
The combination credit taken in 2018 and carryover credits
4. Total tax credits used → 300
This must NOT be more than the tax liability

Note the credits for the Form 340 are used before other credits. This occurs because the Form 340 credits are used first as per Arizona Form 301 instructions.

Available Carryover For Current Year --

1. Form 321
 - a. Year 2013 – the credit was used, but if it hadn't been used it would have *rolled off*. It would have been lost
 - b. Year 2015 – all the credits were used
 - c. Year 2016 – a portion of the credits were used.
 - d. Year 2018 – no credits were used
2. Form 352
 - a. Year 2017 – no credits were used

The information for the Forms 321 and 352 is copied to the respective form input showing available carryover information.

Remaining Tax Liability & Recaptured Credits (Training Aides)

These two tables are optionally displayed and can be as training aides. The Remaining Tax Liability table provides visual input showing how the tax liability is reduced as nonrefundable credits are used. The Recaptured Credits table provides visual input showing when credits are used. Also note the tables displays 6 years – from oldest year (previous year – 5) to the previous year.

In general, the credits are recaptured from the lowest form number (309) to the highest form number (352) with one exception. Form 340 credits are recaptured first. Within each form, credits are recaptured from the oldest year (the previous year - 5) having unused credits to the previous year. For credits in Forms 309 and 340, there is no carryover; therefore, only the previous year credit is available.

Remaining Tax Liability

1. Note the table shows the credits from Form 340 (in year 2018) were used first to reduce the tax liability.
2. The next reduction of the tax liability occurred with the usage of the Form 321 carryover credits.

Recaptured Credits

1. The first recaptured credits came from Form 340 in year 2018
2. The remaining recaptured credits came from Form 321 in years 2013, 2015, and 2016. There was no more recaptured credit because the tax liability was reduced to zero (0).