

Section B Alternative Incremental Credit. Skip this section if you completed Section A, Regular Credit.

Line 18 through line 21 are to be completed only by corporations (other than S corporations, personal holding companies, and service organizations).

Individuals, S corporations, estates, trusts, partnerships, and LLCs, begin on line 22.

18	Basic research payments paid or incurred during the taxable year. See instructions	18	00
19	Base period amount. See instructions	19	00
20	Subtract line 19 from line 18. If less than zero, enter -0-	20	00
21	Multiply line 20 by 24% (.24)	21	00

Qualified research expenses paid or incurred.

22	Wages for qualified services. See instructions	22	00
23	Cost of supplies. See instructions	23	00
24	Rental or lease costs of computers. See instructions	24	00
25	Enter the applicable percentage of contract research expenses. See instructions	25	00
26	Total qualified research expenses. Add line 22 through line 25	26	00
27	Enter average annual gross receipts. See instructions	27	00
28	Multiply line 27 by 1% (.01)	28	00
29	Subtract line 28 from line 26. If zero or less, enter -0-	29	00
30	Multiply line 27 by 1.5% (.015)	30	00
31	Subtract line 30 from line 26. If zero or less, enter -0-	31	00
32	Subtract line 31 from line 29. If zero or less, enter -0-	32	00
33	Multiply line 27 by 2% (.02)	33	00
34	Subtract line 33 from line 26. If zero or less, enter -0-	34	00
35	Subtract line 34 from line 31. If zero or less, enter -0-	35	00
36	Multiply line 32 by 1.49% (.0149)	36	00
37	Multiply line 35 by 1.98% (.0198)	37	00
38	Multiply line 34 by 2.48% (.0248)	38	00
39 a	Alternative incremental credit. Add line 21, line 36, line 37, and line 38. If you do not elect the reduced credit under IRC Section 280C(c), enter the result here, and see instructions for the schedule that must be attached	39a	00
b	Reduced alternative incremental credit under IRC Section 280C(c). Multiply line 39a by the applicable percentage below: <ul style="list-style-type: none">• 87.7% (.877) for individuals, estates, and trusts• 91.16% (.9116) for corporations• 98.5% (.985) for S corporations Enter the reduced credit amount. See instructions	39b	00

Section C Available Research Credit

40	Pass-through research credit(s) from S corporations, estates, trusts, partnerships, and LLCs. See instructions	40	00
41	Current year research credit. If you did not elect the reduced credit under IRC Section 280C(c), add line 17a or line 39a to line 40 and enter the result here. If you elected the reduced credit under IRC Section 280C(c), add line 17b or line 39b to line 40 and enter the result here	41	00
42	Enter the amount of credit on line 41 that is from passive activities. If none of the amount on line 41 is from passive activities, enter -0-	42	00
43	Subtract line 42 from line 41	43	00
44	Enter the allowable credit from passive activities. See instructions	44	00
45	Non-passive activity credit carryover from prior year. (Do not include credits received through assignment.) See instructions	45	00
46	Total. Add line 43 through line 45	46	00

Part II Carryover Computation. Combined Report Filers see instructions for Part III before completing this part.

47	Credit claimed. Enter the amount of the credit claimed on the current year tax return. See instructions. (Do not include any assigned credit claimed on form FTB 3544, Part B.)	47	00
48	Total credit assigned. Enter the total amount from form FTB 3544, Part A, column (g). If you are not a corporation, enter -0-. See instructions	48	00
49	Credit carryover available for use or assignment for future years. Subtract lines 47 and 48 from line 46	49	00