

For the calendar year 2013 or fiscal year beginning MM,DD,2013 and ending MM,DD,YYYY.

CHECK ONE: Original Amended

Shareholder's Identifying Number	S Corporation's Employer Identification Number (EIN)
Shareholder's Name	S Corporation's Name
Shareholder's Address – number and street or rural route	S Corporation's Address – number and street or rural route
Shareholder's City, Town or Post Office State ZIP Code	S Corporation's City, Town or Post Office State ZIP Code
Shareholder's percentage of stock ownership for the taxable year: _____ %	

Net Long-Term Capital Gain Subtraction – Information Schedule

INSTRUCTIONS FOR THE S CORPORATION:

Beginning in 2013, Arizona allows a subtraction from Arizona gross income for a percentage of any net long-term capital gain from assets acquired **after** December 31, 2011, and included in the individual taxpayer's federal adjusted gross income or the federal taxable income of the estate or trust. Although the subtraction is only available to individuals, estates and trusts, an S corporation shareholder that is a pass-through entity (estate or trust) will need this information to calculate its subtraction or complete the Arizona Form 141AZ, Schedule K-1 or Schedule K-1(NR), for each beneficiary.

If the shareholder's federal Schedule K-1 (Form 1120-S) includes capital gain (loss), complete line 1, column (a) and line 2, columns (a) through (c). If the shareholder's federal Schedule K-1 (Form 1120-S) does not include any capital gain (loss), the S corporation is not required to complete this schedule or provide a copy to resident shareholders.

Pro Rata Share Items From Federal Form 1120-S, Schedule K-1	(a) Distributive Share Amount	(b) Net long-term capital gain (loss) included in column (a) from assets acquired before January 1, 2012	(c) Net long-term capital gain (loss) included in column (a) from assets acquired after December 31, 2011
1 Net short-term capital gain (loss)..... 1			
2 Net long-term capital gain (loss)..... 2			

INSTRUCTIONS FOR THE INDIVIDUAL SHAREHOLDER:

To determine if you qualify to take a subtraction from income on your Arizona personal income tax return, the individual shareholder must complete the *Worksheet for Net Long-Term Capital Gain Subtraction for Assets Acquired After December 31, 2011*. The worksheet is included in the instructions for the resident and part-year resident income tax returns (Arizona Form 140 and Arizona Form 140PY).

Full-year residents use the amount on line 2, column (c) to figure the allowable subtraction on the worksheet included with Arizona Form 140.

Part-year residents use only the amount on line 2, column (c) that is included in your Arizona gross income to figure the allowable subtraction on the worksheet that is included with Arizona Form 140PY.

INSTRUCTIONS FOR THE FIDUCIARY SHAREHOLDER:

If the net long-term capital gain (loss) on line 2, above, is taxed at the estate or trust level, use the information above to complete the *Worksheet for Net Long-Term Capital Gain Subtraction for Assets Acquired After December 31, 2011*, included in the instructions of Arizona Form 141AZ for the estate or trust.

If the net long-term capital gain (loss) on line 2, above, is distributed to the beneficiaries, use the information above to complete the *Worksheet for Net Long-Term Capital Gain Subtraction for Assets Acquired After December 31, 2011*, included in the instructions of Arizona Form 141AZ. The worksheet will assist the estate or trust in completing the *Net Long-Term Capital Gain Subtraction – Information Schedule* on Arizona Form 141AZ, Schedule K-1 or Schedule K-1(NR), for each beneficiary.