

ARIZONA INCOME TAX CREDITS

**Arizona Department of Revenue
Office of Economic Research and Analysis**

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If you have any questions or comments regarding the data contained in this report, please contact the Office of Economic Research & Analysis at the Arizona Department of Revenue at (602) 716-6436.

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ARIZONA INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

INDIVIDUAL		2015	2014	2013	2012	2011	2010	2009	2008	2007
Agricultural Pollution Control Equipment	# of claims credit available credit used carry forward	0 \$0 \$0 \$0	5 \$22,916 \$22,916 \$0	Data Not Releasable	5 \$27,350 \$27,350 \$0	Data Not Releasable	Data Not Releasable	3 \$16,569 \$13,306 \$3,263	5 \$14,331 \$14,087 \$244	Data Not Releasable
Agricultural Water Conservation System	# of claims credit available credit used carry forward	100 \$9,022,729 \$940,331 \$7,115,180	120 \$9,945,664 \$1,145,564 \$8,800,100	43 \$4,944,347 \$838,183 \$3,426,214	93 \$7,141,109 \$1,492,176 \$4,876,141	97 \$5,941,326 \$1,014,711 \$4,698,408	114 \$5,953,129 \$731,424 \$4,779,114	141 \$6,837,859 \$1,046,140 \$4,986,970	139 \$8,607,672 \$1,509,358 \$6,351,248	137 \$8,912,273 \$1,853,588 \$6,333,995
Clean Elections	# of claims credit available credit used				28,320 \$593,442 \$537,541	25,275 \$640,462 \$596,451	24,908 \$712,628 \$644,314	26,088 \$691,600 \$633,415	33,966 \$830,123 \$773,000	34,358 \$875,909 \$815,625
Commerical and Industrial Solar Energy	# of claims credit available credit used carry forward	Data Not Available	108 \$715,297 \$324,550 \$390,747	117 \$729,977 \$408,692 \$346,285	157 \$966,809 \$639,332 \$327,477	119 \$963,770 \$506,006 \$457,764	129 \$910,731 \$543,109 \$367,622	81 \$549,543 \$325,054 \$224,489	53 \$428,724 \$279,874 \$148,850	15 \$75,549 \$54,558 \$20,991
Contributions To Qualifying Charitable Organizations	# of claims credit available credit used carry forward	116,908 \$36,751,067 \$32,349,941	116,225 \$35,790,362 \$31,617,855	100,398 \$27,457,025 \$24,503,609	78,736 \$22,128,648 \$21,835,458	66,396 \$18,191,993 \$18,012,263	61,602 \$16,899,920 \$16,727,074	49,915 \$13,556,228 \$12,889,895 \$666,333	36,568 \$11,077,991 \$11,059,408	18,280 \$5,877,831 \$5,860,953
Corporate Contributions to School Tuition Organizations	# of claims credit available credit used carry forward	86 \$1,351,349 \$1,114,060 \$237,289								
Corporate Contributions to School Tuition Organizations for Disabled / Displaced	# of claims credit available credit used carry forward	12 \$63,008 \$58,601 \$4,407								
Defense Contracting	# of claims credit available credit used carry forward					0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0
Donations to the Military Family Relief Fund	# of claims credit available credit used carry forward	2,932 \$997,629 \$997,629	2,913 \$977,410 \$977,410	2,936 \$989,606 \$989,606	2,967 \$989,868 \$989,868	3,007 \$996,695 \$996,695	3,052 \$995,849 \$995,849	3,185 \$998,331 \$998,331	3,070 \$982,575 \$982,575	
Employing National Guard Members	# of claims credit available credit used carry forward	Data Not Releasable	Data Not Releasable	0 \$0 \$0 \$0	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable
Employment of TANF Recipients	# of claims credit available credit used carry forward	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	3 \$21,929 \$20,822 \$1,107	0 \$0 \$0 \$0	Data Not Releasable	5 \$24,606 \$12,666 \$11,940

ARIZONA INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

INDIVIDUAL		2015	2014	2013	2012	2011	2010	2009	2008	2007
Enterprise Zone	# of claims	4	26	60	115	112	159	119	140	151
	credit available	\$205,165	\$280,835	\$403,699	\$904,001	\$1,490,118	\$1,617,002	\$1,630,893	\$1,766,320	\$1,632,256
	credit used	\$12,062	\$40,602	\$92,579	\$294,431	\$469,034	\$654,420	\$676,791	\$896,056	\$1,003,582
	carry forward	\$164,219	\$218,536	\$313,687	\$578,431	\$1,001,263	\$942,090	\$947,085	\$862,776	\$593,280
Environmental Technology Facility	# of claims							3		
	credit available	Data Not Releasable	\$12,352	Data Not Releasable	Data Not Releasable					
	credit used							\$1,921		
	carry forward							\$10,431		
Family Income Tax Credit	# of claims	568,969	580,028	538,319	520,448	533,345	516,513	515,867	501,013	518,820
	credit available	\$44,826,930	\$46,798,120	\$43,639,520	\$43,457,960	\$45,490,320	\$44,548,440	\$44,711,520	\$42,060,538	\$42,706,477
	credit used	\$4,288,005	\$4,770,077	\$5,017,004	\$5,399,635	\$5,905,317	\$5,594,106	\$5,270,319	\$5,811,534	\$6,784,150
Healthy Forest Enterprise and Ecological Restoration Workforce Training	# of claims	0	0	0	0	0	0	0	0	0
	credit available	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	credit used	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	carry forward	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Income Taxes Paid To Other States or Countries	# of claims	48,600	58,335	43,359	32,281	39,174	36,535	30,125	31,103	27,706
	credit available	\$78,911,652	\$140,744,364	\$96,608,047	\$93,394,010	\$82,151,564	\$84,093,029	\$75,216,168	\$78,837,292	\$105,315,257
	credit used	\$78,911,652	\$140,744,364	\$96,608,047	\$93,394,010	\$82,151,564	\$84,093,029	\$75,216,168	\$78,837,292	\$105,315,257
Increased Excise Taxes Paid	# of claims	609,041	664,037	648,116	638,208	672,009	656,524	664,675	605,599	579,464
	credit available	\$29,938,259	\$33,511,567	\$33,418,364	\$33,367,298	\$35,659,215	\$35,278,230	\$35,928,030	\$32,308,185	\$30,444,007
	credit used	\$29,938,259	\$33,511,567	\$33,418,364	\$33,367,298	\$35,659,215	\$35,278,230	\$35,928,030	\$32,308,185	\$30,444,007
Investment in Qualified Small Business	# of claims		364	297	281	223	220	208	128	84
	credit available	Data Not Available	\$3,581,936	\$3,191,923	\$3,198,263	\$3,100,066	\$2,746,899	\$1,823,783	\$867,689	\$415,766
	credit used		\$1,716,442	\$1,064,348	\$1,069,297	\$849,766	\$766,806	\$574,434	\$411,156	\$296,115
	carry forward		\$1,555,344	\$1,517,517	\$1,536,819	\$1,980,384	\$1,980,385	\$1,249,498	\$456,644	\$119,736
Military Reuse Zone	# of claims			0	0			0	0	0
	credit available	Data Not Releasable	Data Not Releasable	\$0	\$0	Data Not Releasable	Data Not Releasable	\$0	\$0	\$0
	credit used			\$0	\$0			\$0	\$0	\$0
	carry forward			\$0	\$0			\$0	\$0	\$0
Motion Picture Production and Infrastructure	# of claims	0	0	0	3	4	7	8	10	4
	credit available	\$0	\$0	\$0	\$16,505	\$187,542	\$401,339	\$328,603	\$513,567	\$153,184
	credit used	\$0	\$0	\$0	\$16,505	\$52,115	\$180,574	\$98,854	\$292,098	\$128,165
	carry forward	\$0	\$0	\$0	\$0	\$16,505	\$220,765	\$229,749	\$221,469	\$25,019
Neighborhood Electric Vehicle	# of claims									
	credit available									
	credit used									
New Employment	# of claims			0	0	0				
	credit available	Data Not Releasable	Data Not Releasable	\$0	\$0	\$0				
	credit used			\$0	\$0	\$0				
	carry forward			\$0	\$0	\$0				

ARIZONA INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

INDIVIDUAL		2015	2014	2013	2012	2011	2010	2009	2008	2007
Pollution Control Device	# of claims	5	0	0	9		3		5	10
	credit available	\$36,476	\$0	\$0	\$221,039	Data Not Releasable	\$5,844	Data Not Releasable	\$18,492	\$30,247
	credit used	\$27,085	\$0	\$0	\$221,039		\$2,466		\$5,731	\$7,962
	carry forward	\$9,391	\$0	\$0	\$0		\$2,661		\$12,756	\$22,767
Private School Tuition Organization (ORIGINAL)	# of claims	63,655	78,575	75,813	73,159	71,801	62,940	73,430	78,434	76,065
	credit available	\$49,098,245	\$58,676,257	\$54,425,997	\$51,307,450	\$49,104,660	\$43,183,534	\$50,879,153	\$55,260,728	\$54,304,968
	credit used	\$49,098,245	\$58,676,257	\$54,425,997	\$51,307,450	\$49,104,660	\$43,183,534	\$50,879,153	\$55,260,728	\$54,304,968
	carry forward									
Private School Tuition Organization (SWITCHER)	# of claims	30,013	34,731	28,932	16,518					
	credit available	\$24,504,244	\$28,371,948	\$23,201,403	\$12,947,997					
	credit used	\$24,504,244	\$28,371,948	\$23,201,403	\$12,947,997					
	carry forward									
Property Tax	# of claims	19,579	19,277	19,012	18,767	18,503	17,526	17,366	15,675	16,810
	credit available	\$7,608,369	\$7,406,381	\$7,327,176	\$7,222,443	\$7,183,778	\$6,750,770	\$6,606,391	\$5,722,697	\$5,979,296
	credit used	\$7,608,369	\$7,406,381	\$7,327,176	\$7,222,443	\$7,183,778	\$6,750,770	\$6,606,391	\$5,722,697	\$5,979,296
	carry forward									
Public School Extracurricular Activity Fee	# of claims	263,178	266,087	253,842	253,134	250,216	250,004	239,031	233,450	214,356
	credit available	\$48,084,305	\$50,991,999	\$50,972,856	\$51,287,359	\$48,442,987	\$43,718,717	\$42,657,087	\$45,164,366	\$44,069,896
	credit used	\$48,084,305	\$50,991,999	\$50,972,856	\$51,287,359	\$48,442,987	\$43,718,717	\$42,657,087	\$45,164,366	\$44,069,896
	carry forward									
Qualified Facilities	# of claims	0	0	0						
	credit available	\$0	\$0	\$0						
	CREDIT REFUNDED	\$0	\$0	\$0						
REFUNDABLE										
Qualified Health Insurance Plans	# of claims		5	0	0					
	credit available	Data Not Releasable	\$21,240	\$0	\$0					
	credit used		\$3,856	\$0	\$0					
	carry forward		\$17,384	\$0	\$0					
Recycling Equipment	# of claims	0	0	0	0	0	0	0	0	0
	credit available	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	credit used	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	carry forward	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Renewable Energy Industry-Investment and Employment	# of claims	0	0	0	0	0	0			
	credit available	\$0	\$0	\$0	\$0	\$0	\$0			
	CREDIT REFUNDED	\$0	\$0	\$0	\$0	\$0	\$0			
REFUNDABLE										
Renewable Energy Investment and Production for Self-Consumption	# of claims	0	0							
	credit available	\$0	\$0							
	credit used	\$0	\$0							
	carry forward	\$0	\$0							
Renewable Energy Production	# of claims		5	0	0	0				
	credit available	Data Not Releasable	\$320,171	\$0	\$0	\$0				
	credit used		\$309,243	\$0	\$0	\$0				
	carry forward		\$10,928	\$0	\$0	\$0				

ARIZONA INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

INDIVIDUAL		2015	2014	2013	2012	2011	2010	2009	2008	2007
Research & Development	# of claims	374	790	631	559	535	491	359	350	281
	credit available	\$34,153,042	\$38,540,608	\$30,838,752	\$25,445,436	\$20,635,925	\$17,923,114	\$13,219,008	\$12,602,338	\$10,177,930
	credit used	\$5,159,631	\$10,501,226	\$8,386,728	\$7,825,336	\$7,052,643	\$6,844,806	\$4,808,573	\$5,091,709	\$4,015,871
	CREDIT REFUNDED	\$0	\$18,981	\$152,013	\$132,142	\$423,709	\$270,828	\$0	\$0	\$0
	ltd carry forward	\$156,254	\$156,419	\$156,419	\$231,251	\$273,583	\$350,062	\$382,810	\$427,187	\$530,475
	unltd carry forward	\$28,837,157	\$27,857,655	\$20,636,517	\$17,285,790	\$12,646,801	\$10,529,757	\$8,039,185	\$7,111,363	\$5,659,505
(Additional) Research & Development for University Research	# of claims	0	0	0	0					
	credit available	\$0	\$0	\$0	\$0					
	credit used	\$0	\$0	\$0	\$0					
	carry forward	\$0	\$0	\$0	\$0					
School Site Donation	# of claims	4	20	21	11	20	30	30	55	72
	credit available	\$154,807	\$508,350	\$293,887	\$608,953	\$617,874	\$1,109,133	\$1,003,782	\$2,089,663	\$6,255,914
	credit used	\$4,144	\$303,735	\$111,752	\$38,578	\$89,461	\$223,949	\$76,427	\$321,623	\$2,819,579
	carry forward	\$150,663	\$157,090	\$182,135	\$156,776	\$521,716	\$759,483	\$357,500	\$1,718,697	\$3,217,277
Solar Energy Device	# of claims	7,961	7,931	7,716	7,754	9,212	9,147	8,528	5,255	2,699
	credit available	\$5,833,443	\$5,872,740	\$5,530,662	\$5,626,964	\$6,840,408	\$7,188,710	\$6,289,654	\$3,357,696	\$1,724,349
	credit used	\$4,166,795	\$4,142,240	\$3,824,470	\$3,874,538	\$4,918,762	\$5,763,107	\$5,065,150	\$2,579,148	\$1,304,830
	carry forward	\$1,574,175	\$1,640,412	\$1,670,356	\$1,738,779	\$1,921,646	\$1,463,817	\$1,224,169	\$777,204	\$421,078
Solar Hot Water Plumbing Stub Outs & Electric Vehicle Recharge	# of claims	107	93	12	13	24	15	16	11	3
	credit available	\$14,261	\$13,761	\$975	\$1,125	\$2,025	\$2,119	\$2,850	\$1,053	\$225
	credit used	\$8,836	\$9,384	\$975	\$1,125	\$1,876	\$1,662	\$1,568	\$930	\$225
	carry forward	\$5,425	\$4,375	\$0	\$0	\$149	\$457	\$1,282	\$123	\$0
Solar Liquid Fuel Research & Development	# of claims	0	0	0	0	0				
	credit available	\$0	\$0	\$0	\$0	\$0				
	credit used	\$0	\$0	\$0	\$0	\$0				
	carry forward	\$0	\$0	\$0	\$0	\$0				
Water Conservation Systems	# of claims	6	9	25	38	258	240	218	214	61
	credit available	\$2,527	\$3,345	\$9,562	\$24,587	\$134,048	\$123,354	\$123,303	\$121,593	\$42,238
	credit used	\$226	\$374	\$3,739	\$7,287	\$104,946	\$102,325	\$104,125	\$108,710	\$36,227
	carry forward	\$2,301	\$2,971	\$5,823	\$14,161	\$29,102	\$21,029	\$19,178	\$12,833	\$6,011
TOTAL	# of claims	1,731,543	1,829,692	1,719,654	1,671,581	1,690,342	1,640,169	1,629,400	1,545,246	1,489,384
	credit available	\$371,954,137	\$463,154,744	\$383,992,553	\$360,881,162	\$327,940,718	\$314,213,107	\$303,097,463	\$302,649,290	\$319,023,576
	credit used	\$287,304,704	\$375,632,587	\$311,201,075	\$293,798,599	\$263,149,661	\$252,843,387	\$243,877,841	\$247,431,155	\$265,109,201
	credit refunded	\$0	\$18,981	\$152,013	\$132,142	\$423,709	\$270,828	\$0	\$0	\$0
	carry forward	\$38,464,553	\$40,670,418	\$28,101,762	\$26,489,374	\$23,402,269	\$21,074,680	\$17,964,094	\$17,688,964	\$16,435,316
	ltd carry forward	\$156,254	\$156,419	\$156,419	\$231,251	\$273,583	\$350,062	\$382,810	\$427,187	\$530,475

Notes:

1. Shaded areas indicate that the credit was not in effect during the tax year.
2. "Data Not Available" indicates that the credit data was not available at the time of publication and will be provided on a later report.
3. "Data Not Releasable" indicates that the credit information cannot be released due to confidentiality restrictions.
4. "Total" includes credits for which information was "not releasable" individually.
5. DATA IN *ITALICS* ARE PRELIMINARY.

CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR

CORPORATE		2014	2013	2012	2011	2010	2009	2008	2007	2006
Agricultural	# of claims	0	0	0	0	0	0	0	0	0
Pollution	credit available	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Data Not
Control	credit used	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Releasable
Equipment	carry forward	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clean	# of claims			259	255	260	228	329	227	122
Elections	credit available			\$1,370	\$1,635	\$2,842	\$1,292	\$22,558	\$2,615	\$684
	credit used			\$1,370	\$1,635	\$2,842	\$1,292	\$22,558	\$2,615	\$684
Commercial & Industrial Solar Energy	# of claims	8	16	17	11	13	10	7		
	credit available	\$106,811	\$262,893	\$265,650	\$274,620	\$244,779	\$206,102	\$85,550	Data Not	Data Not
	credit used	\$59,243	\$189,752	\$183,016	\$181,978	\$129,528	\$87,163	\$74,899	Releasable	Releasable
	carry forward	\$47,568	\$73,414	\$82,634	\$92,642	\$115,251	\$118,939	\$10,651		
Consolidated Filer	# of claims									52
	credit available									\$31,647,046
	credit used									\$0
REFUNDABLE	credit refunded									\$31,647,046
	carry forward									\$0
Contributions to School Tuition Organizations	# of claims	65	98	92	83	67	70	74	62	57
	credit available	\$23,667,860	\$31,340,112	\$28,804,101	\$15,368,862	\$11,714,656	\$10,805,124	\$9,180,214	\$11,625,278	\$10,625,940
	credit used	\$17,822,902	\$26,097,925	\$24,363,770	\$12,900,592	\$8,475,518	\$8,872,212	\$6,147,240	\$10,823,475	\$10,369,546
	carry forward	\$5,777,810	\$4,571,570	\$4,279,634	\$2,460,215	\$3,199,138	\$1,932,912	\$3,032,974	\$801,803	\$256,394
Contributions to School Tuition Organizations for Disabled/Displaced Students	# of claims	14	14		3					
	credit available	\$1,919,318	\$506,595	Data Not	\$170,000	Data Not	Data Not			
	credit used	\$1,891,957	\$368,627	Releasable	\$170,000	Releasable	Releasable			
	carry forward	\$27,361	\$137,968		\$0					
Defense Contracting	# of claims				0	0				
	credit available				\$0	\$0	Data Not	Data Not	Data Not	Data Not
	credit used				\$0	\$0	Releasable	Releasable	Releasable	Releasable
	carry forward				\$0	\$0				
Employing National Guard Members	# of claims	5	5	6	8	8	6	5		3
	credit available	\$6,950	\$13,000	\$8,000	\$8,000	\$17,900	\$14,900	\$9,000	Data Not	\$5,000
	credit used	\$6,000	\$10,050	\$6,000	\$7,000	\$17,900	\$7,000	\$3,100	Releasable	\$5,000
	carry forward	\$950	\$2,950	\$2,000	\$1,000	\$0	\$7,900	\$5,900		\$0
Employment of TANF Recipients	# of claims	10	8	9	8	7	12	10	12	11
	credit available	\$149,653	\$212,760	\$161,978	\$131,480	\$117,119	\$129,448	\$57,956	\$51,014	\$51,548
	credit used	\$40,050	\$113,498	\$87,498	\$64,500	\$61,239	\$43,128	\$28,956	\$45,014	\$40,754
	carry forward	\$81,243	\$90,762	\$74,480	\$66,980	\$56,480	\$86,320	\$29,000	\$6,000	\$10,794
Enterprise Zone	# of claims	18	47	58	74	90	95	103	103	105
	credit available	\$3,209,850	\$6,165,340	\$8,650,311	\$11,179,701	\$12,010,385	\$12,774,657	\$11,879,162	\$10,262,063	\$11,383,658
	credit used	\$29,909	\$1,894,417	\$3,639,754	\$5,856,799	\$6,233,916	\$6,248,427	\$7,081,503	\$6,910,484	\$9,112,271
	carry forward	\$2,367,311	\$3,209,850	\$4,340,890	\$5,000,066	\$5,722,173	\$6,414,211	\$4,703,782	\$3,230,055	\$2,269,162
Environmental Technology Facility	# of claims							3		
	credit available	Data Not	\$22,373,917	Data Not	Data Not					
	credit used	Releasable	Releasable	Releasable	Releasable	Releasable	Releasable	\$1,108,346	Releasable	Releasable
	carry forward							\$21,265,571		

CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR

CORPORATE		2014	2013	2012	2011	2010	2009	2008	2007	2006
Healthy Forest Enterprises and Ecological Workforce Training	# of claims	0	0	0	0	0				0
	credit available	\$0	\$0	\$0	\$0	\$0	Data Not	Data Not	Data Not	\$0
	credit used	\$0	\$0	\$0	\$0	\$0	Releasable	Releasable	Releasable	\$0
	carry forward	\$0	\$0	\$0	\$0	\$0				\$0
Military Reuse Zone	# of claims	0		3						
	credit available	\$0	Data Not	\$152,170	Data Not					
	credit used	\$0	Releasable	\$100	Releasable	Releasable	Releasable	Releasable	Releasable	Releasable
	carry forward	\$0		\$143,120						
Motion Picture Production and Infrastructure	# of claims		3	6	6	11	5	11	7	
	credit available	Data Not	\$841,220	\$3,191,116	\$4,458,661	\$9,400,775	\$2,107,372	\$7,551,568	\$6,802,746	Data Not
	credit used	Releasable	\$833,889	\$2,544,570	\$3,825,900	\$8,607,921	\$1,639,943	\$7,377,180	\$1,189,442	Releasable
	carry forward		\$7,331	\$646,546	\$632,721	\$792,854	\$467,429	\$174,388	\$5,613,304	
Neighborhood Electric Vehicles	# of claims									
	credit available									Data Not
	credit used									Releasable
	carry forward									
New Employment Credit	# of claims	21	18	10						
	credit available	\$7,859,700	\$6,962,900	\$4,074,000	Data Not					
	credit used	\$5,029,404	\$5,916,200	\$3,714,100	Releasable					
	carry forward	\$2,830,296	\$1,046,700	\$359,900						
Pollution Control Device	# of claims	14	19	20	17	20	17	18	17	21
	credit available	\$7,327,153	\$6,881,262	\$7,075,245	\$6,585,467	\$7,562,350	\$6,630,139	\$5,409,982	\$4,680,154	\$5,959,906
	credit used	\$1,417,617	\$1,714,164	\$1,872,337	\$1,364,968	\$2,617,517	\$1,956,688	\$1,418,256	\$2,304,062	\$1,997,280
	carry forward	\$5,657,985	\$4,667,337	\$5,018,998	\$4,685,641	\$4,422,930	\$4,260,463	\$3,981,691	\$2,279,572	\$3,805,825
Qualified Facilities	# of claims	0	0							
	credit available	\$0	\$0							
	CREDIT REFUNDED	\$0	\$0							
REFUNDABLE										
Qualified Health Insurance Plans Credit	# of claims									
	credit available	Data Not	Data Not	Data Not						
	credit used	Releasable	Releasable	Releasable						
	carry forward									
Renewable Energy Industry-Investment and Employment	# of claims			0	0	0				
	credit available	Data Not	Data Not	\$0	\$0	\$0				
	CREDIT REFUNDED	Releasable	Releasable	\$0	\$0	\$0				
REFUNDABLE										
Renewable Energy Investment & Production for Self-Consumption	# of claims	0								
	credit available	\$0								
	credit used	\$0								
	carry forward	\$0								
Renewable Energy Production	# of claims	8	8							
	credit available	\$35,296,348	\$24,371,476	Data Not	Data Not					
	credit used	\$9,371,488	\$8,754,958	Releasable	Releasable					
	carry forward	\$25,924,860	\$15,616,518							

CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR

CORPORATE		2014	2013	2012	2011	2010	2009	2008	2007	2006
Research & Development	# of claims	315	324	340	337	313	278	264	255	252
	credit available	\$927,639,500	\$841,524,403	\$757,761,558	\$671,447,887	\$562,581,398	\$453,067,753	\$379,784,063	\$336,769,844	\$283,702,213
	credit used	\$89,566,978	\$91,114,599	\$73,129,890	\$81,809,967	\$59,205,041	\$33,032,735	\$49,718,082	\$57,982,047	\$57,183,092
	CREDIT REFUNDED	\$3,505,726	\$4,247,369	\$4,184,353	\$3,939,816	\$4,015,985	\$0	\$0	\$0	\$0
	ltd carry forward	\$226,867,755	\$309,593,042	\$380,857,381	\$420,021,448	\$469,714,712	\$483,618,723	\$499,588,696	\$506,995,894	\$518,129,610
	unltd carry forward	\$833,260,304	\$741,247,788	\$676,939,142	\$582,545,784	\$495,363,445	\$416,887,759	\$326,871,807	\$274,413,518	\$221,756,044
(Additional) Research & Development for University Research	# of claims	Data Not Releasable	Data Not Releasable	Data Not Releasable						
	credit available									
	credit used									
	carry forward									
School Site Donation	# of claims	0							0	6
	credit available	\$0	Data Not Releasable	\$0	\$2,756,579					
	credit used	\$0							\$0	\$2,755,447
	carry forward	\$0							\$0	\$1,132
Solar Hot Water Plumbing Stub	# of claims	0	0	0	0	0	0	0	0	0
	credit available	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outs & Electric	credit used	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vehicle Recharge	carry forward	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Solar Liquid Fuel Research & Development	# of claims	0	0	0	0					
	credit available	\$0	\$0	\$0	\$0					
	credit used	\$0	\$0	\$0	\$0					
Taxes Paid for Coal Consumed In Generating Electrical Power	# of claims					4	4		4	3
	credit available	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	\$7,308,193	\$6,301,508	Data Not Releasable	\$3,947,740	\$3,245,536
	credit used					\$2,182,237	\$658,252		\$1,052,556	\$929,098
	carry forward					\$4,782,371	\$5,286,784		\$2,534,816	\$1,956,007
Water Conservation Plumbing Stub Outs	# of claims	0	0	0	0	0	0	0		
	credit available	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Data Not Releasable	
	credit used	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
	carry forward	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
TOTAL	# of claims	489	576	843	819	803	736	834	698	642
	credit available	\$1,024,364,739	\$934,879,135	\$836,833,071	\$729,847,834	\$631,824,158	\$514,714,946	\$442,940,001	\$433,455,935	\$401,981,952
	credit used	\$129,971,820	\$137,950,556	\$118,185,788	\$115,714,130	\$88,430,625	\$54,690,428	\$73,305,486	\$107,273,914	\$109,884,923
	credit refunded	\$3,505,726	\$4,247,369	\$4,184,353	\$3,939,816	\$4,015,985	\$0	\$0	\$0	\$31,647,046
	carry forward	\$887,195,507	\$783,556,452	\$708,210,918	\$602,828,117	\$527,485,250	\$455,920,830	\$365,611,179	\$320,901,691	\$254,357,304
	ltd carry forward	\$226,867,755	\$309,593,042	\$380,857,381	\$420,021,448	\$469,714,712	\$483,618,723	\$499,588,696	\$506,995,894	\$518,129,610

Notes:

1. Shaded areas indicate that the credit was not in effect during the tax year.
2. "Data Not Available" indicates that the credit data was not available at the time of publication and will be provided on a later report.
3. "Data Not Releasable" indicates that the credit information cannot be released due to confidentiality restrictions.
4. "Total" includes credits for which information was "not releasable" individually.
5. DATA IN *ITALICS* ARE PRELIMINARY.

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ARIZONA INDIVIDUAL INCOME TAX

AGRICULTURAL POLLUTION CONTROL EQUIPMENT CREDIT

Statute: A.R.S. § 43-1081.01
Effective Date: For taxable years from and after 12/31/1998.
Provisions: A nonrefundable credit is allowed for expenses that a taxpayer (involved in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products) incurs to purchase tangible personal property that is primarily used in the taxpayer's trade or business in Arizona to control or prevent pollution. Property that qualifies for this credit includes the portion of a structure, building, installation, excavation, machine, equipment or device and any attachment or addition or reconstruction, replacement or improvement of that property that is directly used, constructed or installed to prevent, monitor, control or reduce air, water or land pollution.
Credit: The credit is equal to 25% of the cost of the real or personal property, not to exceed \$25,000.
Carry forward: Five years.

	# of claimants	Total credit	Credit used	Carry forward
1999	1	////////////////////	////////////////////	////////////////////
2000	9	\$77,096	\$15,218	\$61,878
2001	9	\$54,870	\$17,500	\$37,370
2002	6	\$47,706	\$32,542	\$15,164
2003	1	////////////////////	////////////////////	////////////////////
2004	1	////////////////////	////////////////////	////////////////////
2005	2	////////////////////	////////////////////	////////////////////
2006	1	////////////////////	////////////////////	////////////////////
2007	1	////////////////////	////////////////////	////////////////////
2008	5	\$14,331	\$14,087	\$244
2009	3	\$16,569	\$13,306	\$3,263
2010	2	////////////////////	////////////////////	////////////////////
2011	1	////////////////////	////////////////////	////////////////////
2012	5	\$27,350	\$27,350	\$0
2013	3	////////////////////	////////////////////	////////////////////
2014	5	\$22,916	\$22,916	\$0
2015	0	\$0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

AGRICULTURAL WATER CONSERVATION SYSTEM CREDIT

Statute: A.R.S. § 43-1084

Effective Date: For taxable years from and after 12/31/1993.

Provisions: A nonrefundable credit is allowed for expenses incurred during the taxable year to purchase and install an agricultural water conservation system in Arizona. The system must be primarily designed to substantially conserve water on land used to (1) produce crops, fruits or other agricultural products, (2) raise, harvest or grow trees, or (3) sustain livestock. The expense must be consistent with a conservation plan filed and in effect with the United States Department of Agriculture Soil Conservation Service.

Credit: The credit is equal to 75% of the qualifying expenses.

Carry forward: Five years.

	# of claimants	Total credit	Used	Carry forward
1994	35	\$1,800,000	\$382,000	\$1,400,000
1995	54	\$2,600,000	\$923,000	\$1,700,000
1996	75	\$4,247,392	\$721,093	\$3,524,790
1997	63	\$3,752,833	\$430,131	\$3,323,906
1998	94	\$4,567,632	\$625,676	\$3,941,314
1999	129	\$8,484,744	\$970,210	\$7,213,521
2000	130	\$8,157,000	\$1,578,411	\$6,527,281
2001	136	\$8,442,943	\$1,484,014	\$6,160,791
2002	133	\$7,984,544	\$1,256,346	\$6,157,459
2003	154	\$9,170,688	\$1,611,457	\$7,273,813
2004	141	\$10,366,257	\$2,784,783	\$6,855,589
2005	137	\$8,868,257	\$1,905,338	\$6,409,360
2006	138	\$8,880,517	\$1,873,866	\$6,202,735
2007	137	\$8,912,273	\$1,853,588	\$6,333,995
2008	139	\$8,607,672	\$1,509,358	\$6,351,248
2009	141	\$6,837,859	\$1,046,140	\$4,986,970
2010	114	\$5,953,129	\$731,424	\$4,779,114
2011	97	\$5,941,326	\$1,014,711	\$4,698,408
2012	93	\$7,141,109	\$1,492,176	\$4,876,141
2013	43	\$4,944,347	\$838,183	\$3,426,214
2014	<i>120</i>	<i>\$9,945,664</i>	<i>\$1,145,564</i>	<i>\$8,800,100</i>
2015	<i>100</i>	<i>\$9,022,729</i>	<i>\$940,331</i>	<i>\$7,115,180</i>

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

CLEAN ELECTIONS CREDIT

Statute: A.R.S. § 16-954B
Effective Date: For donations made in taxable years beginning on or after 1/1/1998.
Repealed: For donations made from and after 8/2/2012
Provisions: A nonrefundable credit is allowed for donations made directly to the Clean Elections Fund or a donation made on the tax return.
Credit: The credit is not to exceed 20% of the tax liability or the maximum credit amount adjusted biennially (per A.R.S. § 16-959A), whichever is greater. For tax years 2009 and 2010 the maximum credit amount was \$640 for single filers (\$1,280 for married filing jointly).
Carry forward: None.

	# of claimants	Total credit	Credit used
1999	8,585	\$546,255	\$502,151
2000	23,717	\$564,312	\$537,345
2001	26,757	\$639,427	\$599,485
2002	33,470	\$725,230	\$688,864
2003	32,042	\$746,749	\$727,224
2004	32,338	\$748,343	\$739,774
2005	31,075	\$811,007	\$801,435
2006	33,046	\$831,486	\$817,591
2007	34,358	\$875,909	\$815,625
2008	33,966	\$830,123	\$773,000
2009	26,088	\$691,600	\$633,415
2010	24,908	\$712,628	\$644,314
2011	25,275	\$640,462	\$596,451
2012	28,320	\$593,442	\$537,541

ARIZONA INDIVIDUAL INCOME TAX

COMMERCIAL AND INDUSTRIAL SOLAR ENERGY CREDIT

Statute: A.R.S. § 43-1085
Effective Date: For installing devices in taxable years beginning on or after 1/1/2006.
Repealed: For taxable years beginning from and after 1/1/2019. Repeal date set when credit enacted.
Provisions: A nonrefundable credit is allowed for installing one or more solar energy devices for commercial or industrial purposes in the taxpayer's trade or business.
Credit: The credit is equal to 10% of the installed cost of the device. Total credits under this section may not exceed \$25,000 per taxpayer with respect to the same building in the same year or \$50,000 in total credits in any year.
Carry forward: Five years.

The Arizona Department of Commerce has reported the following certifications. Until the returns are filed, there is no way to determine how many will be claimed as corporate income tax credits and how many will be claimed as individual income tax credits.

Tax Year	# of approvals	Cost of installation	Credit allowed
2006	16	\$1,639,428	\$144,977
2007	15	\$2,948,897	\$156,744
2008	45	\$11,205,236	\$602,074
2009	63	\$21,760,115	\$860,218
2010	62	\$30,305,719	\$997,786
2011	66	\$20,576,078	\$996,638
2012	74	\$18,376,516	\$927,183
2013	51	\$37,914,983	\$893,184
2014	28	\$14,881,077	\$427,252

Fewer returns have actually been filed by taxpayers than the number of Commerce certifications.

	# of claimants	# of devices	Cost of devices	New credit	Total credit	Credit used	Carry forward
2006	5	4	\$275,068	\$27,507	\$27,507	\$18,086	\$9,421
2007	15	8	\$661,280	\$66,128	\$75,549	\$54,558	\$20,991
2008	53	26	\$5,021,934	\$410,714	\$428,724	\$279,874	\$148,850
2009	81	15	\$11,980,212	\$428,445	\$549,543	\$325,054	\$224,489
2010	129	40	\$12,938,019	\$658,123	\$910,731	\$543,109	\$367,622
2011	119	39	\$11,603,359	\$610,824	\$963,770	\$506,006	\$457,764
2012	157	39	\$5,723,369	\$509,972	\$966,809	\$639,332	\$327,477
2013	117	28	\$8,262,065	\$385,316	\$729,977	\$408,692	\$346,285
2014	<i>108</i>	<i>24</i>	<i>\$12,852,593</i>	<i>\$369,012</i>	<i>\$715,297</i>	<i>\$324,550</i>	<i>\$390,747</i>

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

CONTRIBUTIONS TO QUALIFYING CHARITABLE ORGANIZATIONS CREDIT

Statute: A.R.S. § 43-1088

Effective Date: For taxable years from and after 12/31/1997.

Provisions: A nonrefundable credit is allowed for voluntary cash contributions to a qualifying charitable organization (QCO). A qualifying charitable organization means a 501(c)(3) that spends at least 50% of its budget on services to Arizona residents who receive TANF benefits or low income residents of this state and their households. Low income individuals means persons whose household income is less than 150% of the federal poverty level. The credit applies only to contributions to qualifying charitable organizations that exceed the total amount deducted on the taxpayer's Schedule A in the taxpayer's baseline year. The baseline year is the 1996 taxable year if the taxpayer had charitable contributions as itemized deductions on the Schedule A. If the taxpayer did not deduct charitable contributions on the Schedule A in 1996, the taxpayer's baseline year is the first taxable year after 1996 that charitable contributions were deducted on the Schedule A.

For taxable years 2009 and later, the baseline year requirement was eliminated. However to claim the credit for taxable year 2009 and later the taxpayer must claim itemized deductions on the return filed for the year in which the credit is claimed.

For taxable years 2012 and later, the itemized deduction requirement was eliminated and both standard deduction and itemized deduction taxpayers are now eligible to claim. Also, the credit was expanded to include qualified foster care charitable organizations (QFCO). QFCO's must meet all requirements of a QCO and in addition a QFCO must provide ongoing services to at least 200 foster children in Arizona and spend at least 50% of its budget on ongoing services to foster children in Arizona.

For taxable years 2016 and later, a separate credit is allowed for voluntary cash contributions to a QCO and CFCO.

Credit: The credit is the amount of the voluntary cash contribution, not to exceed \$400 for married filing joint filers and \$200 for all other filing statuses. If donating to a QFCO the credit is not to exceed \$800 for married filing joint filers and \$400 for all other filing statuses.

For taxable years 2016 and later, the QCO credit is the amount of voluntary cash contribution, not to exceed \$800 for married filing joint filers and \$400 for all other filing statuses. The QFCO credit is the amount of voluntary cash contribution, not to exceed \$1,000 for married filing joint filers and \$500 for all other filing statuses.

Carry forward: Five years.

For taxable years 1998 through 2001, tax returns were reviewed to obtain the contribution, total credit amount, credit amount used and carry forward amounts. For taxable years 2002 through 2008 and 2009-2014, the total credit and used amounts were estimated. Due to taxpayers claiming multiple credits, the carry forward amounts were not estimated. For taxable year 2009, return data was pulled to determine actual amounts.

ARIZONA INDIVIDUAL INCOME TAX

	# of claimants	Total contributions	Total credit	Credit used	Carry forward
1998	2,894	\$523,501	\$481,037	\$476,691	\$4,346
1999	6,725	\$1,237,519	\$1,168,515	\$1,154,768	\$13,747
2000	10,654	\$1,897,876	\$1,829,205	\$1,792,123	\$35,581
2001	12,538	\$2,332,832	\$2,257,673	\$2,196,043	\$41,852
2002	14,226	N/A	\$2,687,900	\$2,676,900	---
2003	17,467	N/A	\$3,286,100	\$3,259,400	---
2004	20,736	N/A	\$3,884,600	\$3,851,700	---
2005	25,587	N/A	\$6,637,500	\$6,589,000	---
2006	29,202	N/A	\$7,988,039	\$7,939,507	---
2007¹	18,280	N/A	\$5,877,831	\$5,860,953	---
2008	36,568	N/A	\$11,077,991	\$11,059,408	---
2009	49,915	\$23,095,158	\$13,556,228	\$12,889,895	\$666,333
2010	61,602	\$28,502,613	\$16,899,920	\$16,727,074	---
2011	66,396	\$30,720,747	\$18,191,993	\$18,012,263	---
2012	78,736	\$36,430,339	\$22,128,648	\$21,835,458	---
2013	100,398	\$45,025,000	\$27,457,025	\$24,503,609	---
2014²	116,225	\$50,970,000	\$35,790,362	\$31,617,855	---
2015	<i>116,908</i>	<i>\$49,630,000</i>	<i>\$36,751,067</i>	<i>\$32,349,941</i>	---

Italics indicate preliminary numbers.

Reported contribution amounts for credits claimed:³

1998 Charities		1999 Charities	
United Way	\$132,977	United Way	\$262,172
Salvation Army	\$35,877	Salvation Army	\$84,949
Habitat for Humanity	\$26,008	St. Vincent de Paul	\$64,176
St. Vincent de Paul	\$23,825	Habitat for Humanity	\$48,870
Primavera	\$15,440	St. Mary's Food Bank	\$37,302
Westside Food Bank	\$15,045	Neighborhood Clinic	\$31,675
St. Mary's Food Bank	\$13,963	Gospel Rescue Mission	\$28,143
Gospel Rescue Mission	\$10,263	Community Food Bank	\$27,229
Community Food Bank	\$7,712	Jewish Family & Children Services	\$25,870
Red Cross	\$6,776	Westside Food Bank	\$24,749
United Methodist Outreach Ministries	\$6,680	Primavera	\$19,406
Goodwill	\$6,654	Phoenix Rescue Mission	\$16,733
Other	\$222,281	Other	\$566,245
Total reported contributions	\$523,501	Total reported contributions	\$1,237,519

¹ Tax year 2007 data is understated based on limited reporting information available when individual income tax was converted to a new processing program.

² Based on a sample review of approximately \$26 million out of the \$36 million total credit (or 72% of the amount for 2014), 89% of the total credit was for contributions made to Qualifying Charitable Organization and 11% went to Qualifying Foster Care Charitable Organizations.

³ Contribution amounts shown represent those attributable to calculating the credit and do not represent total contributions made by the taxpayers. "Other" includes those amounts where the charities were not identified.

ARIZONA INDIVIDUAL INCOME TAX

2000 Charities		2001 Charities	
United Way	\$386,109	United Way	\$417,316
Salvation Army	\$120,387	Habitat for Humanity	\$135,336
St. Vincent de Paul	\$106,762	Salvation Army	\$128,444
Habitat for Humanity	\$97,624	St. Vincent de Paul	\$100,112
St. Mary's Food Bank	\$64,329	St. Mary's Food Bank	\$95,702
Jewish Family & Children Services	\$59,503	Jewish Family & Children Services	\$70,507
Neighborhood Clinic	\$48,585	Phoenix Rescue Mission	\$58,053
Community Food Bank	\$42,246	Community Food Bank	\$54,294
Westside Food Bank	\$39,939	Westside Food Bank	\$49,158
Gospel Rescue Mission	\$34,647	Neighborhood Clinic	\$46,810
Catholic Community Service	\$31,525	Catholic Community Service	\$36,673
Phoenix Rescue Mission	\$27,427	Gospel Rescue Mission	\$34,316
Other	\$838,783	Other	\$1,106,111
Total reported contributions	\$1,897,876	Total reported contributions	\$2,332,832

Reported contribution and credit amounts for claims:⁴

2009 Charities: Contribution		2009 Charities: Credit	
St. Mary's Food Bank	\$2,249,081	United Way	\$1,388,886
United Way	\$1,823,633	St. Mary's Food Bank	\$1,131,386
Salvation Army	\$1,154,549	St. Vincent De Paul Society	\$636,151
St. Vincent De Paul Society	\$1,083,956	Community Food Bank	\$624,330
Community Food Bank	\$1,067,364	Salvation Army	\$562,650
Phoenix Rescue Mission	\$815,116	Habitat for Humanity	\$501,779
United Way	\$700,840	Phoenix Rescue Mission	\$441,829
Habitat for Humanity	\$595,365	Crisis Pregnancy Center	\$293,137
Goodwill	\$452,089	Jewish Family and Children's Service	\$262,193
Gospel Rescue Mission	\$376,451	Goodwill	\$259,502
Casa de los Niños	\$350,915	Boys & Girls Club	\$206,920
Crisis Pregnancy Center	\$311,836	Catholic Charities Community Services	\$202,442
Other	\$12,113,963	Other	\$7,045,023
Total reported contributions	\$23,095,158	Total reported credit	\$13,556,228

⁴ Contribution amounts shown represent those attributable to calculating the credit and any excess amounts not eligible for the credit made by the taxpayers. Credit amounts indicate those attributable to calculating the credit and do not represent total contributions made by the taxpayers. "Other" includes those amounts where the charities were not identified.

ARIZONA INDIVIDUAL INCOME TAX

CORPORATE CONTRIBUTIONS TO SCHOOL TUITION ORGANIZATIONS

Statute: A.R.S. § 43-1089.04
Effective Date: For contributions in taxable years beginning on or after 12/31/2014.
Provisions: A nonrefundable credit is allowed for voluntary cash contributions made by an S corporation to School Tuition Organizations pursuant to § 43-1183 for a pro rata share based on the individual's ownership interest in the S corporation. The aggregate contribution by the S corporation must be at least \$5,000 and pre-approved by the Department of Revenue.
Credit: The credit is equal to pro rata share of the pre-approved amount. The aggregate amount of the credit was limited to \$10 million in fiscal year 2007 and increased 20% in each fiscal year thereafter. For Fiscal year 2016, the credit limit was \$51,597,804. Due to the aggregate limitation, all corporations must be pre-approved for the credit. There is no limitation on the amount of contribution one corporation can give.
Carry forward: Five years.

Donation amounts for S corporations approved by the Department of Revenue are as follows:

Fiscal Year	Total credit cap	S corporations approved / received	# of S corporations
2016	\$51,597,804	\$4,350,000	98
2017	\$61,917,365	\$7,031,754	248

The figures below show individual income tax credits claimed for these donations thus far.

Tax Year	# of claims	Total credit	Credit used	Carry forward
2015	86	\$1,351,349	\$1,114,060	\$237,289

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

CORPORATE CONTRIBUTIONS TO SCHOOL TUITION ORGANIZATIONS FOR DISPLACED STUDENTS OR STUDENTS WITH DISABILITIES

Statute: A.R.S. § 43-1089.04
Effective Date: For contributions in taxable years beginning on or after 12/31/2014.
Provisions: A nonrefundable credit is allowed for voluntary cash contributions made by an S corporation to School Tuition Organizations for displaced students or students with disabilities pursuant to § 43-1184 for a pro rata share based on the individual’s ownership interest in the S corporation. The aggregate contribution by the S corporation must be at least \$5,000 and pre-approved by the Department of Revenue.
Credit: The credit is equal to pro rata share of the pre-approved amount. The aggregate amount of the credit for corporations and health insurance companies is limited to \$5 million each fiscal year. Due to the aggregate limitation, all corporations must be pre-approved for the credit. There is no limitation on the amount of contribution one corporation can give.
Carry forward: Five years.

Donation amounts for S corporations approved by the Department of Revenue are as follows:

Fiscal Year	Total credit cap	S corporations approved / received	# of S corporations
2016	\$5,000,000	\$103,000	13
2017	\$5,000,000	\$155,500	10

The figures below show individual income tax credits claimed for these donations thus far.

Tax Year	# of claims	Total credit	Credit used	Carry forward
2015	12	\$63,008	\$58,601	\$4,407

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

DEFENSE CONTRACTING CREDIT

Statute: A.R.S. § 43-1077 and 1078

Effective Date: For taxable years from and after 9/30/1992.

Repealed: Certification by the Arizona Department of Commerce was required by June 30, 2001, valid for five taxable years. No new credits could be claimed after tax year 2006.

Provisions: The nonrefundable credit is for a net increase in employment of qualified employees under a United States Department of Defense contract or for a net increase in private commercial employment by a qualified defense contractor due to full-time equivalent positions transferred during the taxable year from exclusively defense related activities to exclusively private commercial activities. A tax credit is also allowed for a portion of property taxes paid on class 3 (commercial or industrial) property.

Credit: For net increases in employment, the credit is \$2,500 for each first year full-time equivalent position created, \$2,000 for the second year, \$1,500 for the third year, \$1,000 for the fourth year and \$500 for the fifth year of full-time employment. The credit for property tax paid is determined first by calculating 40% of the property tax if more than 900 new full-time equivalent positions are created, 30% of property taxes for 601 to 900 positions, 20% for 301 to 600 positions and 10% for up to 300 positions. This amount is then multiplied by the percentage determined by dividing the taxpayer's total gross income from USDOD contracts apportioned to Arizona by the taxpayer's total gross income from all sources apportioned to Arizona.

Carry forward: Five years.

As of the date of this publication, no claim for the defense contracting credit has been found.

ARIZONA INDIVIDUAL INCOME TAX

DONATIONS TO THE MILITARY FAMILY RELIEF FUND CREDIT

Statute: A.R.S. § 43-1086
Effective Date: For taxable years from and after 12/31/2008.
Repealed: For taxable years ending before 12/31/2018. Repeal date was set when credit enacted, but extended in 2012 legislation.
Provisions: A credit is allowed cash donations made to the Military Family Relief fund which is administered by the Arizona Department of Veterans’ Services. Donations to the fund will qualify for the credit if the total amount donated to the fund during the calendar year has not exceeded one million dollars. Donations made to the fund after the \$1 million limit has been reached will not qualify for the tax credit.
Credit: The credit is equal to the lesser of the cash donation, credit amount of \$400 for married filing joint and \$200 for all other filing statuses, or the taxpayer’s tax liability.
Carry forward: None.

The Arizona Department of Veterans’ Services has reported the following donations. Note that the “# of donations” represents the total count of donations and therefore contains duplicates as there are individuals who made more than one donation during the year. The total amount of donations does not account for the tax credit limitation that will be applied when the tax return is filed.

	# of donations	Total donations
2008	3,130	\$993,132
2009	3,259	\$1,004,775
2010	3,128	\$1,000,384
2011	3,093	\$999,296
2012	3,065	\$993,900
2013	3,086	\$993,508
2014	3,037	\$994,131
2015	2,991	\$998,094

The following table adjusts for multiple donations and estimates the credit amount claimed on tax returns by limiting the donation by the credit cap of \$400 (without information on filing status, estimate assumes the higher married filing joint cap).

	# of claimants	Credit	Credit used
2008	3,070	\$982,575	\$982,575
2009	3,185	\$998,331	\$998,331
2010	3,052	\$995,849	\$995,849
2011	3,007	\$996,695	\$996,695
2012	2,967	\$989,868	\$989,868
2013	2,936	\$989,606	\$989,606
2014	2,913	\$977,410	\$977,410
2015	2,932	\$997,629	\$997,629

ARIZONA INDIVIDUAL INCOME TAX

EMPLOYING NATIONAL GUARD MEMBERS CREDIT

Statute: A.R.S. § 43-1079.01

Effective Date: For taxable years from and after 12/31/2005.

Provisions: A nonrefundable credit is allowed to each taxpayer whose employee is a member of the Arizona National Guard if the employee is placed on active duty. The employee must be employed in a full-time equivalent position when the employee is placed on active duty. Each member of the Arizona National Guard who is employed must have served during the taxable year on active duty for training that exceeds the required annual training period, including any activation for federal or state contingencies or emergencies.

Credit: The credit is equal to \$1,000 for each employee who is placed on active duty by the Arizona National Guard.

Carry forward: Five years.

	# of claimants	Total credit	Credit used	Carry forward
2006	1	////////////////////	////////////////////	////////////////////
2007	1	////////////////////	////////////////////	////////////////////
2008	1	////////////////////	////////////////////	////////////////////
2009	2	////////////////////	////////////////////	////////////////////
2010	2	////////////////////	////////////////////	////////////////////
2011	2	////////////////////	////////////////////	////////////////////
2012	3	////////////////////	////////////////////	////////////////////
2013	0	\$0	\$0	\$0
2014	2	////////////////////	////////////////////	////////////////////
2015	2	////////////////////	////////////////////	////////////////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

EMPLOYMENT OF TANF RECIPIENTS CREDIT

Statute: A.R.S. § 43-1087
Effective Date: For taxable years from and after 12/31/1997.
Provisions: A nonrefundable credit is allowed for net increases in qualified employment of recipients of temporary assistance for needy families who are Arizona residents. To qualify for a credit, several conditions must be met, including that all employees must reside in Arizona and be TANF recipients, must be employed full-time, must have insurance coverage if insurance coverage is offered to non-TANF employees, must be paid minimum wage or a wage comparable to that received by non-TANF employees, must have been employed for at least 90 days during the first year.
Credit: The credit is equal to one-fourth of the taxable wages paid to a qualified employee, not to exceed \$500 in the first year of employment, one-third of taxable wages not to exceed \$1,000 in the second year of employment and one-half of taxable wages not to exceed \$1,500 in the third year of continuous employment.
Carry forward: Five years.

	# of claimants	Total credit	Credit used	Carry forward
1998	1	//////////	//////////	//////////
1999	1	//////////	//////////	//////////
2000	0	\$0	\$0	\$0
2001	0	\$0	\$0	\$0
2002	4	//////////	//////////	//////////
2003	5	//////////	//////////	//////////
2004	0	\$0	\$0	\$0
2005	5	//////////	//////////	//////////
2006	0	\$0	\$0	\$0
2007	5	\$24,606	\$12,666	\$11,940
2008	1	//////////	//////////	//////////
2009	0	\$0	\$0	\$0
2010	3	\$21,929	\$20,822	\$1,107
2011	1	//////////	//////////	//////////
2012	1	//////////	//////////	//////////
2013	1	//////////	//////////	//////////
2014	2	//////////	//////////	//////////
2015	1	//////////	//////////	//////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

ENTERPRISE ZONE CREDIT

Statute: A.R.S. § 43-1074

Effective Date: For taxable years from and after 12/31/1989.

Sunset Date: June 30, 2011.

Provisions: A nonrefundable credit is allowed for net increases in qualified employment positions of Arizona residents by a business located in an enterprise zone, except where more than 10% of the business conducted at the location consists of selling tangible personal property at retail. (Originally this credit had no restriction on retail businesses. Then for a few years, there was complete exclusion of retail businesses.) To qualify for the credit there are a number of requirements, including an Arizona residency requirement, 35% of the employees with respect to whom a credit is claimed must reside in an enterprise zone on the date of employment, located in the same county as the business is located, the position must be at least 1,750 hours per year, etc.

Credit: The credit is equal to one-fourth the taxable wages paid to a qualified employee, not to exceed \$500 in the first year of employment, one-third of taxable wages not to exceed \$1,000 in the second year of employment and one-half of taxable wages not to exceed \$1,500 in the third year of continuous employment.

Carry forward: Five years.

	# of claimants	Total credit	Credit used	Carry forward
1991	30	\$67,000	\$60,000	\$7,000
1992	46	\$145,000	\$112,000	\$33,000
1993	21	\$221,000	\$134,000	\$87,000
1994	25	\$595,894	\$337,581	\$258,313
1995	32	\$835,696	\$667,005	\$168,691
1996	80	\$796,678	\$325,542	\$468,135
1997	119	\$1,348,636	\$717,178	\$631,458
1998	134	\$1,932,606	\$1,196,708	\$735,928
1999	184	\$2,704,548	\$1,573,538	\$1,133,681
2000	200	\$3,669,226	\$2,123,440	\$1,553,807
2001	228	\$4,038,179	\$2,370,519	\$1,667,790
2002	176	\$2,838,420	\$1,602,832	\$1,289,247
2003	202	\$2,981,234	\$1,713,943	\$1,190,859
2004	165	\$2,204,199	\$1,339,705	\$738,055
2005	193	\$2,296,501	\$1,458,081	\$713,499
2006	197	\$2,158,246	\$1,642,905	\$397,705
2007	151	\$1,632,256	\$1,003,582	\$593,280
2008	140	\$1,766,320	\$896,056	\$862,776
2009	119	\$1,630,893	\$676,791	\$947,085
2010	159	\$1,617,002	\$654,420	\$942,090
2011	112	\$1,490,118	\$469,034	\$1,001,263
2012	115	\$904,001	\$294,431	\$578,431
2013	60	\$403,699	\$92,579	\$313,687
2014	26	\$280,835	\$40,602	\$218,536
2015	4	\$205,165	\$12,062	\$164,219

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

ENVIRONMENTAL TECHNOLOGY FACILITY CREDIT

Statute: A.R.S. § 43-1080
Effective Date: For taxable years from and after 12/31/1992.
Provisions: A nonrefundable credit is allowed for expenses incurred in constructing a qualified technology manufacturing, producing or processing facility. The facility must be either owned by the manufacturer, producer or processor, or leased for a term of five years or more. The facility must be used predominantly to do a variety of things (set out in statute) that involve recycled materials or renewable energy. The facility must cost an aggregate of at least \$20 million of new capital investment in Arizona within five years after construction begins or commencement of installation of improvements.
Credit: The credit is equal to 10% of the amount spent during the taxable year to construct the facility, including land acquisition, improvements, building improvements, machinery and equipment, but not exceeding 75% of the tax liability.
Carry forward: Fifteen years.

No claims have been recorded for this credit for tax years 1993 through 2005.

	# of claimants	Total credit	Credit used	Carry forward
2006	1	//////////	//////////	//////////
2007	1	//////////	//////////	//////////
2008	1	//////////	//////////	//////////
2009	3	\$12,352	\$1,921	\$10,431
2010	2	//////////	//////////	//////////
2011	2	//////////	//////////	//////////
2012	1	//////////	//////////	//////////
2013	1	//////////	//////////	//////////
2014	1	//////////	//////////	//////////
2015	2	//////////	//////////	//////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

FAMILY INCOME TAX CREDIT

- Statute:** A.R.S. § 43-1073
- Effective Date:** For taxable years from and after 12/31/1995.
- Provisions:** The family income tax credit is a nonrefundable credit for taxpayers below certain income levels, with differing amounts for different household sizes.
- Credit:** The credit is \$40 per person in the household, not to exceed \$240 for married taxpayers filing joint returns or unmarried head of household filers and \$120 for taxpayers filing single or married filing separate returns. For taxpayers filing single or married filing separately, income must be less than or equal to \$10,000 to take the credit.
1. For taxpayers filing single or married filing separately, income⁵ must be less than or equal to \$10,000 to take the credit.
 2. For married taxpayers filing joint
 - a. with one dependent, the income threshold is \$20,000.
 - b. with two dependents, the income threshold is \$23,600.
 - c. with three dependents, the income threshold is \$27,300.
 - d. with four or more dependents, the income threshold is \$31,000.
 3. For taxpayers filing as unmarried head of household
 - a. with one dependent, the income threshold is \$20,000.
 - b. with two dependents, the income threshold is \$20,135.
 - c. with three dependents, the income threshold is \$23,800.
 - d. with four dependents, the income threshold is \$25,200.
 - e. with five or more dependents, the income threshold is \$26,575.
- Carry forward:** None.

	# of claimants	Total credit	Credit used
1995	340,844	\$20,600,000	\$5,150,000
1996	340,790	\$20,526,564	\$5,071,340
1997	345,223	\$20,483,252	\$4,637,593
1998	312,768	\$27,669,951	\$7,390,406
1999	327,974	\$28,374,663	\$7,925,721
2000	335,253	\$28,924,670	\$7,799,840
2001	402,094	\$33,377,585	\$7,356,939
2002	427,798	\$36,064,781	\$7,382,178
2003	417,451	\$35,068,208	\$7,445,937
2004	425,484	\$35,617,953	\$7,709,270
2005	439,056	\$36,737,292	\$7,661,867
2006	448,960	\$37,349,413	\$6,867,294
2007	518,820	\$42,706,477	\$6,784,150
2008	501,013	\$42,060,538	\$5,811,534
2009	515,867	\$44,711,520	\$5,270,319
2010	516,513	\$44,548,440	\$5,594,106
2011	533,345	\$45,490,320	\$5,905,317
2012	520,448	\$43,457,960	\$5,399,635
2013	538,319	\$43,639,520	\$5,017,004
2014	580,028	\$46,798,120	\$4,770,077
2015	568,969	\$44,826,930	\$4,288,005

Italics indicate preliminary numbers.

⁵ Income is defined as Arizona adjusted gross income plus any subtractions taken which reduced Federal Adjusted Gross Income.

ARIZONA INDIVIDUAL INCOME TAX

**HEALTHY FOREST ENTERPRISE AND ECOLOGICAL RESTORATION WORKFORCE
TRAINING CREDIT**

Statute: A.R.S. § 43-1076
Effective Date: For taxable years from and after 12/31/2004.
Repealed: For taxable years beginning from and after 1/1/2025. Repeal date set when credit enacted, but extended in 2012 legislation.
Provisions: A business may qualify for a nonrefundable credit, if certified by the Arizona Commerce Authority as a healthy forest enterprise. The business must enhance or sustain forest health, sustains or recovers watershed or improves public safety. It must be engaged in the business of harvesting, transporting or initial processing of qualifying forest products for commercial use.
Credit: The credit is based on the net increase in the number of qualified employment positions created and filled by businesses operating healthy forest enterprises. The credit amount per employee depends on the employee's year of employment; first year equal to the lesser of \$500 or one-fourth of the taxable wages paid to an employee in a qualified employment position; second year equal to the lesser of \$1,000 or one-third the wages paid to an employee in a qualified employment position; third year equal to the lesser of \$1,500 or one-half of the taxable wages paid to an employee in a qualified employment position.
Carry forward: Five years

Statute: A.R.S. § 43-1076.01
Effective Date: For taxable years from and after 12/31/2011.
Repealed: For taxable years beginning from and after 1/1/2025. Repeal date set when credit enacted.
Provisions: A business may qualify for a nonrefundable credit for training new employees in qualified employment positions, if certified by the Arizona Commerce Authority as a healthy forest enterprise.
Credit: The credit is based on the net cost of training and certifying a new employee in a qualified employment position incurred during the period the taxpayer has been certified as a healthy forest enterprise. The credit amount per employee cannot exceed \$3,000 in each of the first three years of employment with no more than a total of 200 employees in a taxable year.
Carry forward: Five years.

As of the date of this publication, no claims on individual income tax returns for the healthy forest enterprise credit have been filed.

ARIZONA INDIVIDUAL INCOME TAX

INCOME TAXES PAID TO OTHER STATES OR COUNTRIES CREDIT

Statute: A.R.S. § 43-1071
Effective Date: For taxable years from and after 1/01/1935.
Provisions: Residents are allowed a nonrefundable credit against income tax imposed in Arizona for net income taxes imposed by and paid to another state or country on income taxable in Arizona. The credit is available if the taxpayer is paying a net income tax to certain states and the tax owed to Arizona and the other state or country must be charged on the same income.
Credit: The credit is the amount of tax paid to the other state on the same income taxable in Arizona.
Carry forward: None.

Due to the volume of taxpayers claiming the credit for income taxes paid as well as the number claiming multiple credits, the following table through 2013 represents only those taxpayers that have claimed the credit for income taxes paid to other states or countries and no other credits.

	# of claimants	Total credit	Credit used
1995	22,496	\$29,203,587	\$29,203,587
1996	23,379	\$40,570,806	\$40,570,806
1997	25,325	\$42,910,138	\$42,910,138
1998	25,794	\$53,091,928	\$53,091,928
1999	26,317	\$51,433,659	\$51,433,659
2000	27,831	\$57,403,404	\$57,403,404
2001	29,007	\$58,777,258	\$58,777,258
2002	24,909	\$52,843,508	\$52,843,508
2003	25,722	\$62,484,651	\$62,484,651
2004	29,956	\$80,229,015	\$80,229,015
2005	34,664	\$119,416,310	\$119,416,310
2006	34,880	\$124,937,274	\$124,937,274
2007	27,706	\$105,315,257	\$105,315,257
2008	31,103	\$78,837,292	\$78,837,292
2009	30,125	\$75,216,168	\$75,216,168
2010	36,535	\$84,093,029	\$84,093,029
2011	39,174	\$82,151,564	\$82,151,564
2012	32,281	\$93,394,010	\$93,394,010
2013	43,359	\$96,608,047	\$96,608,047
2014	58,335	\$140,744,364	\$140,744,364
2015	<i>48,600</i>	<i>\$78,911,652</i>	<i>\$78,911,652</i>

- Beginning with 2014, additional credit data has been captured and the numbers include taxpayers claiming multiple credits.

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

INCREASED EXCISE TAXES PAID CREDIT

Statute: A.R.S. § 43-1072.01

Effective Date: For taxable years from and after 12/31/2000.

Provisions: A *refundable* credit is allowed against income tax imposed to mitigate the increase in transaction privilege tax rates for education. The claimant must meet certain income thresholds to qualify for the credit: federal adjusted gross income of \$25,000 or less for a married couple or a single person who is head of a household, or \$12,500 for a single person or a married person filing separately.

Credit: The credit shall not exceed \$25 for each person who is a resident of Arizona and for whom a personal or dependent exemption is allowed. The credit shall not be more than \$100 for all persons in a household.

	# of claimants	Total credit	Credit used
2001	428,189	\$22,612,548	\$22,612,548
2002	529,265	\$28,403,741	\$28,403,741
2003	548,831	\$29,581,905	\$29,581,905
2004	555,762	\$29,924,907	\$29,924,907
2005	546,678	\$29,358,243	\$29,358,243
2006	536,940	\$28,751,332	\$28,751,332
2007	579,464	\$30,444,007	\$30,444,007
2008	605,599	\$32,308,185	\$32,308,185
2009	664,675	\$35,928,030	\$35,928,030
2010	656,524	\$35,278,230	\$35,278,230
2011	672,009	\$35,659,215	\$35,659,215
2012	638,208	\$33,367,298	\$33,367,298
2013	648,116	\$33,418,364	\$33,418,364
2014	664,037	\$33,511,567	\$33,511,567
2015	<i>609,041</i>	<i>\$29,938,259</i>	<i>\$29,938,259</i>

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

INVESTMENT IN QUALIFIED SMALL BUSINESSES CREDIT

Statute: A.R.S. § 43-1074.02
Effective Date: For taxable years from and after 12/31/2006.
Repealed: For taxable years beginning from and after 1/1/2020. Repeal date set when credit enacted.
Provisions: A nonrefundable credit is allowed for investments made in qualified small businesses. The amount of the credit is the amount determined and authorized by the Arizona Commerce Authority (A.R.S. § 41-1518).
Credit: If the qualified investment is made in a qualified small business (\$10 million in assets effective 1/1/12, up from \$2 million) located in a rural county or is a bioscience enterprise, the credit is 12% of the investment amount per year for the first and second taxable years after the investment is made and 11% of the investment amount for the third taxable year after the year in which the investment is made.
 If the qualified investment is made in a qualified small business other than a business described above, the credit is 10% of the amount of the investment for each of the three taxable years after the year in which the investment is made.
 The Arizona Commerce Authority may not authorize tax credits after 6/30/16. The Arizona Commerce Authority cannot certify more than \$20,000,000 in credits for investment in qualified small businesses.
Carry forward: Three years.

The Arizona Commerce Authority has notified the Department of Revenue of the certification of 237 qualified small businesses. The Arizona Commerce Authority has also notified the Department of Revenue that 1,045 tax credits have been approved. Of these 1,045 tax credits, 149 investors made more than one qualified investment. These 1,045 income tax credits represent investment of \$61.5 million in 122 of the qualified small businesses. This \$61.5 million translates to \$20 million in credit, available over 12 tax years.

Activity on tax returns filed in terms of credit actually claimed is shown below.

Tax Year	#	Average federal adjusted gross income	New credit	Total credit	Credit used	Carry forward
2007	84	\$865,463	\$415,766	\$415,766	\$296,115	\$119,736
2008	128	\$452,335	\$747,953	\$867,689	\$411,156	\$456,644
2009	208	\$1,208,228	\$1,398,414	\$1,823,783	\$574,434	\$1,249,498
2010	220	\$ 443,797	\$1,475,990	\$2,746,899	\$766,806	\$1,980,385
2011	223	\$641,218	\$1,172,210	\$3,100,066	\$849,766	\$1,980,384
2012	281	\$895,356	\$1,217,879	\$3,198,263	\$1,069,297	\$1,536,819
2013	297	\$764,321	\$1,553,274	\$3,191,923	\$1,064,348	\$1,517,517
2014	364	\$719,441	\$2,064,419	\$3,581,936	\$1,716,442	\$1,555,344

Numbers in italics are preliminary.

ARIZONA INDIVIDUAL INCOME TAX

MILITARY REUSE ZONE CREDIT

Statute: A.R.S. § 43-1079

Effective Date: For taxable years from and after 12/31/1992 (although no military reuse zones were designated until 1996).

Provisions: A nonrefundable credit is allowed for net increases in employment of full-time employees working in a military reuse zone, and who are primarily engaged in providing aviation or aerospace services or in manufacturing, assembling or fabricating aviation or aerospace products. A credit is also allowed for dislocated military base employees, which are civilians who previously had permanent full-time civilian employment on the military facility as of the date the closure of the facility was determined under federal law.

Credit: For each employee that is not a dislocated military base employee, the credit is \$500 in the first year of employment and increases in \$500 increments until it reaches \$2,500 in the fifth year of employment. For dislocated military base employees, the credit amount starts at \$1,000 in the first year of employment and increases in \$500 increments each year until it reaches \$3,000 in the fifth year of employment.

Carry forward: Five years.

One claim has been recorded for this credit for tax year 1996, 1997, 2010, 2011, 2014 and 2015 but there are too few to release additional information.

ARIZONA INDIVIDUAL INCOME TAX

MOTION PICTURE PRODUCTION AND INFRASTRUCTURE CREDIT

Statutes: A.R.S. §§ 43-1075 and 43-1075.01

Effective Date: For taxable years from and after 12/31/2005 for Motion Picture Productions (§ 43-1075) and for taxable years from and after 12/31/2007 for Motion Picture Infrastructure Projects (§ 43-1075.01).

Repealed: For taxable year beginning from and after 1/1/2011. Repeal date set when enacted.

Provisions: A nonrefundable, transferable credit is allowed for a motion picture production company that produces motion pictures completely or partially in Arizona and for the construction of an eligible infrastructure project. The taxpayer must receive pre-approval and post-approval from the Arizona Department of Commerce. For the motion picture production credit, the taxpayer must acknowledge that the production was filmed in Arizona, incur production costs of at least \$250,000, employ 50% of Arizona residents during production activities in Arizona (25% of full-time employees for 2006 and 35% for 2007), begin production within 90 days of pre-approval and submit a Completion Report to the Department of Commerce.

Credit: The amount of the motion picture production credit is based on qualified production costs in Arizona equal to 20% of costs from \$250,000 to \$1 million and 30% of costs exceeding \$1 million (increased from 10%, 15% or 20% of costs for 2006 and 2007). The tax credit is limited to \$9 million per motion picture (\$5 million for 2006 and 2007, \$7 million for 2008 and \$8 million for 2009). The total corporate and individual income tax credit is limited to \$30 million for 2006, \$40 million for 2007, \$50 million for 2008, \$60 million for 2009, and \$70 million for 2010. Beginning in 2008, 5% of the calendar year cap is reserved for commercial advertisements or music videos. An infrastructure income tax credit is available, subject to the same cap, up to 15% of the base investment for the construction of a qualified infrastructure project in Arizona. The infrastructure tax credit cannot exceed \$5 million in any year for a soundstages or \$3 million for an individual support or augmentation facilities project. All or part of any unclaimed amount of credit may be sold or otherwise transferred. A single sale or transfer may involve one or more transferees, and a transferee may in turn resell or transfer the credit.

Carry forward: Five years.

The Arizona Commerce Authority has issued post-approval for 43 productions with an allowable credit of \$29,414,937. Until the returns are filed, there is no way to determine how many will be claimed as individual or corporate income tax credits.

Tax Year	# of claimants	# of productions	New credit	Total credit	Credit used	Carry forward
2006	0	0	\$0	\$0	\$0	\$0
2007	4	3	\$153,184	\$153,184	\$128,165	\$25,019
2008	10	4	\$488,548	\$513,567	\$292,098	\$221,469
2009	8	5	\$107,134	\$328,603	\$98,854	\$229,749
2010	7	7	\$171,590	\$401,339	\$180,574	\$220,765
2011	4	3	\$12,040	\$187,542	\$52,115	\$16,505
2012	3	2	\$0	\$16,505	\$16,505	\$0
2013	0	0	\$0	\$0	\$0	\$0
2014	0	0	\$0	\$0	\$0	\$0
2015	0	0	\$0	\$0	\$0	\$0

- Since the creation of this credit, 15 individual and 24 corporate taxpayers have claimed it.
- Since 2007, 40 productions have been claimed for a total credit amount of \$26 million.
- Forty of the 43 post-approved productions (or 93%) have been sold or transferred to 45 taxpayers for \$27,039,184 and 13 credits for \$8,492,216 were then resold to 34 individual or corporate taxpayers.

ARIZONA INDIVIDUAL INCOME TAX

NEW EMPLOYMENT CREDIT

Statute: A.R.S. § 43-1074

Effective Date: For taxable years from and after 6/30/2011.

Provisions: A nonrefundable credit is allowed for net increases in qualified employment positions in Arizona at an Arizona business location. To qualify for the credit, the taxpayer must either invest at least \$5 million of capital investment and create at least 25 new qualified positions in an Arizona city or town with a population of 50,000 or invest at least \$1 million of capital investment and create at least five new qualified positions in any other location in Arizona. The employer must also provide health insurance coverage for the employee (paying at least 65% of the cost) and pay a wage at least equal to the median wage for the county. The credit must be pre-approved by the Arizona Commerce Authority, who cannot approve more than 10,000 first-year positions for all taxpayers.

Credit: The credit is limited to 400 first-year qualified positions per year per taxpayer. The credit is equal to \$3,000 for each employee in the first year or partial year of employment, \$3,000 for each employee for the full taxable year in the second year of continuous employment and \$3,000 for each employee for the full taxable year in the third year of continuous employment.

Carry forward: Five years.

	# of claimants	Total credit	Credit used	Carry forward
2011	0	\$0	\$0	\$0
2012	0	\$0	\$0	\$0
2013	0	\$0	\$0	\$0
2014	2	////////////////	////////////////	////////////////
2015	1	////////////////	////////////////	////////////////

The bars in the cells of the tables above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

ARIZONA INDIVIDUAL INCOME TAX

POLLUTION CONTROL DEVICE CREDIT

Statute: A.R.S. § 43-1081
Effective Date: For taxable years from and after 12/31/1994.
Provisions: A nonrefundable credit is allowed for expenses incurred to purchase real or personal property that is used in the taxpayer's trade or business in Arizona to control or prevent pollution. Property that qualifies includes that portion of a structure, building, installation, excavation, machine, equipment or device and any attachment or addition to or reconstruction, replacement or improvement of that property that is directly used, constructed or installed for the purposes of meeting rules or regulations adopted by the U.S. Environmental Protection Agency, the Department of Environmental Quality or a political subdivision to prevent, monitor, control or reduce air, water or land pollution.
Credit: The amount of the credit is equal to the lesser of 10% of the purchase price or \$500,000. In 1995 and 1996, the credit was capped at \$750,000.
Carry forward: Five years.

	# of claimants	Total credit	Credit used	Carry forward
1995	0	\$0	\$0	\$0
1996	0	\$0	\$0	\$0
1997	1	//////////	//////////	//////////
1998	5	//////////	//////////	//////////
1999	6	//////////	//////////	//////////
2000	4	//////////	//////////	//////////
2001	18	\$31,624	\$31,624	\$0
2002	13	\$18,562	\$18,525	\$37
2003	9	\$32,062	\$31,239	\$823
2004	28	\$40,676	\$16,385	\$24,291
2005	23	\$79,082	\$71,574	\$7,508
2006	14	\$31,327	\$14,412	\$16,860
2007	10	\$30,247	\$7,962	\$22,767
2008	5	\$18,492	\$5,731	\$12,756
2009	2	//////////	//////////	//////////
2010	3	\$5,844	\$2,466	\$2,661
2011	5	//////////	//////////	//////////
2012	9	\$221,039	\$221,039	\$0
2013	0	\$0	\$0	\$0
2014	0	\$0	\$0	\$0
2015	5	\$36,476	\$27,085	\$9,391

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

PRIVATE SCHOOL TUITION ORGANIZATION “ORIGINAL” CREDIT

Statute: A.R.S. § 43-1089
Effective Date: For taxable years from and after 12/31/1997.
Provisions: A nonrefundable credit is allowed for cash contributions to a school tuition organization. A school tuition organization is a 501(c)(3) that allocates at least 90% of its revenue for scholarships to children to allow them to attend any qualified school of their parents' choice. The school tuition organization cannot limit availability of scholarships to only one school. A qualified school is a primary or secondary school.
Credit: The credit is equal to the cash contribution, not to exceed \$1,000 for married filing joint filers and \$500 for all other filing statuses. These amounts are adjusted for inflation annually.
Carry forward: Five years.

Calendar year	# of STOs ⁶ reporting donations	# of donors reported	Donations reported	# of STOs reporting scholarships	# of scholarships reported	Scholarships reported
1998	16	4,248	\$1,815,798	4	128	\$103,790
1999	33	32,023	\$13,781,341	17	3,207	\$2,196,734
2000	36	38,249	\$17,701,284	30	15,081	\$13,561,981
2001	43	46,696	\$24,897,444	32	18,049	\$16,484,958
2002	43	52,203	\$26,512,683	36	19,582	\$22,826,746
2003	51	58,122	\$29,445,596	49	20,134	\$24,420,057
2004	53	63,830	\$31,846,494	51	21,146	\$28,025,083
2005	53	69,239	\$42,196,206	54	22,529	\$30,863,153
2006	56	73,617	\$51,012,326	56	24,678	\$40,594,978
2007	55	76,065	\$54,304,968	55	27,153	\$48,561,687
2008	55	78,434	\$55,260,728	55	28,327	\$54,205,394
2009	54	73,430	\$50,879,153	52	27,592	\$52,127,262
2010	53	62,940	\$43,183,534	54	26,433	\$47,344,443
2011	51	71,801	\$49,104,660	45	10,891	\$28,542,543 ⁷
2012	48	73,159	\$51,307,450	<i>FY2012</i> ----50	23,828	\$45,209,410
2013	49	75,813	\$54,425,997	<i>FY2013</i> ----47	25,463	\$48,878,707
2014	52	78,575	\$58,676,257	<i>FY2014</i> ----48	26,972	\$49,610,422
2015	52	63,655	\$49,098,245	<i>FY2015</i> ----50	30,049	\$55,483,157

School tuition organization reporting switched from calendar year to fiscal year in fiscal year 2012 due to a law change. We ask the organizations to break out their donations in 6-month periods, but don't ask that for scholarships. Therefore, beginning with FY2012, scholarships will only be reported on a fiscal year basis.

Italics indicate preliminary numbers.

⁶ School Tuition Organizations

⁷ The 2011 scholarship numbers are for the first 6 months of 2011 only.

ARIZONA INDIVIDUAL INCOME TAX

PRIVATE SCHOOL TUITION ORGANIZATION "SWITCHER" CREDIT

Statute: A.R.S. § 43-1089.03
Effective Date: For taxable years from and after 12/31/2011.
Provisions: A nonrefundable credit is allowed for cash contributions to a school tuition organization that exceed the original private school tuition organization credit (A.R.S. § 43-1089). A school tuition organization is a 501(c)(3) that allocates at least 90% of its revenue for scholarships to children to allow them to attend any qualified school of their parents' choice. The school tuition organization cannot limit availability of scholarships to only one school. A qualified school is a primary or secondary school.
Credit: The credit is equal to the cash contribution, not to exceed \$1,000 for married filing joint filers and \$500 for all other filing statuses, to the extent that the contribution exceeds the maximum donation allowed for the original private school tuition organization credit. These amounts are adjusted for inflation annually.
Carry forward: Five years.

Calendar Year	# of STOs⁸ reporting donations	# of donors reported	Donations reported	# of STOs reporting scholarships	# of scholarships reported	Scholarships reported
2012	46	16,518	\$12,947,997	FY2012-----0	0	\$0
2013	49	28,932	\$23,201,403	FY2013-----36	4,473	\$4,861,192
2014	51	34,731	\$28,371,948	FY2014-----46	13,261	\$17,561,453
2015	52	30,013	\$24,504,244	FY2015-----52	16,493	\$24,667,347

Italics indicate preliminary numbers.

⁸ School Tuition Organizations

ARIZONA INDIVIDUAL INCOME TAX

PROPERTY TAX CREDIT

Statute: A.R.S. § 43-1072

Effective Date: For property taxes accrued during calendar years from and after 1974.

Provisions: This is a *refundable* credit for property taxes accrued or rent, or both, paid in that taxable year if certain conditions are met. The claimant must be at least 65 years of age or is a recipient of public monies under Title 16 of the social security act. The claimant paid either property taxes or rent during the taxable year. The person did not live with a spouse or any other persons and had an income from all sources in the taxable year of less than \$3,750, or lived with a spouse or other people and the combined income from all sources in the taxable year of all persons residing in the residence was less than \$5,001.

Credit: The credit allowed is the lesser of the amount of property taxes paid or the credit amount based on household income (credit ranges from \$56 to \$502).

	# of claimants	Total credit	Credit used
1995	22,091	\$6,342,285	\$6,342,285
1996	19,983	\$5,819,917	\$5,819,917
1997	18,644	\$5,581,477	\$5,581,477
1998	17,237	\$5,290,628	\$5,290,628
1999	15,862	\$4,987,796	\$4,987,796
2000	14,593	\$4,653,837	\$4,653,837
2001	15,218	\$5,015,318	\$5,015,318
2002	14,991	\$5,106,544	\$5,106,544
2003	15,028	\$5,301,879	\$5,301,879
2004	14,786	\$5,242,685	\$5,242,685
2005	13,943	\$4,977,070	\$4,977,070
2006	13,247	\$4,776,863	\$4,776,863
2007	16,810	\$5,979,296	\$5,979,296
2008	15,675	\$5,722,697	\$5,722,697
2009	17,366	\$6,606,391	\$6,606,391
2010	17,526	\$6,750,770	\$6,750,770
2011	18,503	\$7,183,778	\$7,183,778
2012	18,767	\$7,222,443	\$7,222,443
2013	19,012	\$7,327,176	\$7,327,176
2014	19,277	\$7,406,381	\$7,406,381
2015	<i>19,579</i>	<i>\$7,608,369</i>	<i>\$7,608,369</i>

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

PUBLIC SCHOOL EXTRACURRICULAR ACTIVITY FEE CREDIT

Statute: A.R.S. § 43-1089.01
Effective Date: For taxable years from and after 12/31/1997.
Provisions: A nonrefundable credit is allowed for fees or cash contributions paid to a public school located in Arizona for the support of extracurricular activities or to pay for character education programs as defined in § 15-719. For taxable years beginning from and after December 31, 2014 qualified programs include standardized testing fees for college credit, preparation courses or materials for standardized testing and the career and technical education industry certification assessment. Extracurricular activities are school sponsored activities that may require students to pay a fee in order to participate. Session Law (Laws 2011, Chapter 195) allows schools to temporarily use up to 50% of the unencumbered contributions it received prior to tax year 2011 for short-term capital items such as technology, textbooks, library resources, instructional aids, pupil transportation vehicles, furniture or equipment in FY 2011/12 and FY 2012/13.
Credit: The credit is equal to the amount of fees paid or cash contributions, not to exceed \$400 for married filing joint filers and \$200 for all other filing statuses.
Carry forward: Five years.

Due to the volume of taxpayers claiming the credit for public school extracurricular activity fee credit as well as the number claiming multiple credits, the following table represents donations received and fees paid reported by public schools.

	# of claimants	Total credit	Credit used
1998	74,242	\$8,990,042	\$8,990,042
1999	109,748	\$14,775,353	\$14,775,353
2000	130,730	\$17,544,784	\$17,544,784
2001	135,656	\$20,004,715	\$20,004,715
2002	143,697	\$22,455,129	\$22,455,129
2003	201,407	\$27,753,764	\$27,753,764
2004	213,987	\$30,958,872	\$30,958,872
2005	215,369	\$35,416,279	\$35,416,279
2006	218,664	\$43,230,433	\$43,230,433
2007	214,356	\$44,069,896	\$44,069,896
2008	233,450	\$45,164,366	\$45,164,366
2009	239,031	\$42,657,087	\$42,657,087
2010	250,004	\$43,718,717	\$43,718,717
2011	250,216	\$48,442,987	\$48,442,987
2012	253,134	\$51,287,359	\$51,287,359
2013	253,842	\$50,972,856	\$50,972,856
2014	266,087	\$50,991,999	\$50,991,999
2015	263,178	\$48,084,305	\$48,084,305

ARIZONA INDIVIDUAL INCOME TAX

QUALIFIED FACILITIES CREDIT

- Statute:** A.R.S. § 43-1083.03
- Effective Date:** For taxable years from and after 12/31/2012.
- Repealed:** For taxable years beginning from and after 1/1/2020. Repeal date set when credit enacted.
- Provisions:** A *refundable* credit is allowed for expanding or locating a qualified facility in Arizona. A “qualified facility” is a facility that devotes at least 80% of the property and payroll at the facility to qualified manufacturing, qualified headquarters or qualified research. The credit must be approved by the Arizona Commerce Authority. There is an aggregate cap on approvals of \$70 million (in conjunction with the renewable energy industry credit) and a per taxpayer cap of \$30 million.
- Credit:** The amount of the credit is 10% of the lesser of the taxpayer’s total capital investment in the qualified facility or \$200,000 for each net new full-time employment position at the qualified facility. The credit is claimed in 5 equal annual installments.
- Carry forward:** Not applicable.

As of the date of this release on income tax credits, the Arizona Commerce Authority as pre-approved eight companies for this tax credit. Until the returns are filed based on post-approvals, there is no way to determine how many will be claimed as corporate or individual income tax credits.

ARIZONA INDIVIDUAL INCOME TAX

QUALIFIED HEALTH INSURANCE PLANS CREDIT

Statute: A.R.S. § 43-1087.01
Effective Date: For taxable years from and after 12/31/2011.
Repealed: For taxable years beginning from and after 1/1/2014. Repeal date set when credit enacted.

Provisions: A nonrefundable credit is allowed for employers who provide qualified health plans or contributions to health savings accounts for its employees who are Arizona residents. The taxpayer must employ at least 2 and not more than 50 employees. The employer cannot have provided health insurance coverage to its employees for the 90 days immediately preceding the offer of health insurance plans in the taxable year in which the employer initially claims the credit. The health insurance plan must be provided to enrolled employees for at least 12 consecutive months (and offered to all employees) and the employer must pay at least \$360 during the taxable year for premiums or contributions to a health savings account.

Credit: The amount of the credit is \$360 for every employee who is enrolled in the qualified health insurance plan.

Carry forward: Three years

	# of claimants	Total credit	Credit used	Carry forward
2012	0	\$0	\$0	\$0
2013	0	\$0	\$0	\$0
2014	5	\$21,240	\$3,856	\$17,384
2015	1	//////////	//////////	//////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

ARIZONA INDIVIDUAL INCOME TAX

RECYCLING EQUIPMENT CREDIT

Statute: A.R.S. § 43-1076
Effective Date: For taxable years from and after 12/31/1992.
Repealed: For taxable years beginning on or after 1/1/2003.
Provisions: A nonrefundable credit is allowed to a taxpayer that places recycling equipment in service in Arizona. Recycling equipment is defined as new or used equipment purchased during the tax year and used exclusively to process post-consumer select solid waste materials and manufacturing machinery used exclusively to produce finished products, the composition of which is at least 25% post-consumer select solid waste materials. Select solid waste means paper, plastic, scrap metal and iron, glass and rubber.
Credit: The amount of the credit is equal to 10% of the installed cost of the equipment. The credit may not exceed 25% of the tax liability for the tax year or \$5,000.
Carry forward: Fifteen years.

	# of claimants	Total credit	Credit used	Carry forward
1993	0	\$0	\$0	\$0
1994	5	////////	////////	////////
1995	6	////////	////////	////////
1996	2	////////	////////	////////
1997	5	\$17,757	\$7,007	\$10,750
1998	5	////////	////////	////////
1999	3	////////	////////	////////
2000	6	\$26,303	\$4,605	\$21,698
2001	6	\$9,309	\$2,928	\$6,381
2002	5	\$7,945	\$3,267	\$4,678
2003	4	\$3,891	\$2,380	\$1,511
2004	2	////////	////////	////////
2005	0	\$0	\$0	\$0
2006	0	\$0	\$0	\$0
2007	0	\$0	\$0	\$0
2008	0	\$0	\$0	\$0
2009	0	\$0	\$0	\$0
2010	0	\$0	\$0	\$0
2011	0	\$0	\$0	\$0
2012	0	\$0	\$0	\$0
2013	0	\$0	\$0	\$0
2014	0	\$0	\$0	\$0
2015	0	\$0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

ARIZONA INDIVIDUAL INCOME TAX

RENEWABLE ENERGY INDUSTRY CREDIT

- Statute:** A.R.S. § 43-1083.01
- Effective Date:** For taxable years from and after 12/31/2009.
- Repealed:** For taxable years beginning from and after 1/1/2015. Repeal date set when enacted.
- Provisions:** This refundable credit is for expanding or locating qualified renewable energy operations in Arizona. Renewable energy operations are limited to manufacturers of, and headquarters for, systems and components that are used, or useful in manufacturing renewable energy equipment for the generation, storage, testing and research and development, transmission or distribution of electricity from renewable resources, including specialized crates necessary to package the renewable energy equipment manufactured at the facility. Approval from the Arizona Commerce Authority is required to take the credit. No more than \$70 million can be approved by the Arizona Commerce Authority in a calendar year.
- Credit:** The credit is up to 10% of the taxpayer's total capital investment in Arizona if 1.5 new full-time employment positions are created for each \$500,000 of capital investment for manufacturing operations or 1 new full-time employment position is created for each \$200,000 in capital investment for headquarters. For other qualifying renewable energy investment, the credit is 10% of \$500,000 for each 1.5 new full-time employment positions created in manufacturing operations or 10% of \$200,000 for each 1 full-time employment position created for headquarters, neither of which can exceed 10% of the taxpayer's total capital investment. The credit is apportioned and claimed in five equal annual installments in each of five consecutive tax years.
- Carry forward:** Not applicable.

As of the date of this release on income tax credits, the Arizona Commerce Authority has pre-approved five companies for this credit and issued one post-approval. No individual income tax returns have been filed claiming this credit.

ARIZONA INDIVIDUAL INCOME TAX

RENEWABLE ENERGY INVESTMENT & PRODUCTION FOR SELF-CONSUMPTION CREDIT

- Statute:** A.R.S. § 43-1083.04
- Effective Date:** For taxable years from and after 12/31/2013.
- Repealed:** For taxable years beginning from and after 1/1/2031. Repeal date set when enacted.
- Provisions:** This nonrefundable credit is for investment in new renewable energy facilities or for International Operations Centers (IOC) that produce energy for self-consumption using renewable energy resources. To qualify as a manufacturer, the taxpayer must invest \$300 million in new renewable energy facilities in Arizona over a three year period and use at least 90% of the energy produced for self-consumption. To qualify as an IOC, the taxpayer must invest at least \$100 million in one or more renewable energy facilities in Arizona over a three year period, invest \$1.25 billion in the IOC within 10 years after being certified by the Arizona Commerce Authority and use at least 51% of the energy produced for self-consumption by the fifth year the facility is in operation. Approval from the Arizona Department of Revenue is required to take the credit. No more than \$10 million can be approved by the Arizona Department of Revenue in a calendar year. No credits, other than carryovers may be claimed for any taxable year beginning after December 31, 2025.
- Credit:** The amount of the credit is \$5 million per year for five years with the initial credit available in the year the facility becomes operational.
- Carry forward:** Five years.

As of the date of this release on income tax credits, the Arizona Department of Revenue has pre-approved one renewable energy facility for this tax credit. Until the returns are filed based on past-approvals, there is no way to determine how many will be claimed as corporate or individual income tax credits.

ARIZONA INDIVIDUAL INCOME TAX

RENEWABLE ENERGY PRODUCTION TAX CREDIT

Statute: A.R.S. § 43-1083.02

Effective Date: For taxable years from and after 12/31/2010.

Repealed: For taxable years beginning from and after 1/1/2031. Repeal date set when enacted.

Provisions: This nonrefundable credit is for production of electricity by a qualified energy generator that produces energy using solar light, solar heat, wind or biomass. Qualified energy generator means a facility that has at least 5 megawatts generating capacity, that is located on land in Arizona owned or leased by the taxpayer, that produces electricity using solar, wind or biomass and that sells electricity to an unrelated entity, unless the electricity is sold to a public service corporation. Approval from the Arizona Department of Revenue is required to take the credit. No more than \$20 million can be approved by the Arizona Department of Revenue in a calendar year.

Credit: The amount of the credit is based on electricity produced. The amount of the credit is certified by the Arizona Department of Revenue before the credit can be claimed.

Carry forward: Five years.

The Arizona Department of Revenue has approved income tax credits based on applications submitted in January following the production year as noted in the table below. Until the returns are filed there is no way to determine how many will be claimed as corporate income tax credits and how many will be claimed as individual income tax credits. No individual income tax returns have been filed claiming this credit.

Production Year	# of qualified facilities	# of facilities with allowable credit	Credit approved
2011	5	5	\$1,276,521
2012	12	12	\$9,653,594
2013	16	16	\$18,421,782
2014	20	16	\$20,000,000
2015	22	17	\$20,000,000

The figures below show individual income tax credits claimed for these facilities.

	# of claimants	Total credit	Credit used	Carry forward
2011	0	\$0	\$0	\$0
2012	0	\$0	\$0	\$0
2013	0	\$0	\$0	\$0
2014	5	\$320,171	\$309,243	\$10,928
2015	1	//////////	//////////	//////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

ARIZONA INDIVIDUAL INCOME TAX

RESEARCH & DEVELOPMENT CREDIT – NONREFUNDABLE AND REFUNDABLE

Statute: A.R.S. § 43-1074.01

Effective Date: For taxable years from and after 12/31/2000.

Provisions: This nonrefundable credit is for research and development expenses.

Credit: The credit is computed as follows:

1. Add the excess of qualified research expenses for the taxable year over the base amount, to the basic research payments determined.

2. If the sum is less than or equal to \$2.5 million, the credit is 20% or a maximum of \$500,000.

3. If the sum is greater than \$2.5 million, the credit is \$500,000 plus 11% of the amount exceeding \$2.5 million, except,

a. For taxable years beginning from and after 12/31/00 through 12/31/01, the credit shall not exceed \$1.5 million

b. For taxable years beginning from and after 12/31/01 through 12/31/02, the credit shall not exceed \$2.5 million.

The percentages in paragraphs 2 and 3 above are different for tax year 2010 through 2017. In tax year 2010, the percentages change to 22% and 13%. For tax years 2011 through 2017, the percentages are 24% and 15%.

Credit carry forward from taxable years beginning before 1/1/03 that can be used in a year may be limited. The carry forward amount from the specified tax years must be less than or equal to the lesser of tax liability less current year credit (thereby zeroing out liability) or the difference between \$500,000 and the current year credit. The amount of the credit carry forward from taxable years beginning after 12/31/02 that may be used in a taxable year may not exceed tax liability after subtracting current year credit.

Carry forward: Fifteen years.

Statute: A.R.S. § 43-1074.01(C)

Effective Date: For taxable years from and after 12/31/2009.

Provisions: This refundable research and development credit is only available to a taxpayer that employs fewer than 150 persons and if the allowable credit established under the nonrefundable credit exceeds the taxes due. The taxpayer must be pre-approved by the Arizona Commerce Authority to take the credit. No more than \$5 million can be approved in a calendar year.

Credit: The refundable credit is limited to 75% of the amount by which the allowable nonrefundable research and development credit exceeds the taxpayer's tax liability in the taxable year. The remaining 25% of the unused credit is forfeited by the taxpayer.

The table on the following page presents statistics on both the refundable and nonrefundable portions of the research and development tax credit.

ARIZONA INDIVIDUAL INCOME TAX

	# of Claimants	New credit	Total credit available	Credit used	Limited carry forward	Unlimited carry forward	Amount refunded	Forfeited credit
2001	60	\$943,502	\$943,502	\$508,516	\$434,986			
2002	107	\$1,582,874	\$1,988,911	\$817,296	\$1,171,615			
2003	136	\$2,851,821	\$4,020,038	\$1,191,528	\$1,143,176	\$1,685,334		
2004	166	\$3,144,479	\$5,854,701	\$1,654,410	\$1,096,963	\$3,132,257		
2005	200	\$4,246,231	\$8,450,439	\$3,353,388	\$854,668	\$4,242,089		
2006	280	\$5,411,963	\$10,291,430	\$4,364,068	\$757,727	\$5,169,635		
2007	281	\$5,015,292	\$10,177,930	\$4,015,871	\$530,475	\$5,659,505		
2008	350	\$6,705,045	\$12,602,338	\$5,091,709	\$427,187	\$7,111,363		
2009	359	\$6,023,764	\$13,219,008	\$4,808,573	\$382,810	\$8,039,185		
2010	491	\$9,586,307	\$17,923,114	\$6,844,806	\$350,062	\$10,529,757	\$270,828	\$103,312
2011	535	\$9,971,193	\$20,635,925	\$7,052,643	\$273,583	\$12,646,801	\$423,709	\$193,788
2012	559	\$12,174,342	\$25,445,436	\$7,825,336	\$231,251	\$17,285,790	\$132,142	\$45,943
2013	631	\$13,611,556	\$30,838,752	\$8,386,728	\$156,419	\$20,636,517	\$152,013	\$50,671
2014	790	\$16,916,112	\$38,540,608	\$10,501,226	\$156,419	\$27,857,655	\$18,981	\$6,327
2015	374	<i>\$6,186,577</i>	<i>\$34,153,042</i>	<i>\$5,159,631</i>	<i>\$156,254</i>	<i>\$28,837,157</i>	---	---

Italics indicate preliminary numbers.

- Since the creation of this credit, 1,240 taxpayers have claimed it.

ARIZONA INDIVIDUAL INCOME TAX

(ADDITIONAL) RESEARCH & DEVELOPMENT CREDIT FOR UNIVERSITY RESEARCH

- Statute:** A.R.S. § 43-1074.01(A)(1)(c)
Effective Date: For taxable years from and after 12/31/2011.
Provisions: This research and development credit for university research is in addition to the regular nonrefundable research and development credit. The credit may be allowed if the taxpayer made basic research payments to a university under the jurisdiction of the Arizona Board of Regents. The taxpayer must be pre-approved by the Arizona Department of Revenue to take the credit. No more than \$10 million can be approved in a calendar year.
Credit: The credit is 10% of the excess basic research expenses over the base amount.
Carry forward: Five years.

As of the date of this publication, no claims on individual income tax returns for the additional research & development credit for university research have been identified.

ARIZONA INDIVIDUAL INCOME TAX

SCHOOL SITE DONATION CREDIT

Statute: A.R.S. § 43-1089.02
Effective Date: For taxable years from and after 12/31/2000.
Provisions: A nonrefundable credit is allowed for donation of real property and improvements to a school district or a charter school for use as a school or as a site for the construction of a school. To qualify for the credit, the real property and improvements must be in Arizona, must be conveyed unencumbered and in fee simple, except that the property shall only be used as a school or construction site for a school.
Credit: The amount of the credit is 30% of the value of real property and improvements donated by the taxpayer to a school district or charter school.
Carry forward: Five years.

	# of claimants	Value of donated property⁹	Total credit	Credit used	Carry forward
2001	59	\$23,376,250	\$4,572,656	\$2,869,356	\$1,704,381
2002	66	\$11,176,500	\$3,711,546	\$2,380,444	\$1,331,022
2003	45	\$8,580,160	\$2,924,583	\$2,048,930	\$716,187
2004	100	\$30,130,700	\$5,671,414	\$3,513,793	\$2,157,621
2005	80	\$25,445,500	\$8,889,390	\$6,029,585	\$2,859,896
2006	89	\$35,051,850	\$10,553,076	\$7,812,958	\$2,534,946
2007	72	\$15,723,362	\$6,255,914	\$2,819,579	\$3,217,277
2008	55	\$1,966,838	\$2,089,663	\$321,623	\$1,718,697
2009	30	\$0	\$1,003,782	\$76,427	\$357,500
2010	30	\$1,128,000	\$1,109,133	\$223,949	\$759,483
2011	20	\$2,089,991	\$617,874	\$89,461	\$521,716
2012	11	\$0	\$608,953	\$38,578	\$156,776
2013	21	\$452,416	\$293,887	\$111,752	\$182,135
2014	20	\$842,461	\$508,350	\$303,735	\$157,090
2015	4	\$0	\$154,807	\$4,144	\$150,663

Italics indicate preliminary numbers.

⁹ Represents the total value of the donated property for which a credit was originally claimed in the respective tax year.

ARIZONA INDIVIDUAL INCOME TAX

SOLAR ENERGY DEVICE CREDIT

Statute: A.R.S. § 43-1083
Effective Date: For taxable years from and after 12/31/1994.
Provisions: A nonrefundable credit is allowed for each resident who is not a dependent of another taxpayer for installing a solar energy device in the taxpayer's Arizona residence. Solar energy device means a system or series of mechanisms designed primarily to provide heating, to provide cooling, to produce electrical power, to produce mechanical power, to provide solar daylighting or to provide any combination thereof by means of collecting and transferring solar energy into such uses either by passive or active means.
Credit: The amount of the credit is 25% of the cost of the device, not to exceed \$1000.
Carry forward: Five years.

	# of claimants	Total credit available	Credit used	Carry forward
1995	1,924	\$655,000	\$593,000	\$63,000
1996	1,651	\$591,611	\$ 517,750	\$73,876
1997	1,861	\$644,057	\$527,518	\$116,529
1998	2,144	\$783,799	\$673,892	\$109,420
1999	2,765	\$1,065,616	\$903,738	\$152,877
2000	2,560	\$1,032,948	\$889,508	\$143,012
2001	2,273	\$1,021,789	\$866,027	\$155,194
2002	2,336	\$1,131,895	\$920,767	\$210,656
2003	2,687	\$1,315,181	\$1,050,632	\$251,310
2004	3,049	\$1,485,693	\$1,211,632	\$274,061
2005	3,729	\$1,945,208	\$1,588,034	\$356,337
2006	4,172	\$2,709,957	\$2,090,315	\$595,777
2007	2,699	\$1,724,349	\$1,304,830	\$421,078
2008	5,255	\$3,357,696	\$2,579,148	\$777,204
2009	8,528	\$6,289,654	\$5,065,150	\$1,224,169
2010	9,147	\$7,188,710	\$5,763,107	\$1,463,817
2011	9,212	\$6,840,408	\$4,918,762	\$1,921,646
2012	7,754	\$5,626,964	\$3,874,538	\$1,713,779
2013	7,716	\$5,530,662	\$3,824,470	\$1,670,356
2014	7,931	\$5,872,740	\$4,142,240	\$1,640,412
2015	7,961	\$5,833,443	\$4,166,795	\$1,574,175

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

**SOLAR HOT WATER HEATER PLUMBING STUB OUTS & ELECTRIC VEHICLE RECHARGE
OUTLETS CREDIT**

Statute: A.R.S. § 43-1090

Effective Date: For taxable years from and after 12/31/1997.

Provisions: A nonrefundable credit is allowed for costs incurred of installing or including in one or more houses or dwelling units in Arizona and constructed by the taxpayer, one or more:

1. Solar hot water plumbing stub outs. The stub out must include two insulated 3/4 inch copper pipes and at least two pairs of wire for monitoring or controlling purposes. The stub out must also be located and configured to allow sufficient solar access and exposure and to allow ready installation of solar water heating devices.

2. Electric vehicle recharge outlets. The outlet must be connected to the utility system by a dedicated line that is capable of operating at normal secondary voltages, meets applicable building codes and is commensurate and consistent with electric vehicle recharging needs and methods.

Credit: The credit cannot exceed \$75 for each installation for each separate house or dwelling unit. The credit may be transferred from the builder to the purchaser of the house or dwelling unit.

Carry forward: Five years.

	# of claimants	Total credit available	Credit used	Carry forward
1998	23	\$12,352	\$8,874	\$3,478
1999	35	\$16,859	\$7,944	\$8,915
2000	35	\$21,308	\$11,566	\$9,742
2001	18	\$16,951	\$7,804	\$9,147
2002	15	\$4,920	\$3,312	\$1,608
2003	2	//////////	//////////	//////////
2004	17	\$15,220	\$5,677	\$9,543
2005	22	\$18,538	\$9,687	\$8,851
2006	6	\$525	\$525	\$0
2007	3	\$225	\$225	\$0
2008	11	\$1,053	\$930	\$123
2009	16	\$2,850	\$1,568	\$1,282
2010	15	\$2,119	\$1,662	\$457
2011	24	\$2,025	\$1,876	\$149
2012	13	\$1,125	\$1,125	\$0
2013	12	\$975	\$975	\$0
2014	93	\$13,761	\$9,384	\$4,375
2015	107	\$14,261	\$8,836	\$5,425

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

SOLAR LIQUID FUEL RESEARCH & DEVELOPMENT CREDIT

- Statute:** A.R.S. § 43-1085.01
- Effective Date:** For taxable years from and after 12/31/2010.
- Repealed:** For taxable years beginning from and after 1/1/2022. Repeal date set when enacted.
- Provisions:** This nonrefundable credit is for increased research activities related to solar liquid fuel. Solar liquid fuel means liquid fuel that is generated through processes that use sunlight, carbon dioxide and water to produce infrastructure compatible liquid hydrocarbon fuels.
- Credit:** The credit is 40% of the excess of Arizona qualified research expenses for the taxable year over a base amount.
- Carry forward:** None.

As of the date of this publication, no claims on individual income tax returns for the solar liquid fuel research & development credit have been identified.

ARIZONA INDIVIDUAL INCOME TAX

WATER CONSERVATION SYSTEMS CREDIT

Statute: A.R.S. § 43-1090.01
Effective Date: For taxable years from and after 12/31/2006.
Repealed: For taxable years beginning from and after 1/1/2012. Repeal date set when credit enacted.
Provisions: A nonrefundable credit is allowed for each resident who is not a dependent of another taxpayer for installing a conservation system in the taxpayer's Arizona residence. A taxpayer wishing to take this credit must first be certified by the department.
Credit: The amount of the credit is 25% of the cost of the system, not to exceed \$1,000 for the same residence. The credit is issued on a first come first serve basis. No more than \$250,000 in total credits may be issued in a calendar year. Rainwater harvesting systems and graywater recycling systems qualify for this credit.
Carry forward: Five years

Taxpayers interested in the credit must be approved before they can take the credit. They must first install the system and then apply for credit approval. The credits approved are as follows:

	# of approvals	Cost of system	Credit approved
2007	85	\$343,889	\$54,095
2008	237	\$650,340	\$130,207
2009	258	\$744,165	\$142,878
2010	272	\$697,816	\$136,807
2011	255	\$681,698	\$134,637

While there are 1,107 approvals shown above, this represents 782 individuals. Some individuals have their system installed in pieces, requesting approval as each piece is finished. These 782 individuals were located in 57 areas throughout Arizona. Tucson was the location for 503 of the individuals. Sierra Vista was the second most noted location, with 65 approvals.

Credits actually claimed on tax returns are shown below:

	# of claimants	Cost of system	New credit	Total credit available	Credit used	Carry forward
2007	61	\$282,460	\$42,238	\$42,238	\$36,227	\$6,011
2008	214	\$571,758	\$115,720	\$121,593	\$108,710	\$12,833
2009	218	\$594,816	\$115,681	\$123,303	\$104,125	\$19,178
2010	240	\$586,991	\$112,999	\$123,354	\$102,325	\$21,029
2011	258	\$616,023	\$122,988	\$134,048	\$104,946	\$29,102
2012	38	-----	-----	\$24,587	\$7,287	\$14,161
2013	25	-----	-----	\$9,562	\$3,739	\$5,823
2014	9	-----	-----	\$3,345	\$374	\$2,971
2015	6	-----	-----	\$2,527	\$226	\$2,301

ARIZONA CORPORATE INCOME TAX

AGRICULTURAL POLLUTION CONTROL EQUIPMENT CREDIT

Statute: A.R.S. § 43-1170.01
Effective Date: For taxable years from and after 12/31/1998.
Provisions: A nonrefundable credit is allowed for expenses that a taxpayer (involved in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products) incurs to purchase tangible personal property that is primarily used in the taxpayer's trade or business in Arizona to control or prevent pollution. Property that qualifies for this credit includes the portion of a structure, building, installation, excavation, machine, equipment or device and any attachment or addition or reconstruction, replacement or improvement of that property that is directly used, constructed or installed to prevent, monitor, control or reduce air, water or land pollution.
Credit: The credit is equal to 25% of the cost of the real or personal property, not to exceed \$25,000.
Carry forward: Five years.

	# of claims	Credit available	Credit used	Carry forward
1999	1	//////////	//////////	//////////
2000	1	//////////	//////////	//////////
2001	1	//////////	//////////	//////////
2002	1	//////////	//////////	//////////
2003	1	//////////	//////////	//////////
2004	1	//////////	//////////	//////////
2005	0	\$0	\$0	\$0
2006	1	//////////	//////////	//////////
2007	0	\$0	\$0	\$0
2008	0	\$0	\$0	\$0
2009	0	\$0	\$0	\$0
2010	0	\$0	\$0	\$0
2011	0	\$0	\$0	\$0
2012	0	\$0	\$0	\$0
2013	0	\$0	\$0	\$0
2014	0	\$0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

ALTERNATIVE FUEL VEHICLES CREDIT

Statute: A.R.S. § 43-1174

Effective Date: For taxable years from and after 12/31/1993.

Repealed: To qualify for the credit, a contract or purchase order for the vehicle must have been entered into prior to 10/21/2000. No refundable credit is allowed for taxable years ending after 12/31/2001. The nonrefundable credit was repealed with the passage of the refundable credit language; however, the carry forward for the nonrefundable credit can still be used after 12/31/2001.

Provisions: A credit is allowed for (1) purchase or lease, for a period of at least 3 years, of one or more new original equipment manufactured alternative fuel vehicles or (2) expenses incurred for converting one or more conventionally fueled vehicles to operate on an alternative fuel. *This credit was refundable for tax years 2000 and 2001 only.*

Credit: The amount of the credit is equal to:

1. For low emission vehicles 12,000 pounds or less, the greater of 30% of cost or \$5,000 if new or the greater of 15% of the cost or \$2,500 if used.
2. For an ultralow or inherently low emission vehicle, the greater of 40% of cost or \$7,500 if new or the greater of 20% of the cost or \$3,750 if used.
3. For a zero or super ultralow emission vehicle, the greater of 50% of cost or \$10,000 if new or the greater of 25% of the cost or \$5,000 if used.
4. For a used zero emission vehicle that is leased, the greater of 25% of cost or \$2,500.
5. For a low emission vehicle over 12,000 pounds, the greater of 30% of cost or \$30,000 if new or the greater of 15% of the cost or \$15,000 if used.
6. For conversion of a vehicle over 12,000 pounds, the greater of 30% of vehicle purchase price plus conversion cost or 30% of the original manufacturer's base retail price or \$30,000.
7. For purchase of converted vehicles over 12,000 pounds, the greater of 15% of cost or \$15,000.
8. For conversion of any other vehicle, the greater of 30% of vehicle purchase price plus conversion cost or 30% of the original manufacturer's base retail price of the vehicle or \$5,000 .
9. For purchase of any other converted vehicle, the greater of 15% of cost or \$2,500.

This language replaced another alternative fuel vehicle credit that allowed much less credit; the previous credit was for a maximum amount of \$1,000 per vehicle

Carry forward: Five years for the nonrefundable alternative fuel vehicle and 10 years for the nonrefundable neighborhood electric vehicle credit.

FOR NONREFUNDABLE ALTERNATIVE FUEL VEHICLES EXCEPT NEIGHBORHOOD ELECTRIC VEHICLES:

Tax Year	# of claimants	# of vehicles	New credit	Total credit	Credit used	Carry forward
1994	2	//////////	//////////	//////////	//////////	//////////
1995	4	61	\$61,000	\$61,000	\$61,000	\$0
1996	1	//////////	//////////	//////////	//////////	//////////
1997	4	6	\$6,200	\$11,150	\$4,805	\$6,345
1998	12	93	\$114,713	\$190,258	\$36,231	\$154,027
1999	24	103	\$1,324,268	\$1,402,495	\$283,160	\$1,119,335
2000	13	6	\$146,188	\$1,116,853	\$342,351	\$774,502
2001	7	-----	-----	\$740,566	\$2,882	\$737,674
2002	7	-----	-----	\$678,479	\$32,924	\$645,555
2003	5	-----	-----	\$645,555	\$1,726	\$643,829
2004	3	-----	-----	\$659,570	\$2,837	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

➤ Since the creation of this credit, 36 taxpayers have claimed it.

ARIZONA CORPORATE INCOME TAX

REFUNDABLE	2000	2001
# of claimants	182	12
# of vehicles	670	17
New credit	\$15,666,027	\$218,560
Total credit	\$15,666,027	\$218,560
Used	\$491,057	\$25,200
Refunded	\$15,163,095	\$193,360
Carry forward	\$11,875	\$0

FOR NEIGHBORHOOD ELECTRIC VEHICLES:

	# of claimants	# of vehicles	Purchase price	New credit	Total credit	Credit used	Carry forward
1999	53	189	\$1,792,850	\$1,858,593	\$1,858,593	\$1,406,907	\$451,686
2000	47	267	\$2,287,352	\$2,103,061	\$2,431,532	\$1,368,929	\$1,062,603
2001	19	-----	-----	-----	\$991,555	\$69,701	\$921,854
2002	17	-----	-----	-----	\$903,497	\$60,175	\$843,322
2003	13	-----	-----	-----	\$820,049	\$29,085	\$790,964
2004	10	-----	-----	-----	\$791,263	\$11,380	\$779,883
2005	4	-----	-----	-----	\$680,915	\$3,041	\$677,874
2006	1	-----	-----	-----	////////////////	////////////////	////////////////

- For this period, 82 taxpayers have claimed the credit for neighborhood electric vehicles.
- For these 82 taxpayers, an average of five vehicles per taxpayer has been claimed, although nine of the taxpayers each claimed ten or more neighborhood electric vehicles.

The slanted bars in the cells of the tables above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

ARIZONA CORPORATE INCOME TAX

CLEAN ELECTIONS CREDIT

Statute: A.R.S. § 16-954B
Effective Date: For donations made in taxable years beginning on or after 1/1/1998.
Repealed: For donations made from and after 8/2/2012
Provisions: A nonrefundable credit is allowed for donations made directly to the Clean Elections Fund or a donation made on the tax return.
Credit: The credit is not to exceed 20% of the tax liability or \$610. The maximum credit amount is adjusted biennially (per A.R.S. § 16-959A).
Carry forward: None.

	# of claimants	Total credit	Credit used
1998	0	\$0	\$0
1999	0	\$0	\$0
2000	57	\$13,911	\$13,911
2001	97	\$2,913	\$2,913
2002	102	\$646	\$646
2003	111	\$1,778	\$1,778
2004	93	\$597	\$597
2005	102	\$2,019	\$2,019
2006	122	\$684	\$684
2007	227	\$2,615	\$2,615
2008	329	\$22,558	\$22,558
2009	228	\$1,292	\$1,292
2010	260	\$2,842	\$2,842
2011	255	\$1,635	\$1,635
2012	259	\$1,370	\$1,370

ARIZONA CORPORATE INCOME TAX

COMMERCIAL AND INDUSTRIAL SOLAR ENERGY CREDIT

- Statute:** A.R.S. § 43-1164
Effective Date: For installing devices in taxable years beginning on or after 1/1/2006.
Repealed: For taxable years beginning from and after 1/1/2019. Repeal date set when credit enacted.
Provisions: A nonrefundable credit is allowed for installing one or more solar energy devices for commercial or industrial purposes in the taxpayer's trade or business.
Credit: A taxpayer wishing to take this credit must first be certified by the Arizona Department of Commerce. The credit is equal to 10% of the installed cost of the device. Total credits under this section may not exceed \$25,000 per taxpayer with respect to the same building in the same year or \$50,000 in total credits in any year.
Carry forward: Five years.

The Arizona Department of Commerce has reported the following certifications. Until the returns are filed, there is no way to determine how many will be claimed as corporate income tax credits and how many will be claimed as individual income tax credits.

Tax Year	# of approvals	Cost of installation	Credit allowed
2006	16	\$1,639,428	\$144,977
2007	15	\$2,948,897	\$156,744
2008	45	\$11,205,236	\$602,074
2009	63	\$21,760,115	\$860,218
2010	62	\$30,305,719	\$997,786
2011	66	\$20,576,078	\$996,638
2012	74	\$18,376,516	\$927,183
2013	48	\$34,317,301	\$835,464
2014	28	\$14,881,077	\$427,252

Claims made on corporate tax returns are shown below.

	# of claims	Cost of device	Credit claimed	Total credit	Credit used	Carry forward
2006	1	//////////	//////////	//////////	//////////	//////////
2007	1	//////////	//////////	//////////	//////////	//////////
2008	7	\$2,813,826	\$85,550	\$85,550	\$74,899	\$10,651
2009	10	\$4,381,395	\$200,405	\$206,102	\$87,163	\$118,939
2010	13	\$4,212,452	\$150,740	\$244,779	\$129,528	\$115,251
2011	11	\$3,911,619	\$171,945	\$274,620	\$181,978	\$92,642
2012	17	\$3,903,739	\$176,620	\$265,650	\$183,016	\$82,634
2013	16	\$6,224,158	\$150,540	\$262,893	\$189,752	\$73,141
2014	8	\$1,774,420	\$56,700	\$106,811	\$59,243	\$47,568

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

CONSOLIDATED FILER CREDIT

Statute: SB1120 in the 1994 legislative session
Effective Date: For taxable years from and after 12/31/1995.
Repealed: Final payments to occur in tax year 2006
Provisions: SB1120 allowed a corporation to elect to file the same consolidated group of corporations on the Arizona return that was filed on the federal return. Corporations that made this election could file consolidated returns from tax year 1994 forward. Amended returns could be filed for tax year 1986 through 1993; these returns had to have been filed by 1/1/95. The filing of amended returns could result in a credit for previous tax payments as well as interest accrued through 12/31/94. The credit could be taken beginning in the 1996 tax year.
Credit: Total credit established was \$66 million for 69 corporations. Corporations could take 1/10 of their credit, nonrefundable, each year for ten years. Any credit remaining at the end of ten years (perhaps credit amount exceeded liability during the ten year period) is to be refunded.
Carry forward: Not applicable.

The following table presents the corporate consolidated credits taken by tax year.

Tax Year	# of claims	Credit available	Credit used	Remaining credit
1996	40	\$65,603,071	\$4,096,658	\$61,506,413
1997	44	\$61,506,413	\$4,566,240	\$56,940,173
1998	46	\$56,940,173	\$3,373,610	\$53,566,563
1999	48	\$53,566,563	\$2,964,017	\$50,602,546
2000	42	\$50,602,546	\$3,430,269	\$47,172,277
2001	35	\$46,672,815	\$3,504,468	\$43,168,347
2002	32	\$43,168,347	\$2,208,772	\$40,959,575
2003	34	\$40,959,575	\$2,299,299	\$38,660,276
2004	32	\$38,635,451	\$2,307,512	\$36,327,939
2005	28	\$36,327,939	\$4,680,893	\$31,647,046
2006	52	\$31,647,046	\$31,647,046	\$0

ARIZONA CORPORATE INCOME TAX

CONTRIBUTIONS TO SCHOOL TUITION ORGANIZATIONS

Statute: A.R.S. §§ 43-1183 and 43-1089.04
Effective Date: For taxable years from and after 6/30/2006.
Repealed: *Original law* had a repeal date of 6/30/2011. **The repeal date was removed in the 2009 session.**
Provisions: A nonrefundable corporate income tax or insurance premium tax credit is allowed to taxpayers for voluntary cash contributions made to a school tuition organization. S corporations may donate and pass a pro rata share of the credit onto their shareholders.
Credit: The aggregate amount of the credit for both the corporate income tax and the insurance premium tax is limited to \$10 million in the first year and 20% additional in each fiscal year thereafter. Due to the aggregate limitation, all corporations must be pre-approved for the credit. There is no limitation on the amount of contribution one corporation can give.
Carry forward: Five years.

Donation amounts for corporate income tax credit and insurance premium tax credit approved by the Department of Revenue are as follows:

Fiscal Year	Credit cap	Approved / received	# insurance companies	# non-insurance corporations	# of S corporations
2007	\$10,000,000	\$9,535,800	----	108	----
2008	\$12,000,000	\$11,996,000	----	73	----
2009	\$14,400,000	\$10,495,506	----	98	----
2010	\$17,280,000	\$8,100,008	4	56	----
2011	\$20,736,000	\$11,324,351	8	60	----
2012	\$24,883,200	\$19,035,987	11	72	----
2013	\$29,859,840	\$29,858,865	27	87	----
2014	\$35,831,808	\$35,831,808	34	65	----
2015	\$42,998,170	\$42,998,170	36	59	----
2016	\$51,597,804	\$51,597,804	50	54	98
2017	\$61,917,365	\$61,917,365	44	79	248

The following table provides detail on the donations and scholarships reported by the School Tuition Organizations (STOs) on their annual reports. The # of donors and donation amounts are not from tax returns filed.

Calendar Year	# of STOs reporting donations	# of donors reported	Donations reported	# of STOs reporting scholarships	# of scholarships reported	Scholarships reported
2006	16	86	\$7,260,800	3	35	\$49,380
2007	17	84	\$14,258,000	18	1,940	\$4,597,823
2008	15	96	\$9,122,121	19	2,979	\$7,615,639
2009	17	93	\$7,285,284	19	3,640	\$7,849,824
2010	11	90	\$11,123,657	18	4,226	\$9,259,078
2011	20	107	\$11,506,717	15	2,124	\$3,220,519 ¹⁰
2012	27	168	\$25,358,454	FY2012----21	5,828	\$11,294,842
2013	24	217	\$48,535,539	FY2013----26	11,096	\$17,556,127
2014	27	165	\$44,725,923	FY2014----25	12,975	\$24,167,516
2015	12	77	\$10,105,178	FY2015----27	16,573	\$31,355,396

Italics indicate preliminary numbers.

¹⁰ These scholarships are for the first half of 2011 only. STOs are now required to report on a fiscal year basis.

ARIZONA CORPORATE INCOME TAX

A statutory change switched STO reporting from calendar year to fiscal year in fiscal year 2011. We ask the organizations to break out their donations in 6-month periods, but don't ask that for scholarships. Beginning with FY2012, scholarships will only be reported on a fiscal year basis.

The figures below show corporate income tax credits claimed for these donations thus far. Information is not available on the insurance premium tax credit claimed.

Tax Year	# of claims	Total credit	Credit used	Carry forward
2005	5	\$530,000	\$526,260	\$3,740
2006	57	\$10,625,940	\$10,369,546	\$256,394
2007	62	\$11,625,278	\$10,823,475	\$801,803
2008	74	\$9,180,214	\$6,147,240	\$3,032,974
2009	70	\$10,805,124	\$8,872,212	\$1,932,912
2010	67	\$11,714,656	\$8,475,518	\$3,199,138
2011	83	\$15,368,862	\$12,900,592	\$2,460,215
2012	92	\$28,804,101	\$24,363,770	\$4,279,634
2013	98	\$31,340,112	\$26,097,925	\$4,571,570
2014	65	\$23,667,860	\$17,822,902	\$5,777,810

For more information, a report is available on the Arizona Department of Revenue website on all private school tuition organization-related credits.

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

**CONTRIBUTIONS TO SCHOOL TUITION ORGANIZATIONS FOR DISPLACED STUDENTS
OR STUDENTS WITH DISABILITIES**

Statute: A.R.S. §§ 43-1184 and 43-1089.04

Effective Date: For taxable years from and after 6/30/2009.

Provisions: A nonrefundable corporate income tax or insurance premium tax credit is allowed to each taxpayer for the amount of voluntary cash contributions made to a certified school tuition organization. S corporations may donate and pass a pro rata share of the credit onto their shareholders.

Credit: The aggregate amount of the credit for both the corporate income tax and insurance premium tax is limited to \$5 million each fiscal year. Due to the aggregate limitation, all corporations must be pre-approved for the credit. There is no limitation on the amount of contribution one corporation can give.

Carry forward: Five years.

Donation amounts for the corporate income tax credit and insurance premium tax credit approved by the Department of Revenue are as follows:

Fiscal Year	Credit cap	Approved / received	# insurance companies	# non-insurance corporations	# of S corporations
2010	\$5,000,000	\$1,478,880	4	2	----
2011	\$5,000,000	\$1,029,000	5	3	----
2012	\$5,000,000	\$283,000	5	1	----
2013	\$5,000,000	\$3,505,350	8	6	----
2014	\$5,000,000	\$2,957,765	8	19	----
2015	\$5,000,000	\$5,000,000	17	11	----
2016	\$5,000,000	\$5,000,000	11	14	13
2017	\$5,000,000	\$5,000,000	15	9	10

The following table provides detail on the donations and scholarships reported by the School Tuition Organizations (STOs) on their annual reports. The # of donors and donation amounts are not from tax returns filed.

Calendar Year	# of STOs reporting donations	# of donors reported	Donations reported	# of STOs reporting scholarships	# of scholarships reported	Scholarships reported
2009	4	6	\$781,000	5	114	\$625,335
2010	5	8	\$956,880	6	166	\$715,424
2011	5	12	\$1,003,000	4	60	\$68,512 ¹¹
2012	7	14	\$3,255,300	<i>FY2012</i> ----5	119	\$583,865
2013	8	15	\$1,029,550	<i>FY2013</i> ----6	217	\$731,231
2014	14	49	\$7,228,265	<i>FY2014</i> ----8	346	\$1,611,469
2015	2	2	\$410,000	<i>FY2015</i> ---12	808	\$3,592,866

Italics indicate preliminary numbers.

STO reporting switched from calendar year to fiscal year in fiscal year 2011 due to a law change. We ask the organizations to break out their donations in 6-month periods, but don't ask that for scholarships. Beginning with FY2012, scholarships will only be reported on a fiscal year basis.

¹¹ These scholarships are for the first half of 2011 only. STOs are now required to report on a fiscal year basis.

ARIZONA CORPORATE INCOME TAX

The figures below show corporate income tax credits claimed for these donations thus far. Information is not available on the insurance premium tax credit claimed.

Tax Year	# of claims	Credit claimed	Credit used	Carry forward
2009	1	//////////	//////////	//////////
2010	1	//////////	//////////	//////////
2011	3	\$170,000	\$170,000	\$0
2012	4	//////////	//////////	//////////
2013	14	\$506,595	\$368,677	\$137,968
2014	14	\$1,919,318	\$1,891,957	\$27,361

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

For more information, a report is available on the Arizona Department of Revenue website on all private school tuition organization-related credits.

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

DEFENSE CONTRACTING CREDIT

Statute: A.R.S. § 43-1165 and 1166
Effective Date: For taxable years from and after 9/30/1992.
Repealed: Certification by the Arizona Department of Commerce was required by June 30, 2001, valid for five taxable years. No new credits could be claimed after tax year 2006.
Provisions: The nonrefundable credit is for a net increase in employment of qualified employees under a United States Department of Defense contract or for a net increase in private commercial employment by a qualified defense contractor due to full-time equivalent positions transferred during the taxable year from exclusively defense related activities to exclusively private commercial activities. A tax credit is also allowed for a portion of property taxes paid on class 3 (commercial or industrial) property.
Credit: For net increases in employment, the credit is \$2,500 for each first year full-time equivalent position created, \$2,000 for the second year, \$1,500 for the third year, \$1,000 for the fourth year and \$500 for the fifth year of full-time employment. The credit for property tax paid is determined first by calculating 40% of the property tax if more than 900 new full-time equivalent positions are created, 30% of property taxes for 601 to 900 positions, 20% for 301 to 600 positions and 10% for up to 300 positions. This amount is then multiplied by the percentage determined by dividing the taxpayer's total gross income from USDOD contracts apportioned to Arizona by the taxpayer's total gross income from all sources apportioned to Arizona.
Carry forward: Five years.

	1993	1994	1995	1996	1997	1998	1999
# of claimants	2	2	4	4	4	4	4
1 st year employment	///////	///////	///////	1,097	1,123	227	1,629
2 nd year employment	///////	///////	///////	330	1,171	879	419
3 rd year employment	///////	///////	///////	3,075	742	752	783
4 th year employment	///////	///////	///////	634	56	886	695
5 th year employment	///////	///////	///////			152	828
Employment credit	///////	///////	///////	\$8,002,731	\$10,517,213	\$4,268,246	\$7,022,562
Property tax credit	///////	///////	///////	\$1,537,532	\$355,411	\$225,167	\$927,393
New credit	///////	///////	///////	\$9,540,263	\$10,872,624	\$4,493,413	\$7,949,955
Total credit	///////	///////	///////	\$32,539,645	\$41,879,644	\$43,605,426	\$47,790,421
Credit used	///////	///////	///////	\$3,551,214	\$748,841	\$116,500	\$833,724
Carry forward	///////	///////	///////	\$28,988,431	\$39,112,016	\$39,840,466	\$36,297,743

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
# of claimants	3	2	2	2	2	2	2	2	2	1	0	0
1 st year employment	1,447	///////	///////	///////	///////	///////	///////	///////	///////	///////	0	0
2 nd year employment	1,416	///////	///////	///////	///////	///////	///////	///////	///////	///////	0	0
3 rd year employment	283	///////	///////	///////	///////	///////	///////	///////	///////	///////	0	0
4 th year employment	642	///////	///////	///////	///////	///////	///////	///////	///////	///////	0	0
5 th year employment	46	///////	///////	///////	///////	///////	///////	///////	///////	///////	0	0
Employment credit	\$7,539,000	///////	///////	///////	///////	///////	///////	///////	///////	///////	\$0	\$0
Property tax credit	\$993,864	///////	///////	///////	///////	///////	///////	///////	///////	///////	\$0	\$0
New credit	\$8,532,864	///////	///////	///////	///////	///////	///////	///////	///////	///////	\$0	\$0
Total credit	\$43,361,299	///////	///////	///////	///////	///////	///////	///////	///////	///////	\$0	\$0
Credit used	\$1,859,951	///////	///////	///////	///////	///////	///////	///////	///////	///////	\$0	\$0
Carry forward	\$32,832,511	///////	///////	///////	///////	///////	///////	///////	///////	///////	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

➤ Since the creation of this credit, six taxpayers have claimed it.

ARIZONA CORPORATE INCOME TAX

EMPLOYING NATIONAL GUARD MEMBERS CREDIT

Statute: A.R.S. § 43-1167.01

Effective Date: For taxable years from and after 12/31/2005.

Provisions: A nonrefundable credit is allowed to each taxpayer whose employee is a member of the Arizona National Guard if the employee is placed on active duty. The employee must be employed in a full-time equivalent position when the employee is placed on active duty. Each member of the Arizona National Guard who is employed must have served during the taxable year on active duty for training that exceeds the required annual training period, including any activation for federal or state contingencies or emergencies.

Credit: The credit is equal to \$1,000 for each employee who is placed on active duty by the Arizona National Guard.

Carry forward: Five years.

Tax Year	# of claimants	# of employees	Total credit	Credit used	Carry forward
2006	3	5	\$5,000	\$5,000	\$0
2007	2	////	////////	////////	////////
2008	5	9	\$9,000	\$3,100	\$5,900
2009	6	9	\$14,900	\$7,000	\$7,900
2010	8	10	\$17,900	\$17,900	\$0
2011	8	8	\$8,000	\$7,000	\$1,000
2012	6	7	\$8,000	\$6,000	\$2,000
2013	5	11	\$13,000	\$10,050	\$2,950
2014	5	4	\$6,950	\$6,000	\$950

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

EMPLOYMENT OF TANF RECIPIENTS CREDIT

Statute: A.R.S. § 43-1175

Effective Date: For taxable years from and after 12/31/1997.

Provisions: A nonrefundable credit is allowed for net increases in qualified employment of recipients of temporary assistance for needy families who are Arizona residents. To qualify for a credit, several conditions must be met, including that all employees must reside in Arizona and be TANF recipients, must be employed full-time, must have insurance coverage if insurance coverage is offered to non-TANF employees, must be paid minimum wage or a wage comparable to that received by non-TANF employees, must have been employed for at least 90 days during the first year.

Credit: The credit is equal to one-fourth the taxable wages paid to a qualified employee, not to exceed \$500 in the first year of employment, one-third of taxable wages not to exceed \$1,000 in the second year of employment and one-half of taxable wages not to exceed \$1,500 in the third year of continuous employment.

Carry forward: Five years.

	# of claimants	# of new employees	New credit	Total credit	Credit used	Carry forward
1998	3	81	\$35,325	\$35,325	\$35,325	\$0
1999	5	121	\$49,653	\$49,653	\$47,189	\$2,464
2000	6	83	\$39,532	\$41,996	\$27,598	\$14,398
2001	6	72	\$69,956	\$84,354	\$57,851	\$26,503
2002	8	234	\$173,450	\$184,997	\$173,600	\$11,397
2003	9	408	\$466,292	\$472,478	\$466,392	\$6,086
2004	14	406	\$485,089	\$491,175	\$485,190	\$3,771
2005	13	173	\$118,411	\$122,183	\$99,575	\$22,608
2006	11	34	\$49,548	\$51,548	\$40,754	\$10,794
2007	12	39	\$44,514	\$51,014	\$45,014	\$6,000
2008	10	110	\$51,956	\$57,956	\$28,956	\$29,000
2009	12	88	\$100,448	\$129,448	\$43,128	\$86,320
2010	7	18	\$68,809	\$117,119	\$61,239	\$56,480
2011	8	41	\$75,000	\$131,480	\$64,500	\$66,980
2012	9	65	\$95,498	\$161,978	\$87,498	\$74,480
2013	8	76	\$140,280	\$212,760	\$113,498	\$90,762
2014	10	25	\$58,891	\$149,653	\$40,050	\$81,243

- Since the creation of this credit, 42 taxpayers have claimed it.
- From 1998 through 2013, taxpayers reported 2,045 positions eligible for the credit, for a total credit of \$2.06 million. This is \$1,008 credit per job.

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

ENTERPRISE ZONE CREDIT

Statute: A.R.S. § 43-1161
Effective Date: For taxable years from and after 12/31/1989.
Sunset Date: 6/30/2011.

Provisions: A nonrefundable credit is allowed for net increases in qualified employment positions of Arizona residents by a business located in an enterprise zone, except where more than 10% of the business conducted at the location consists of selling tangible personal property at retail. (Originally this credit had no restriction on retail businesses. Then for a few years, there was complete exclusion of retail businesses.) To qualify for the credit there are a number of requirements, including an Arizona residency requirement, 35% of the employees with respect to whom a credit is claimed must reside in an enterprise zone on the date of employment, located in the same county as the business is located, the position must be at least 1,750 hours per year, etc.

Credit: The credit is equal to 1/4 the taxable wages paid to a qualified employee, not to exceed \$500 in the 1st year of employment, 1/3 of taxable wages not to exceed \$1,000 in the 2nd year of employment and 1/2 of taxable wages not to exceed \$1,500 in the 3rd year of continuous employment.

Carry forward: Five years.

	# of claims	# of locations	# of new hires	New credit	Dislocated worker credit	Carry forward	Total credit	Credit used	Carry forward
1990	6	10	347	\$188,210	\$0	----	\$188,210	\$169,653	\$18,557
1991	16	27	935	\$1,048,964	\$0	\$18,557	\$1,067,521	\$600,268	\$467,253
1992	14	26	363	\$1,707,563	\$17,573	\$465,803	\$2,190,939	\$951,515	\$1,239,424
1993	19	35	506	\$1,979,932	\$74,187	\$1,213,997	\$3,268,116	\$1,472,531	\$1,795,585
1994	30	46	719	\$1,074,955	\$220,002	\$53,338	\$1,348,295	\$1,082,283	\$266,012
1995	36	67	819	\$1,746,502	\$1,371,278	\$228,294	\$3,346,074	\$2,387,261	\$958,813
1996	86	126	3,768	\$3,898,913	\$1,878,712	\$906,269	\$6,683,894	\$4,102,955	\$2,580,939
1997	117	163	3,945	\$6,960,797	\$2,168,014	\$2,600,727	\$11,729,538	\$5,561,172	\$6,168,366
1998	133	200	4,862	\$11,585,549	\$0	\$4,970,044	\$16,555,593	\$8,734,030	\$7,821,563
1999	138	224	4,090	\$12,379,497	\$10	\$7,037,168	\$19,416,675	\$12,621,497	\$6,795,178
2000	139	215	4,368	\$12,774,565	\$0	\$7,036,053	\$19,810,618	\$10,779,733	\$9,030,885
2001	144	246	2,995	\$9,444,424	\$2,219	\$8,716,012	\$18,162,655	\$7,043,165	\$11,119,490
2002	131	191	1,853	\$7,098,087	\$0	\$8,275,057	\$15,373,144	\$6,509,295	\$8,652,741
2003	125	216	2,544	\$6,031,546	\$0	\$8,429,846	\$14,461,392	\$6,685,976	\$7,719,484
2004	119	244	4,072	\$5,413,347	\$0	\$7,234,453	\$12,647,800	\$7,647,392	\$4,345,843
2005	120	249	4,627	\$7,692,984	\$0	\$3,989,542	\$11,682,526	\$7,887,049	\$3,302,824
2006	105	241	4,078	\$8,986,855	\$0	\$2,396,803	\$11,383,658	\$9,112,271	\$2,269,162
2007	103	250	4,268	\$8,367,024	\$0	\$1,895,089	\$10,262,063	\$6,910,484	\$3,230,055
2008	103	263	4,080	\$8,713,193	\$0	\$3,165,969	\$11,879,162	\$7,081,503	\$4,703,782
2009	95	248	3,065	\$8,169,862	\$0	\$4,604,795	\$12,774,657	\$6,248,427	\$6,414,211
2010	90	238	2,921	\$6,921,801	\$0	\$5,088,584	\$12,010,385	\$6,233,916	\$5,722,173
2011	74	242	2,176	\$5,591,936	\$0	\$5,587,765	\$11,179,701	\$5,856,799	\$5,000,066
2012	58	173	---	\$3,924,332	\$0	\$4,725,979	\$8,650,311	\$3,639,754	\$4,340,890
2013	47	127	---	\$1,824,450	\$0	\$4,340,890	\$6,165,340	\$1,894,417	\$3,209,850
2014	18	71	---	\$0	\$0	\$3,209,850	\$3,209,850	\$29,909	\$2,367,311

- Since the creation of this credit, 426 taxpayers have claimed it.
- Since 1990, 61,401 jobs have been claimed under this credit, for a total credit amount of \$143.5 million. This is an average credit of \$2,338 per job.

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

ENVIRONMENTAL TECHNOLOGY FACILITY CREDIT

Statute: A.R.S. § 43-1169
Effective Date: For taxable years from and after 12/31/1992.
Provisions: A nonrefundable credit is allowed for expenses incurred in constructing a qualified technology manufacturing, producing or processing facility. The facility must be either owned by the manufacturer, producer or processor, or leased for a term of five years or more. The facility must be used predominantly to do a variety of things (set out in statute) that involve recycled materials or renewable energy. The facility must cost an aggregate of at least \$20 million of new capital investment in Arizona within five years after construction begins or commencement of installation of improvements.
Credit: The credit is equal to 10% of the amount spent during the taxable year to construct the facility, including land acquisition, improvements, building improvements, machinery and equipment, but not exceeding 75% of the tax liability.
Carry forward: Fifteen years.

	# of claimants	Cost of equipment or property	New credit	Total credit	Credit used	Carry forward
1993	1	////	////	////	////	////
1994	4	\$112,903,166	\$11,290,316	\$16,245,878	\$2,329,787	\$13,916,091
1995	5	\$278,383,768	\$27,838,377	\$41,754,468	\$15,821,459	\$25,933,009
1996	6	\$97,162,732	\$9,716,273	////	////	////
1997	3	\$18,739,637	\$1,873,964	////	////	////
1998	4	\$15,537,470	\$1,553,749	\$36,520,479	\$365,267	\$36,155,212
1999	3	////	////	////	////	////
2000	3	\$0	\$0	////	////	////
2001	3	\$0	\$0	////	////	////
2002	2	\$0	\$0	////	////	////
2003	2	\$0	\$0	////	////	////
2004	2	\$0	\$0	////	////	////
2005	1	\$0	\$0	////	////	////
2006	2	////	////	////	////	////
2007	3	////	////	////	////	////
2008	3	\$90,616,274	\$9,061,627	\$22,373,917	\$1,108,346	\$21,265,571
2009	3	////	////	////	////	////
2010	3	////	////	////	////	////
2011	2	////	////	////	////	////
2012	3	////	////	////	////	////
2013	5	\$0	\$0	////	////	////
2014	2	////	////	////	////	////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

- Since the creation of this credit, 12 taxpayers have claimed it.
- Approximately \$136 million in credit has been created, an average of \$11 million in credit per taxpayer participating.

Italics indicate preliminary numbers.

HEALTHY FOREST ENTERPRISE AND ECOLOGICAL RESTORATION WORKFORCE
TRAINING CREDIT

Statute: A.R.S. § 43-1162
Effective Date: For taxable years from and after 12/31/2004.
Repealed: For taxable years beginning from and after 1/1/2025. Repeal date set when credit enacted, but extended in 2012 legislation.
Provisions: A business may qualify for a nonrefundable credit, if certified by the Arizona Commerce Authority as a healthy forest enterprise. The business must enhance or sustain forest health, sustains or recovers watershed or improves public safety. It must be engaged in the business of harvesting, transporting or initial processing of qualifying forest products for commercial use.
Credit: The credit is based on the net increase in the number of qualified employment positions created and filled by businesses operating healthy forest enterprises. The credit amount per employee depends on the employee's year of employment; first year equal to the lesser of \$500 or one-fourth of the taxable wages paid to an employee in a qualified employment position; second year equal to the lesser of \$1,000 or one-third the wages paid to an employee in a qualified employment position; third year equal to the lesser of \$1,500 or one-half of the taxable wages paid to an employee in a qualified employment position.
Carry forward: Five years.

Statute: A.R.S. § 43-1162.01
Effective Date: For taxable years from and after 12/31/2011.
Repealed: For taxable years beginning from and after 1/1/2025. Repeal date set when credit enacted.
Provisions: A business may qualify for a nonrefundable credit for training new employees in qualified employment positions, if certified by the Arizona Commerce Authority as a healthy forest enterprise.
Credit: The credit is based on the net cost of training and certifying a new employee in a qualified employment position incurred during the period the taxpayer has been certified as a healthy forest enterprise. The credit amount per employee cannot exceed \$3,000 in each of the first three years of employment with no more than a total of 200 employees in a taxable year.
Carry forward: Five years.

Credit was claimed in tax years 2007, 2008 and 2009. However, no data can be released due to confidentiality laws.

ARIZONA CORPORATE INCOME TAX

MILITARY REUSE ZONE CREDIT

Statute: A.R.S. § 43-1167

Effective Date: For taxable years from and after 12/31/1992 (although no military reuse zones were designated until 1996).

Provisions: A nonrefundable credit is allowed for net increases in employment of full-time employees working in a military reuse zone, and who are primarily engaged in providing aviation or aerospace services or in manufacturing, assembling or fabricating aviation or aerospace products. A credit is also allowed for dislocated military base employees, which are civilians who previously had permanent full-time civilian employment on the military facility as of the date the closure of the facility was determined under federal law.

Credit: For each employee that is not a dislocated military base employee, the credit is \$500 in the 1st year of employment and increases in \$500 increments until it reaches \$2,500 in the 5th year of employment. For dislocated military base employees, the credit amount starts at \$1,000 in the 1st year of employment and increases in \$500 increments each year until it reaches \$3,000 in the 5th year of employment.

Carry forward: Five years.

	# of claimants	# of employees	New credit	Total credit	Credit used	Carry forward
1993	0	0	\$0	\$0	\$0	\$0
1994	0	0	\$0	\$0	\$0	\$0
1995	0	0	\$0	\$0	\$0	\$0
1996	3	20	\$18,000	\$18,000	\$4,731	\$13,269
1997	3	52	\$33,000	\$34,888	\$11,888	\$23,000
1998	3	29	\$67,000	\$90,000	\$13,164	\$76,836
1999	3	//////////	//////////	//////////	//////////	//////////
2000	3	//////////	//////////	//////////	//////////	//////////
2001	3	//////////	//////////	//////////	//////////	//////////
2002	3	//////////	//////////	//////////	//////////	//////////
2003	2	//////////	//////////	//////////	//////////	//////////
2004	2	//////////	//////////	//////////	//////////	//////////
2005	2	//////////	//////////	//////////	//////////	//////////
2006	1	//////////	//////////	//////////	//////////	//////////
2007	1	//////////	//////////	//////////	//////////	//////////
2008	1	//////////	//////////	//////////	//////////	//////////
2009	2	//////////	//////////	//////////	//////////	//////////
2010	3	//////////	//////////	//////////	//////////	//////////
2011	3	//////////	//////////	//////////	//////////	//////////
2012	3	3	\$20,500	\$152,170	\$100	\$143,120
2013	1	//////////	//////////	//////////	//////////	//////////
2014	0	0	\$0	\$0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

- Since the creation of this credit, 7 taxpayers have claimed it.
- Slightly more than 265 jobs have been claimed under this credit, for about \$880,000. This is approximately \$3,300 in credit per employee.

Italics indicate preliminary numbers.

MOTION PICTURE PRODUCTION AND INFRASTRUCTURE CREDIT

Statutes: A.R.S. §§ 43-1163 and 43-1163.01

Effective Date: For taxable years from and after 12/31/2005 through 12/31/2010 for Motion Picture Productions (§ 43-1075) and for taxable years from and after 12/31/2007 through 12/31/2010 for Motion Picture Infrastructure Projects (§ 43-1075.01).

Repealed: For taxable year beginning from and after 1/1/11. Repeal date set when enacted.

Provisions: A nonrefundable, transferable credit is allowed for a motion picture production company that produces motion pictures completely or partially in Arizona and for the construction of an eligible infrastructure project. The taxpayer must receive pre-approval and post-approval from the Arizona Department of Commerce. For the motion picture production credit, the taxpayer must acknowledge that the production was filmed in Arizona, incur production costs of at least \$250,000, employ 50% of Arizona residents during production activities in Arizona (25% of full-time employees for 2006 and 35% for 2007), begin production within 90 days of pre-approval and submit a Completion Report to the Department of Commerce.

Credit: The amount of the motion picture production credit is based on qualified production costs in Arizona equal to 20% of costs from \$250,000 to \$1 million and 30% of costs exceeding \$1 million (increased from 10%, 15% or 20% of costs for 2006 and 2007). The tax credit is limited to \$9 million per motion picture (\$5 million for 2006 and 2007, \$7 million for 2008 and \$8 million for 2009). The total corporate and individual income tax credit (reference A.R.S. §§ 43-1075 and 43-1075.01) is limited to \$30 million for 2006, \$40 million for 2007, \$50 million for 2008, \$60 million for 2009, and \$70 million for 2010. Beginning in 2008, 5% of the calendar year cap is reserved for commercial advertisements or music videos. An infrastructure income tax credit is available, subject to the same calendar year limit, up to 15% of the base investment for the construction of a qualified infrastructure project in Arizona. The infrastructure tax credit cannot exceed \$5 million in any year for a soundstages or \$3 million for an individual support or augmentation facilities project. All or part of any unclaimed amount of credit may be sold or otherwise transferred. A single sale or transfer may involve one or more transferees, and a transferee may in turn resell or transfer the credit.

Carry forward: Five years.

The Arizona Commerce Authority issued post-approval for 43 productions with an allowable credit of \$29,414,937. Until the returns are filed, there is no way to determine how many will be claimed as corporate or individual income tax credits.

Tax Year	# of claimants	# of productions	New credit	Total credit	Credit used	Carry forward
2006	2	////	////////////////	////////////////	////////////////	////////////////
2007	7	6	////////////////	\$6,802,746	\$1,189,442	\$5,613,304
2008	11	8	\$1,938,264	\$7,551,568	\$7,377,180	\$174,388
2009	5	11	\$1,933,056	\$2,107,372	\$1,639,943	\$467,429
2010	11	12	\$8,933,346	\$9,400,775	\$8,607,921	\$792,854
2011	6	9	\$3,668,713	\$4,458,661	\$3,825,900	\$632,721
2012	6	9	\$2,558,355	\$3,191,116	\$2,544,570	\$646,546
2013	3	3	\$804,258	\$841,220	\$833,889	\$7,331
2014	1	////	////////////////	////////////////	////////////////	////////////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

- Since the creation of this credit, 15 individual and 24 corporate taxpayers have claimed it.
- Since 2007, 40 productions have been claimed for approximately \$26 million.
- Forty of the 43 post-approved productions (or 93%) have been sold or transferred to 45 taxpayers for \$27,039,184 and 13 credits for \$8,492,216 were then resold to 34 individual or corporate taxpayers.

ARIZONA CORPORATE INCOME TAX

NEW EMPLOYMENT CREDIT

Statute: A.R.S. § 43-1161
Effective Date: For taxable years from and after 6/30/2011.
Provisions: A nonrefundable credit is allowed for net increases in qualified employment positions in Arizona at an Arizona business location. To qualify for the credit, the taxpayer must either invest at least \$5 million of capital investment and create at least 25 new qualified positions in an Arizona city or town with a population of 50,000 or invest at least \$1 million of capital investment and create at least 5 new qualified positions in any other location in Arizona. The employer must also provide health insurance coverage for the employee (paying at least 65% of the cost) and pay a wage at least equal to the median wage for the county. The credit must be pre-approved by the Arizona Commerce Authority, who cannot approve more than 10,000 first-year positions for all taxpayers.
Credit: The credit is limited to 400 first-year qualified positions per year per taxpayer. The credit is equal to \$3,000 for each employee in the 1st year or partial year of employment, \$3,000 for each employee for the full taxable year in the 2nd year of continuous employment and \$3,000 for each employee for the full taxable year in the 3rd year of continuous employment.
Carry forward: Five years.

	# of claimants	# of employees	New credit	Total credit	Credit used	Carry forward
2011	2	//////	////////////////	////////////////	////////////////	////////////////
2012	10	989	\$4,074,000	\$4,074,000	\$3,714,100	\$359,900
2013	18	1,129	\$6,603,000	\$6,962,900	\$5,916,200	\$1,046,700
2014	21	<i>1,054</i>	<i>\$6,813,000</i>	<i>\$7,859,700</i>	<i>\$5,029,404</i>	<i>\$2,830,296</i>

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

POLLUTION CONTROL DEVICE CREDIT

Statute: A.R.S. § 43-1170

Effective Date: For taxable years from and after 12/31/1994.

Provisions: A nonrefundable credit is allowed for expenses incurred to purchase real or personal property that is used in the taxpayer's trade or business in Arizona to control or prevent pollution. Property that qualifies includes that portion of a structure, building, installation, excavation, machine, equipment or device and any attachment or addition to or reconstruction, replacement or improvement of that property that is directly used, constructed or installed for the purposes of meeting rules or regulations adopted by the U.S. Environmental Protection Agency, the Department of Environmental Quality or a political subdivision to prevent, monitor, control or reduce air, water or land pollution.

Credit: The amount of the credit is equal to the lesser of 10% of the purchase price or \$500,000. In 1995 and 1996, the credit was capped at \$750,000.

Carry forward: Five years.

	# of claimants	Cost of property	New credit	Total credit	Credit used	Carry forward
1995	21	\$79,797,815	\$5,205,329	\$5,205,329	\$3,110,818	\$2,094,511
1996	29	\$54,365,441	\$4,332,277	\$6,937,066	\$4,498,473	\$2,438,593
1997	29	\$45,276,655	\$2,138,611	\$3,989,361	\$2,202,316	\$2,046,170
1998	28	\$74,557,812	\$4,732,953	\$9,220,784	\$4,241,078	\$4,895,418
1999	37	\$110,110,242	\$6,897,324	\$13,785,777	\$6,591,096	\$7,194,681
2000	40	\$51,034,592	\$4,454,823	\$12,345,490	\$3,860,440	\$8,485,050
2001	37	\$61,962,955	\$3,692,416	\$9,090,276	\$2,819,831	\$6,270,445
2002	31	\$27,276,116	\$2,509,488	\$8,239,252	\$2,460,289	\$5,776,562
2003	31	\$29,540,780	\$2,670,812	\$8,654,750	\$2,464,944	\$5,835,972
2004	24	\$29,276,308	\$2,629,300	\$7,384,937	\$1,206,299	\$5,853,665
2005	24	\$44,112,593	\$2,675,516	\$8,482,008	\$2,119,047	\$5,730,493
2006	21	\$42,962,363	\$2,466,161	\$5,959,906	\$1,997,280	\$3,805,825
2007	17	\$61,630,546	\$2,625,317	\$4,680,154	\$2,304,062	\$2,279,572
2008	18	\$267,435,142	\$3,130,410	\$5,409,982	\$1,418,256	\$3,981,691
2009	17	\$78,258,644	\$2,988,800	\$6,630,139	\$1,956,688	\$4,260,463
2010	20	\$84,498,144	\$3,302,027	\$7,562,350	\$2,617,517	\$4,422,930
2011	17	\$30,320,781	\$2,238,448	\$6,585,467	\$1,364,968	\$4,685,641
2012	20	\$36,517,032	\$2,594,574	\$7,075,245	\$1,872,337	\$5,018,998
2013	19	\$20,447,226	\$1,862,264	\$6,881,262	\$1,714,164	\$4,667,337
2014	14	\$27,536,137	\$2,685,608	\$7,327,153	\$1,417,617	\$5,657,985

- Since the creation of this credit, 111 taxpayers have claimed it.
- The total cost of pollution control property over 20 years is approximately \$1.26 billion. Divided by 111 corporations, the average cost of the equipment has been \$11.3 million.
- Based on a total \$65.8 million in credit created, the average credit claimed per taxpayer for the 20-year period is \$593,085.

Italics indicate preliminary numbers.

QUALIFIED FACILITIES CREDIT

- Statute:** A.R.S. § 43-1164.04
- Effective Date:** For taxable years from and after 12/31/2012.
- Repealed:** For taxable years beginning from and after 1/120/20. Repeal date set when credit enacted.
- Provisions:** A *refundable* credit is allowed for expanding or locating a qualified facility in Arizona. A “qualified facility” is a facility that devotes at least 80% of the property and payroll at the facility to qualified manufacturing, qualified headquarters or qualified research.
- The credit must be approved by the Arizona Commerce Authority. There is an aggregate cap on approvals of \$70 million (in conjunction with the renewable energy industry credit) and a per taxpayer cap of \$30 million.
- Credit:** The amount of the credit is 10% of the lesser of the taxpayer’s total capital investment in the qualified facility or \$200,000 for each net new full-time employment position at the qualified facility. The credit is claimed in 5 equal annual installments.
- Carry forward:** Not applicable.

As of the date of this release on income tax credits, the Arizona Commerce Authority has pre-approved eight companies for this tax credit. Until the returns are filed based on post-approvals, there is no way to determine how many will be claimed as corporate or individual income tax credits.

QUALIFIED HEALTH INSURANCE PLANS CREDIT
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Statute: A.R.S. § 43-1185

Effective Date: For taxable years from and after 12/31/2011.

Repealed: For taxable years beginning from and after 1/1/2014. Repeal date set when credit enacted.

Provisions: A nonrefundable credit is allowed for employers who provide qualified health plans or contributions to health savings accounts for its employees who are Arizona residents. The taxpayer must employ at least 2 and not more than 50 employees. The employer cannot have provided health insurance coverage to its employees for the 90 days immediately preceding the offer of health insurance plans in the taxable year in which the employer initially claims the credit. The health insurance plan must be provided to enrolled employees for at least 12 consecutive months and offered to all employees. The employer must pay at least \$360 during the taxable year for premiums or contributions to a health savings account.

Credit: The amount of the credit is \$360 for every employee who is enrolled in the qualified health insurance plan.

Carry forward: Three years.

	# of claimants	# of employees	New credit	Total credit	Credit used	Carry forward
2012	2	////////////////	////////////////	////////////////	////////////////	////////////////
2013	2	////////////////	////////////////	////////////////	////////////////	////////////////
2014	1	////////////////	////////////////	////////////////	////////////////	////////////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

RENEWABLE ENERGY INDUSTRY CREDIT

Statute: A.R.S. § 43-1164.01
Effective Date: For taxable years from and after 12/31/2009.
Repealed: For taxable years beginning from and after 1/1/2015. Repeal date set when enacted.
Provisions: This refundable credit is for expanding or locating qualified renewable energy operations in Arizona. Renewable energy operations are limited to manufacturers of, and headquarters for, systems and components that are used, or useful in manufacturing renewable energy equipment for the generation, storage, testing and research and development, transmission or distribution of electricity from renewable resources, including specialized crates necessary to package the renewable energy equipment manufactured at the facility. Approval from the Arizona Commerce Authority is required to take the credit. No more than \$70 million can be approved by the Arizona Commerce Authority in a calendar year.
Credit: The credit is up to 10% of the taxpayer’s total capital investment in Arizona if 1.5 new full-time employment positions are created for each \$500,000 of capital investment for manufacturing operations or 1 new full-time employment position is created for each \$200,000 in capital investment for headquarters. For other qualifying renewable energy investment, the credit is 10% of \$500,000 for each 1.5 new full-time employment positions created in manufacturing operations or 10% of \$200,000 for each 1 full-time employment position created for headquarters, neither of which can exceed 10% of the taxpayer’s total capital investment. The credit is apportioned and claimed in five equal annual installments in each of five consecutive tax years.
Carry forward: Not applicable.

As of the date of this release on income tax credits, the Arizona Commerce Authority has pre-approved five companies for this credit and issued one post-approval.

	# of claimants	Credit available	Credit refunded
2010	0	\$0	\$0
2011	0	\$0	\$0
2012	0	\$0	\$0
2013	////	////////////////	////////////////
2014	////	////////////////	////////////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws.

RENEWABLE ENERGY INVESTMENT & PRODUCTION FOR SELF-CONSUMPTION CREDIT

- Statute:** A.R.S. § 43-1164.05
- Effective Date:** For taxable years from and after 12/31/2013.
- Repealed:** For taxable years beginning from and after 1/1/2031. Repeal date set when enacted.
- Provisions:** This nonrefundable credit is for investment in new renewable energy facilities or for International Operations Centers (IOC) that produce energy for self-consumption using renewable energy resources. To qualify as a manufacturer, the taxpayer must invest \$300 million in new renewable energy facilities in Arizona over a three year period and use at least 90% of the energy produced for self-consumption. To qualify as an IOC, the taxpayer must invest at least \$100 million in one or more renewable energy facilities in Arizona over a three year period, invest \$1.25 billion in the IOC within 10 years after being certified by the Arizona Commerce Authority and use at least 51% of the energy produced for self-consumption by the fifth year the facility is in operation. Approval from the Arizona Department of Revenue is required to take the credit. No more than \$10 million can be approved by the Arizona Department of Revenue in a calendar year. No credits, other than carryovers may be claimed for any taxable year beginning after December 31, 2025.
- Credit:** The amount of the credit is \$5 million per year for five years with the initial credit available in the year the facility becomes operational.
- Carry forward:** Five years.

As of the date of this release on income tax credits, the Arizona Department of Revenue has pre-approved one renewable energy facility for this tax credit. Until the returns are filed based on past-approvals, there is no way to determine how many will be claimed as corporate or individual income tax credits.

ARIZONA CORPORATE INCOME TAX

RENEWABLE ENERGY PRODUCTION TAX CREDIT

Statute: A.R.S. § 43-1164.03
Effective Date: For taxable years from and after 12/31/2010.
Repealed: For taxable years beginning from and after 1/1/2031. Repeal date set when enacted.
Provisions: This nonrefundable credit is for production of electricity by a qualified energy generator that produces energy using solar light, solar heat, wind or biomass. Qualified energy generator means a facility that has at least 5 megawatts generating capacity, that is located on land in Arizona owned or leased by the taxpayer, that produces electricity using solar, wind or biomass and that sells electricity to an unrelated entity, unless the electricity is sold to a public service corporation. Approval from the Arizona Department of Revenue is required to take the credit. No more than \$20 million can be approved by the Arizona Department of Revenue in a calendar year.
Credit: The amount of the credit is based on electricity produced. The amount of the credit is certified by the Arizona Department of Revenue before the credit can be claimed.
Carry forward: Five years.

The Arizona Department of Revenue has approved income tax credits based on applications submitted in January following the production year as noted in the table below. Until the returns are filed there is no way to determine how many will be claimed as corporate income tax credits and how many will be claimed as individual income tax credits. No individual income tax returns have been filed claiming this credit.

Production year	# of qualified facilities	# of facilities with allowable credit	Credit approved
2011	5	5	\$1,276,521
2012	12	12	\$9,653,594
2013	16	16	\$18,421,782
2014	20	16	\$20,000,000
2015	22	17	\$20,000,000

The figures below show corporate income tax credits claimed for these facilities.

	# of claimants	Production (kwh)	New credit	Total credit	Credit used	Carry forward
2011	4	////////////////////	////////////////////	////////////////////	////////////////////	////////////////////
2012	7	////////////////////	////////////////////	////////////////////	////////////////////	////////////////////
2013	8	1,045,817,753	\$18,421,679	\$24,371,476	\$8,754,958	\$15,616,518
2014	8	934,713,154	\$19,679,830	\$35,296,348	\$9,371,488	\$25,924,860

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

RESEARCH & DEVELOPMENT CREDIT – NONREFUNDABLE AND REFUNDABLE

Statute: A.R.S. § 43-1168
Effective Date: For taxable years from and after 12/31/1992.
Provisions: This nonrefundable credit is for research and development expenses.
Credit: Through tax year 2000, this credit had a limit of \$500,000 in a tax year. Effective with taxable years beginning from and after 1/1/01, the credit is computed as follows:

1. Add the excess of qualified research expenses for the taxable year over the base amount, to the basic research payments determined.
2. If the sum is less than or equal to \$2.5 million, the credit is 20% or a maximum of \$500,000.
3. If the sum is greater than \$2.5 million, the credit is \$500,000 plus 11% of the amount exceeding \$2.5 million, except,
 - a. For taxable years beginning from and after 12/31/00 through 12/31/01, the credit shall not exceed \$1.5 million
 - b. For taxable years beginning from and after 12/31/01 through 12/31/02, the credit shall not exceed \$2.5 million.

The percentages in paragraphs 2 and 3 above are different for tax year 2010 through 2017. In tax year 2010, the percentages change to 22% and 13%. For tax years 2011 through 2017, the percentages are 24% and 15%.

Credit carry forward from taxable years beginning before 1/1/03 that can be used in a year may be limited. The carry forward amount from the specified tax years must be less than or equal to the lesser of tax liability less current year credit (thereby zeroing out liability) or the difference between \$500,000 and the current year credit. The amount of the credit carry forward from taxable years beginning after 12/31/02 that may be used in a taxable year may not exceed tax liability after subtracting current year credit.

Carry forward: Fifteen years.

Statute: A.R.S. § 43-1168(D)
Effective Date: For taxable years from and after 12/31/2009.
Provisions: This refundable research and development credit is only available to a taxpayer that employs fewer than 150 persons and if the allowable credit established under the nonrefundable credit exceeds the taxes due. The taxpayer must be pre-approved by the Arizona Commerce Authority to take the credit. No more than \$5 million can be approved in a calendar year.
Credit: The refundable credit is limited to 75% of the amount by which the allowable nonrefundable research and development credit exceeds the taxpayer's tax liability in the taxable year. The remaining 25% of the unused credit is forfeited by the taxpayer.

The Arizona Commerce Authority has approved the following refundable income tax credits:

	#	Excess over liability	Forfeited credit	Refund
2010	48	\$7,051,305	\$1,762,826	\$5,000,002
2011	72	\$6,668,494	\$1,667,124	\$5,000,000
2012	47	\$6,992,721	\$1,748,180	\$4,999,998
2013	43	\$6,778,034	\$1,778,041	\$5,000,000
2014	45	\$6,666,672	\$1,666,672	\$5,000,000
2015	23	\$6,644,218	\$1,714,730	\$5,000,000

➤ Since the creation of this credit, 859 taxpayers have claimed it. The average length of time these taxpayers have been claiming the credit is 5 years. Of the 315 claimants in 2014, 37 of them have been claiming this credit for 15 years or longer.

ARIZONA CORPORATE INCOME TAX

	# of claimants	Total R&D expenses and payments	New credit ¹²	Total credit	Credit used	Credit value of limited expense carry forward	Unlimited carry forward	Amount refunded	Forfeited credit
1993	23	\$5,558,699	\$617,709	\$617,709	\$403,663	\$494,032			
1994	89	\$156,284,525	\$5,206,158	\$5,445,055	\$3,062,056	\$26,466,029			
1995	85	\$161,933,770	\$8,595,822	\$9,559,521	\$6,149,046	\$49,679,229			
1996	111	\$332,189,906	\$13,461,458	\$15,758,856	\$9,881,387	\$100,481,239			
1997	133	\$275,026,626	\$17,352,202	\$19,483,124	\$11,089,063	\$82,117,051			
1998	129	\$482,316,974	\$17,873,965	\$19,369,112	\$8,963,229	\$191,337,518			
1999	140	\$649,466,689	\$18,989,822	\$20,552,034	\$10,457,350	\$295,172,620			
2000	129	\$954,184,305	\$22,933,366	\$24,867,021	\$9,513,397	\$426,417,845			
2001	155	\$599,010,961	\$39,088,603	\$43,872,265	\$11,173,383	\$483,885,967			
2002	171	\$511,937,925	\$40,383,559	\$54,572,068	\$12,561,453	\$530,078,994			
2003	192	\$591,347,104	\$77,047,926	\$95,854,303	\$32,616,826	\$540,977,998	\$46,556,840		
2004	218	\$731,936,577	\$94,439,795	\$135,123,804	\$37,402,219	\$537,979,591	\$104,890,314		
2005	226	\$830,725,879	\$106,622,172	\$220,387,199	\$49,196,755	\$533,993,618	\$162,076,667		
2006	252	\$910,367,593	\$116,463,540	\$283,702,213	\$57,183,092	\$518,129,610	\$221,756,044		
2007	255	\$870,447,890	\$112,472,737	\$336,769,844	\$57,982,047	\$506,995,894	\$274,413,518		
2008	264	\$814,576,937	\$105,142,478	\$379,784,063	\$49,718,082	\$499,588,696	\$326,871,807		
2009	278	\$934,625,832	\$120,890,491	\$453,067,753	\$33,032,735	\$483,618,723	\$416,887,759		
2010	313	\$985,337,277	\$146,890,366	\$562,581,398	\$59,205,041	\$469,714,712	\$495,363,445	\$4,015,985	\$1,413,136
2011	337	\$1,042,820,650	\$175,035,543	\$671,447,887	\$81,809,967	\$420,021,448	\$582,545,784	\$3,939,816	\$1,443,268
2012	340	\$1,066,507,634	\$178,076,627	\$757,761,558	\$73,129,890	\$380,857,381	\$676,939,142	\$4,184,353	\$1,969,342
2013	324	\$1,111,174,255	\$184,651,973	\$841,524,403	\$91,114,599	\$309,593,042	\$741,247,788	\$4,247,369	\$1,452,487
2014	315	<i>\$1,140,825,354</i>	<i>\$188,504,947</i>	<i>\$927,639,500</i>	<i>\$89,566,978</i>	<i>\$226,867,755</i>	<i>\$833,260,304</i>	<i>\$3,505,726</i>	<i>\$1,448,928</i>

Italics indicate preliminary numbers.

- Over \$15.2 billion in research & development expenses and payments have been claimed by taxpayers since 1993, for an average annual research and development expense of \$689.5 million over 22 years.
- The average “New Credit” per taxpayer increased from \$178,000 in 2000 to \$252,000 in 2001, which coincides with the increase in the credit cap from \$500,000 to \$1,500,000. In 2003, with the removal of the credit cap, the average new credit was \$401,000. The average increases to \$598,000 in 2014.
- The greatest amount of credit used in the 22-year history was in 2013 at \$91.1 million.
- The \$3.4 million shown as research & development credit refunded in 2014 went to 26 corporations who forfeited \$1.3 million in credit.

¹² These numbers reflect the credit limits, depending on how many years the credit has been claimed.

ARIZONA CORPORATE INCOME TAX

(ADDITIONAL) RESEARCH & DEVELOPMENT CREDIT FOR UNIVERSITY RESEARCH

Statute: A.R.S. § 43-1168(A)(1)(d)
Effective Date: For taxable years from and after 12/31/2011.
Provisions: This research and development credit for university research is in addition to the regular nonrefundable research and development credit. The credit may be allowed if the taxpayer made basic research payments to a university under the jurisdiction of the Arizona Board of Regents. The taxpayer must be pre-approved by the Arizona Department of Revenue to take the credit. For taxable years beginning from and after 12/31/2014, the taxpayer must be pre-approved by the Arizona Commerce Authority. No more than \$10 million can be approved in a calendar year.
Credit: The credit is 10% of the excess basic research expenses over the base amount.
Carry forward: Five years.

Only two taxpayers have requested approval to take this credit. Release of information regarding this approval would violate confidentiality laws.

	# of claimants	Research payments	Credit available	Credit used	Carry forward
2012	1	////////////////////	////////////////////	////////////////////	////////////////////
2013	1	////////////////////	////////////////////	////////////////////	////////////////////
2014	2	////////////////////	////////////////////	////////////////////	////////////////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

ARIZONA CORPORATE INCOME TAX

SCHOOL SITE DONATION CREDIT

Statute: A.R.S. § 43-1181
Effective Date: For taxable years from and after 12/31/2000.
Provisions: A nonrefundable credit is allowed for donation of real property and improvements to a school district or a charter school for use as a school or as a site for the construction of a school. To qualify for the credit, the real property and improvements must be in Arizona must be conveyed unencumbered and in fee simple, except that the property shall only be used as a school or construction site for a school.
Credit: The amount of the credit is 30% of the value of real property and improvements donated by the taxpayer to a school district or charter school.
Carry forward: Five years.

	# of claimants	Cost of property donated	Credit available	Credit used	Carry forward
2001	2	////////////////////	////////////////////	////////////////////	////////////////////
2002	4	////////////////////	////////////////////	////////////////////	////////////////////
2003	2	////////////////////	////////////////////	////////////////////	////////////////////
2004	3	\$2,054,910	\$616,473	\$616,473	\$0
2005	5	\$4,245,603	\$1,273,681	\$1,272,504	\$1,177
2006	6	\$9,184,675	\$2,756,579	\$2,755,447	\$1,132
2007	0	\$0	\$0	\$0	\$0
2008	2	////////////////////	////////////////////	////////////////////	////////////////////
2009	3	////////////////////	////////////////////	////////////////////	////////////////////
2010	3	////////////////////	////////////////////	////////////////////	////////////////////
2011	2	////////////////////	////////////////////	////////////////////	////////////////////
2012	2	////////////////////	////////////////////	////////////////////	////////////////////
2013	2	////////////////////	////////////////////	////////////////////	////////////////////
2014	0	\$0	\$0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

**SOLAR HOT WATER HEATER PLUMBING STUB OUTS & ELECTRIC VEHICLE RECHARGE
OUTLETS CREDIT**

Statute: A.R.S. § 43-1176

Effective Date: For taxable years from and after 12/31/1997.

Provisions: A nonrefundable credit is allowed for costs incurred of installing or including in one or more houses or dwelling units in Arizona and constructed by the taxpayer, one or more:

1. Solar hot water plumbing stub outs. The stub out must include two insulated 3/4 inch copper pipes and at least two pairs of wire for monitoring or controlling purposes. The stub out must also be located and configured to allow sufficient solar access and exposure and to allow ready installation of solar water heating devices.

2. Electric vehicle recharge outlets. The outlet must be connected to the utility system by a dedicated line that is capable of operating at normal secondary voltages, meets applicable building codes and is commensurate and consistent with electric vehicle recharging needs and methods.

Credit: The credit cannot exceed \$75 for each installation for each separate house or dwelling unit. The credit may be transferred from the builder to the purchaser of the house or dwelling unit.

Carry forward: Five years.

Claims were recorded for this credit for tax year 2000, but there were too few to release information at this time. Since 2000, there have been no claims.

SOLAR LIQUID FUEL RESEARCH & DEVELOPMENT CREDIT

- Statute:** A.R.S. § 43-1164.02
- Effective Date:** For taxable years from and after 12/31/2010.
- Repealed:** For taxable years beginning from and after 1/1/2022. Repeal date set when enacted.
- Provisions:** This nonrefundable credit is for increased research activities related to solar liquid fuel. Solar liquid fuel means liquid fuel that is generated through processes that use sunlight, carbon dioxide and water to produce infrastructure compatible liquid hydrocarbon fuels.
- Credit:** The credit is 40% of the excess of Arizona qualified research expenses for the taxable year over a base amount.
- Carry forward:** None.

As of the date of this release on income tax credits, no claims on corporate income tax returns for the solar liquid fuel research & development credit have been filed.

ARIZONA CORPORATE INCOME TAX

TAXES PAID FOR COAL CONSUMED IN GENERATING ELECTRICAL POWER CREDIT

Statute: A.R.S. § 43-1178
Effective Date: For taxable years from and after 12/31/1997.
Provisions: A nonrefundable credit is allowed for purchases of coal consumed in generating electrical power in Arizona.
Credit: The credit is equal to 30% of the amount paid by the seller or purchaser as transaction privilege or use tax with respect to the coal sold to the taxpayer.
Carry forward: Five years.

	# of claimants	TPT or use tax paid	New credit	Total credit	Credit used	Carry forward
1998	4	\$3,053,275	\$915,983	\$915,983	\$678,039	\$237,944
1999	4	\$3,607,134	\$1,067,569	\$1,305,513	\$803,476	\$502,037
2000	3	\$3,716,675	\$1,115,002	\$1,617,039	\$778,015	\$839,024
2001	3	\$6,388,155	\$1,916,447	\$2,755,471	\$1,556,016	\$1,199,455
2002	3	\$5,417,396	\$1,865,219	\$3,064,674	\$1,504,851	\$1,559,823
2003	3	\$5,285,068	\$1,585,520	\$3,145,343	\$1,229,020	\$1,744,443
2004	3	\$4,312,193	\$1,293,658	\$3,038,101	\$908,990	\$1,799,204
2005	3	\$4,175,437	\$1,252,631	\$3,051,835	\$843,909	\$1,870,939
2006	3	\$4,581,990	\$1,374,597	\$3,245,536	\$929,098	\$1,956,007
2007	4	\$6,639,107	\$1,991,733	\$3,947,740	\$1,052,556	\$2,534,816
2008	4	//////////	//////////	//////////	//////////	//////////
2009	4	\$6,474,053	\$1,943,116	\$6,301,508	\$658,252	\$5,286,784
2010	4	\$6,738,031	\$2,021,409	\$7,308,193	\$2,182,237	\$4,782,371
2011	4	//////////	//////////	//////////	//////////	//////////
2012	4	//////////	//////////	//////////	//////////	//////////
2013	4	//////////	//////////	//////////	//////////	//////////
2014	4	//////////	//////////	//////////	//////////	//////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

- Since the creation of this credit, six taxpayers have claimed it.
- Over the 17 year period, more than \$97 million in transaction privilege or use tax has been paid on coal consumed in generating electrical power.

Italics indicate preliminary numbers.

WATER CONSERVATION PLUMBING STUB-OUT CREDIT

Statute: A.R.S. § 43-1182
Effective Date: For taxable years from and after 12/31/2006.
Repealed: For taxable years beginning from and after 1/1/2012. Repeal date set when credit enacted.
Provisions: A nonrefundable credit is allowed for costs incurred of installing or including in one or more houses or dwelling units in Arizona and constructed by the taxpayer, a water conservation system plumbing stub out that collects all graywater sources that end at a plumbing stub out that is separate and distinct from the regular plumbing system.
Credit: The credit shall not exceed two hundred dollars for each separate house or dwelling unit in which the water conservation system plumbing stub outs are installed. Credits are issued on a first come/first-served basis. No more than \$500,000 in total credits may be issued in a calendar year.
Carry forward: Five years.

There were too few claims in 2007 to release information due to confidentiality laws. No claims have been found for other tax years.