

# 2015 Credit for Business Contributions by an S Corporation to School Tuition Organizations – Individual

## Arizona Form 335-I

### For information or help, call one of the numbers listed:

Phoenix (602) 255-3381  
From area codes 520 and 928, toll-free (800) 352-4090

### Tax forms, instructions, and other tax information

If you need tax forms, instructions, and other tax information, go to the department's website at [www.azdor.gov](http://www.azdor.gov).

### Income Tax Procedures and Rulings

These instructions may refer to the department's income tax procedures and rulings for more information. To view or print these, go to our website and click on *Legal Research* then click on *Procedures* or *Rulings* and select tax a type from the drop down menu.

### Publications and Brochures

To view or print the department's publications and brochures, go to our website and click on *Publications*.

## General Instructions

**NOTE:** You *must* also complete Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture, and include Forms 301 and 335-I with your tax return to claim this credit.

Beginning from and after December 31, 2014, Arizona law allows an individual shareholder to claim a nonrefundable tax credit for the pro rata amount of contributions made by an S Corporation to a school tuition organization.

The S corporation must make an irrevocable election on Arizona Form 335, *Credit for Contributions to School Tuition Organization*, to pass-through the credit to its individual shareholder(s). The S corporation making the election should give you an Arizona Form 335-S, *Credit for Corporate Contributions to School Tuition Organizations - Distribution to Shareholders of an S Corporation*, indicating your pro rata share of the available credit for the taxable year. The amount of the allowable credit you may claim is reported on Form 335-S.

An individual shareholder may claim a corporate private school tuition credit passed through from an S corporation even if the individual has already claimed the maximum amount allowed under the two individual private school tuition credits (Arizona Forms 323 and 348). The corporate private school tuition credits passed through from an S corporation are different credits that are not subject to the limitations under the two individual private school tuition credits.

**NOTE: Individual Shareholders of an S Corporation with a Fiscal Year-End** - If you file your tax return on a calendar year basis, but the corporation files a return for a fiscal year, claim the credit on your tax return for the year in which the corporation's fiscal year ends. For example, if the corporation's tax year ends in February 2016, claim the credit on your 2016 tax return.

Co-owners of the S Corporation may each claim the pro rata share of the credit allowed based on the taxpayers ownership interest. The total of the credits allowed all owners of the corporation may not exceed the amount that would have been allowed a sole owner of the business.

If the allowable tax credit exceeds the taxes otherwise due, or if there are no taxes due, you may carry the unused credit forward for a period not to exceed the next five consecutive taxable years' income tax liability.

You cannot claim both a tax credit and an Arizona itemized deduction for the amount of contributions made to a school tuition organization for which you are claiming a credit.

**NOTE:** This tax credit is not allowed if the S corporation or a shareholder designates the contribution to the school tuition organization for the direct benefit of any dependent of a shareholder of the corporation claiming a credit under this section or if the corporation or a shareholder designates a student beneficiary as a condition of the contribution to the school tuition organization.

The tax credit is not allowed if the S corporation or a shareholder, with the intent to benefit a shareholder's dependent, agrees with one or more other taxpayers to designate reciprocal contributions to school tuition organizations for the direct benefit of the other taxpayer's dependent.

## Specific Instructions

Type or print your name and taxpayer identification number section at the top of the form. Indicate the period covered by the taxable year. Include the completed form with the income tax return.

All returns, statements, and other documents filed with the department require a TIN. The TIN for an individual is the taxpayer's SSN or an Internal Revenue Service (IRS) individual taxpayer identification number (ITIN). Taxpayers that fail to include their identification number may be subject to a penalty.

### Part 1 - School Tuition Organization Information

**NOTE:** If you are claiming a pro rata credit from more than one S corporation, check the box in Part 1. Complete and include a separate Part 1 for each S corporation.

In the space provided, enter the S corporation's name and employer identification number (EIN) for which you are claiming a pro rata credit for contributions made during the taxable year.

### Lines 1 through 10 -

On lines 1 through 10, enter the name and credit approval number for **all** school tuition organizations the S corporation made a contribution to for which you are claiming a pro rata credit for the current taxable year.

This information is shown on page 1 of the S corporation's Arizona Form 335-S.

If you need additional space to list **all** school tuition organizations for which contributions were made by the S corporation, include a separate schedule showing the name and credit approval number for each and include with the credit form.

**Line 11 - Taxpayer's pro rata share of contributions made by the S corporation named in Part 1**

Enter the amount from the S corporation's Arizona Form 335-S, line 13.

**Part 2 – Current Year's Credit**

**Line 12 -**

Enter the amount of your pro rata share of the contributions made to the school tuition organizations listed in Part 1.

If you are claiming a pro rata credit from more than one S corporation, add all amounts on line 11 from each separate Part 1, and enter the total.

**Part 3- Available Credit Carryover**

**Lines 13 through 18 -**

For taxable year 2015, there is no carryover amount available. Do not enter an amount on lines 13 through 18, columns (a) through (d).

**Part 4 - Total Available Credit**

**Line 19 -**

Enter the amount from Part 2, line 12. Also, enter this amount on Form 301, Part 1, line 20, column (a).

**Line 20 -**

Do not enter an amount on line 20.

**Line 21 -**

Enter the amount from line 19. Also, enter this amount on Form 301, Part 1, line 20, column (c).