

2011 Arizona Exempt Organization Annual Information Return

Obtain additional information or assistance by calling one of the numbers listed below:

Phoenix	(602) 255-3381
From area codes 520 and 928, toll-free	(800) 352-4090
Hearing impaired TDD user	
Phoenix	(602) 542-4021
From area codes 520 and 928, toll-free	(800) 397-0256

Obtain tax rulings, tax procedures, tax forms and instructions, and other tax information by accessing the department's Internet home page at www.azdor.gov.

General Instructions

Organizations Which Must File Form 99 or a Copy of the Federal Return of Organization Exempt From Income Tax

Most organizations that have tax exempt status under Arizona Revised Statutes (ARS) § 43-1201 must file Form 99 or a copy of the organization's federal return of organization exempt from income tax *only if their gross income exceeds \$25,000*.

However, the following exempt organizations do not have to file Form 99 or a copy of the organization's federal return of organization exempt from income tax *regardless of the amount of gross income*:

- A religious organization exempt under ARS § 43-1201(4). The organization must be organized exclusively for religious purposes. No part of the organization's net earnings may inure to the benefit of any private shareholder or individual. No substantial part of the organization's activities may be carrying on propaganda or otherwise attempting to influence legislation.
- An educational organization exempt under ARS § 43-1201(4). The organization must normally maintain a regular faculty and students in attendance at the place where its educational activities are regularly conducted.
- A charitable organization or an organization for the prevention of cruelty to children or animals, exempt under ARS § 43-1201(4). The organization must receive its support, in whole or in part, from funds contributed by the United States, or any state or political subdivision thereof, or receive its primary support from contributions of the general public.
- An organization exempt under ARS § 43-1201(4), if the operation, supervision, or control of the organization is by, or in connection with, a religious organization exempt under ARS § 43-1201(4).
- An organization exempt solely under ARS § 43-1201(2). The fraternal beneficiary societies, orders or organizations must: (a) operate under the lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system; and (b) provide for the payment of life, sick, accident or other benefits to the members of the society, order or organization or their dependents.

NOTE: Homeowners associations described in IRC § 528 are not exempt from tax under ARS § 43-1201 [associations that file federal Form 1120-H or 1120]. These organizations must file an Arizona corporate income tax return on Form 120A or Form 120. However, certain homeowners associations are federally tax exempt under IRC § 501(c)(4), as social welfare organizations, or under IRC § 501(c)(7), as clubs organized for pleasure or recreation. These homeowners associations are similarly tax exempt for Arizona income tax purposes. These organizations may file Form 99.

Filing Original Returns

The due date for Form 99 or the copy of the federal return of organization exempt from income tax is the 15th day of the fifth calendar month after the close of the taxable year. If the organization files under a valid federal three month extension, check box 82C on page one of Form 99. If the organization is filing under a second valid federal three month extension or an Arizona extension, check box 82F on page one of Form 99. File the return by the extended due date.

If the organization is filing its federal form in place of the Arizona Form 99, please attach a copy of the federal extension(s) to the front of the return.

Send the return to the Arizona Department of Revenue, PO Box 52153, Phoenix AZ 85072-2153. If the organization files Form 99, attach a copy of the appropriate federal return.

The department normally determines the timeliness of a return by the postmark or other official mark of the U.S. Postal Service stamped on the envelope in which the return is mailed. Refer to Arizona General Tax Ruling GTR 93-1 for further information. The department will also accept proof of mailing from a private delivery service included in the Internal Revenue Service list of designated private delivery services. Contact the private delivery service for information regarding how to obtain written proof of mailing.

Extension of Time to File a Return

The organization can apply for an Arizona extension by filing a completed Form 120EXT by the original due date of the return. The organization can also use a valid federal extension rather than applying for an Arizona extension.

The department grants an Arizona extension for a period of six months. Arizona will accept the federal extension for the same period of time as covered by the federal extension.

Because the first federal extension for exempt organizations is an automatic three-month extension instead of the automatic six-month Arizona extension, exempt organizations requiring a six-month extension must be approved for a second three-month federal extension, which is not automatic, or file an Arizona Form 120EXT by the original due date.

Penalty

This form is an information return. The penalty for failing to file, filing late (including extensions) or filing an incomplete information return is \$100 for each month, or fraction of a month, that the failure continues, up to a maximum penalty of \$500.

Filing Amended Returns

File amended returns within four years of the filing of the original return. However, do not file an amended return until the original return has been processed.

- *Organization that filed a copy of its federal return of organization exempt from income tax* - file a copy of the amended federal return of organization exempt from income tax.
- *Organization that filed Form 99* - attach a statement to the amended return that explains why the organization amended its Arizona return. If the organization amended its federal return, attach a copy of the amended federal return with all applicable schedules to the amended Arizona return.

Specific Instructions

Type or print the required information in the name, address, and information boxes at the top of page 1. Indicate the period covered by the taxable year and whether the taxable year is a calendar year or a fiscal year. Indicate whether this return is an original or an amended return.

Enter the employer identification number (EIN) of the organization, which is its taxpayer identification number (TIN). Enter the Arizona transaction privilege tax number for the organization.

All returns, statements, and other documents filed with the department require a TIN. Taxpayers that fail to include their TIN may be subject to a penalty. Paid tax return preparers must include their TIN where requested. The TIN for a paid tax return preparer is the individual's social security number, preparer tax identification number or the employer identification number of the business. Paid tax return preparers that fail to include their TIN may be subject to a penalty.

Lines 1 through 12 -

Include in this section all sources of income received during the year.

Lines 13 through 20 -

Include in this section all administrative expenses.

Lines 21 through 26 -

Include in this section all disbursements made from current income for the organization's exempt purpose.

Lines 27 through 32 -

Include in this section all disbursements that represent reductions in principal for the organization's exempt purpose.

Line 33 -

Enter all other disbursements made by the organization not itemized on another line.

Lines 34 through 36 -

Enter the applicable amounts to report the accumulation of income for the organization.

Line 37 -

This form is an information return. An information return that is incomplete or filed after its due date (including extensions) is subject to a penalty of \$100 for each month, or fraction of a month, the failure continues, up to a maximum penalty of \$500.

If the organization files this return after its due date (including extensions), enter the penalty due on this line. Payments can be made via check, electronic check, money order, or credit card.

Check or money order

Make checks payable to Arizona Department of Revenue. Write the organization's EIN on the front of the check or money order. Include the check or money order with the return.

Internet Payments

Organizations must be licensed by the Department of Revenue before they can register to pay taxes online. Go to www.aztaxes.gov to register and make payments over the internet.

Electronic payment from checking or savings account

Payments can be made electronically from a checking or savings account. Go to www.aztaxes.gov and choose the e-check option. There is no fee to use this method. This payment method will debit the amount from the specified checking or savings account on the date specified. If an electronic payment is made from a checking or savings account, a confirmation number will be generated. Please keep this confirmation number as proof of payment.

Credit card payment

Payments can be made via American Express, Discover, MasterCard or VISA credit cards. Go to www.aztaxes.gov and choose the credit card option. This will take you to the website of the credit card payment service provider. The service provider will charge a convenience fee based on the amount of the tax payment. The service provider will disclose the amount of the convenience fee during the transaction and the option to continue or cancel the transaction will be presented. If you accept the convenience fee and complete the credit card transaction, a confirmation number will be generated. Please keep this confirmation number as proof of payment.

Schedule A - Balance Sheet

Complete column (a), for beginning of year amounts, and column (b), for end of year amounts.

NOTE: *The amounts entered on any attached schedules and on lines A2a, A2b, A3a, A3b, A7a, and A7b should be end of year amounts.*

Line A2 -

On line A2a, enter accounts receivable. Subtract the amount on line A2b from the amount on line A2a. Enter the difference on line A2c in column (b).

Line A3 -

On line A3a, enter other notes and loans receivable. Subtract the amount on line A3b from the amount on line A3a. Enter the difference on line A3c in column (b).

Line A7 -

On line A7a, enter land, buildings, and equipment; basis. Subtract the amount on line A7b from the amount on line A7a. Enter the difference on line A7c in column (b).

Certification

An officer of the organization must sign the return.

Paid preparers: Sign and date the return. Complete the firm name and address lines (the preparer's name and address, if self-employed). Enter the preparer's TIN, which is the firm's EIN, the individual preparer's social security number or preparer tax identification number.