

2003 Exempt Organization Annual Information Return

Obtain additional information or assistance, tax forms and instructions, and copies of tax rulings and tax procedures by contacting one of the numbers listed below:

Phoenix	(602) 255-3381
From area codes 520 and 928, toll-free	(800) 352-4090
Form Orders	(602) 542-4260
Forms by Fax	(602) 542-3756
Recorded Tax Information	
Phoenix	(602) 542-1991
From area codes 520 and 928, toll-free	(800) 845-8192
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.revenue.state.az.us

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 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, paragraph 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, paragraph 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, paragraph 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, paragraph 4, if the operation, supervision, or control of the organization is by, or in connection with, a religious organization exempt under ARS § 43-1201, paragraph 4.

- An organization exempt solely under ARS § 43-1201, paragraph 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, 1120, or 1120-A]. These organizations must file Form 120A. 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 the Form 99.*

Filing Original Returns

The due date for the 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 has a valid federal or Arizona extension, file the return by the extended due date. If the organization uses an ARIZONA extension, the organization must attach a copy of the Arizona extension to the front of the Arizona return or the copy of the federal return of organization exempt from income tax.

Send the return to the Arizona Department of Revenue, PO Box 29079, Phoenix AZ 85038-9079. If the organization files the 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 the 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. If the organization uses an ARIZONA extension, the organization must attach a copy of the Arizona extension to the front of the Arizona return or the copy of the federal return of organization exempt from income tax.

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.

Penalty

An information return that is incomplete or filed after its due date (including extensions) is subject to a \$500 penalty.

Filing Amended Returns

File amended returns within four years of the filing of the original return.

- *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 (in an MM/DD/YYYY format) 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 federal employer identification number of the organization, which is its taxpayer identification number (TIN). Enter the Arizona withholding tax number and Arizona transaction privilege tax number for the organization. If the organization does not have an Arizona withholding number or an Arizona transaction privilege tax number, leave these boxes blank.

Information item B: The department no longer requires an organization to apply for tax exempt status. If the organization does not have a letter from the department granting exemption from Arizona income tax, leave this space blank.

All returns, statements, and other documents filed with the department require a taxpayer identification number (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 or preparer identification number or the federal 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 which 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 \$500 penalty.

If the organization files this return after its due date (including extensions), enter \$500 on this line. Attach a check for this amount to the return. Make the check payable to the Arizona Department of Revenue and include the taxpayer's TIN on the check.

Schedule A - Balance Sheet

Complete both 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 A2(a), enter accounts receivable. Subtract the amount on line A2(b) from the amount on line A2(a). Enter the difference on line A2(c) in column (b).

Line A3 -

On line A3(a), enter other notes and loans receivable. Subtract the amount on line A3(b) from the amount on line A3(a). Enter the difference on line A3(c) in column (b).

Line A7 -

On line A7(a), enter land, buildings, and equipment; basis. Subtract the amount on line A7(b) from the amount on line A7(a). Enter the difference on line A7(c) 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 FEIN or the individual preparer's social security number or preparer identification number.