

2009 Subtraction for Sale of New Energy Efficient Residences

Arizona Schedule 165 EER

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

Effective for taxable years beginning from and after December 31, 2001, through December 31, 2010, a partnership is allowed a subtraction for the initial sale of a new energy efficient residence built by the partnership. A partnership that purchases a new energy efficient residence may claim the subtraction if a qualifying seller transfers the subtraction to the purchaser (partnership).

Refer to Arizona Partnership Tax Procedure PTP 02-1 for further information regarding this subtraction.

The subtraction is allowed for selling one or more new energy efficient residences located in Arizona. The subtraction for each qualifying residence is equal to 5 per cent of the sales price excluding commissions, taxes, interest, points and other brokerage, finance and escrow charges. The subtraction cannot exceed \$5,000 for each new qualifying residence.

An energy efficient residence is a new single-family residence, condominium, or town house that exceeds the 1995 model energy code by 50 per cent or more as determined by an approved rating program. Rating programs must meet the U.S. Department of Energy's home energy rating system guidelines or other guidelines approved by the Arizona Department of Commerce Energy Office.

A qualifying seller (partnership) must maintain detailed records listing the residences built and sold by the partnership, and the residences for which the subtraction was transferred. The records must prove that the residence qualifies as an energy efficient residence and must substantiate the amount of the allowable subtraction for each residence that was claimed or transferred. The partnership must make these records available to the department on request.

If the seller (partnership) transfers the subtraction to the purchaser, the seller must give the purchaser a written statement that the seller has elected not to claim the subtraction and that the purchaser may claim the subtraction subject to the statutory conditions and limitations. The statement must also show the amount of the subtraction allowable for each energy efficient residence.

Specific Instructions

Type or print the required information in the name box on the top of page 1. Indicate the period covered by the taxable year.

Enter the partnership's employer identification number, which is the taxpayer identification number (TIN).

All returns, statements, and other documents filed with the department require a TIN. The TIN for a partnership is its employer identification number. Taxpayers that fail to include their TIN may be subject to a penalty.

Part I – Number of New Energy Efficient Residences Sold or Transferred

Line 2 – Enter the total number of new energy efficient residences sold by the partnership during the taxable year for which the partnership transferred the subtraction.

Line 4 – Enter the number of new energy efficient residences for which the partnership is a transferee.

Part II – Amount of Subtraction for Sale or Transfer of New Energy Efficient Residences

Line 6 – Enter the total qualifying sales price amount for all new energy efficient residences sold by the partnership during the taxable year. The allowable amount for each qualifying residence is equal to 5 per cent of the sales price excluding commissions, taxes, interest, points and other brokerage, finance and escrow charges. The allowable amount cannot exceed \$5,000 for each new qualifying residence.

Line 7 – Enter the total qualifying sales price amount for all new energy efficient residences for which the partnership transferred the subtraction during the taxable year.

Line 9 – Enter the total qualifying sales price amount for all new energy efficient residences for which the subtraction was transferred to the partnership during the taxable year.

FILING INSTRUCTIONS FOR SCHEDULE 165 EER AND WRITTEN STATEMENTS RECEIVED FROM SELLER:

Do not attach this schedule or the copies of the written statements received from the seller to Form 165. Do not mail the schedule and written statements with Form 165. Mail the completed Schedule 165 EER and copies of the written statement(s) received from the seller(s) (if the partnership claims the subtraction as a transferee) to the following address:

Arizona Department of Revenue
Office of Economic Research and Analysis
PO Box 25248
Phoenix, AZ 85002

This schedule and all attachments are a part of the partnership's tax return and subject to the sworn statement that they are true and correct to the best of the signer's knowledge and belief.