CORPORATE STATISTICS & CHARTS
A MONTHLY REPORT FROM THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

Executive Summary
February 2019

Net corporate income tax is deposited into the general fund with 15% of the tax collections shared with incorporated cities and towns within the state. The tax rate is 4.9% of Arizona's net taxable income or $50, whichever is greater. Multi-state corporations (excluding commercial air carriers) must allocate a portion of their income based on the ratio of Arizona property, payroll and sales using a standard or enhanced apportionment formula. The enhanced apportionment formula is a 100% weighted sales factor compared to the standard 50% weight.

- The Arizona Department of Revenue collected corporate income taxes of $11.9 million and refunded $18.6 million for net collections of ($6.7) million (or $13.0 million less than last year).
- Net collections for the current fiscal year of $243.4 million were $82.6 million more than last fiscal year (with a $92.3 million increase in collections less $9.7 million increase in refunds).
- Estimated payments were $7.4 million for February (or $0.9 million more than last year).
- Estimated payments of $297.0 million for the current fiscal year were $81.4 million more than last fiscal year.
- 129 corporations made estimated payments of $6.4 million through electronic funds transfer (eft) in February compared to 115 corporations for $5.7 million last year (or an increase in eft estimated payments of $0.7 million).
- Education and Compliance collected enforcement revenue of $6.2 million in November, the most recent month available, and $30.9 million for the current fiscal year to date.
- Corporate refunds for February were $18.6 million (or $4.1 million more than last year) and $117.5 million for the current fiscal year (or $9.7 million more than the prior fiscal year).
- Of the refunds issued in FY 2019, 49.3% were for corporate fiscal years ending in 2017 and 31.7% were for corporate fiscal years ending in 2014 or earlier.
- Corporations that applied their refund to next year's estimated payments instead of receiving a refund check equaled $52.2 million in February (or a $46.2 million increase over last year) and $284.4 million for the current fiscal year (compared to $297.7 million for the prior fiscal year to date or a decrease of $13.3 million).
- 108 refunds issued in February were over $10,000 for a total of $18.3 million (compared to 36 refunds over $10,000 for a total of $14.3 million last year).
- Through February 2019, 6,605 documents were processed with a fiscal year-end of 2018 compared to 10,019 documents processed through last February with a fiscal year-end of 2017 (or a 34.1% decrease).

CORPORATE TAX COLLECTIONS

	February 2019	February 2018	% Change
Gross Collections	$11,876,507	$20,754,947	(42.8)%
Refunds	(18,575,077)	(14,472,357)	28.3%
Net Collections *	($6,698,570)	$6,282,589	N/A

	Current Fiscal Year Total	Prior Fiscal Year Total	% Change
Gross Collections	$360,853,510	$268,631,349	34.3%
Refunds	(117,467,005)	(107,802,340)	9.0%
Net Collections *	$243,386,505	$160,829,009	51.3%

Gross collections, refunds and net collections, aggregated on a quarterly basis, are presented on the following three charts. Remember that if the quarter is not yet complete, quarter-to-date figures are still presented on the chart. *Therefore, if this report is only one or two months into a quarter, the corresponding bar for that quarter in the charts below will be incomplete.* The fourth chart, a stacked bar chart, shows net collections for each fiscal year, divided into quarters.

* Note: Figures may not add to total due to rounding.

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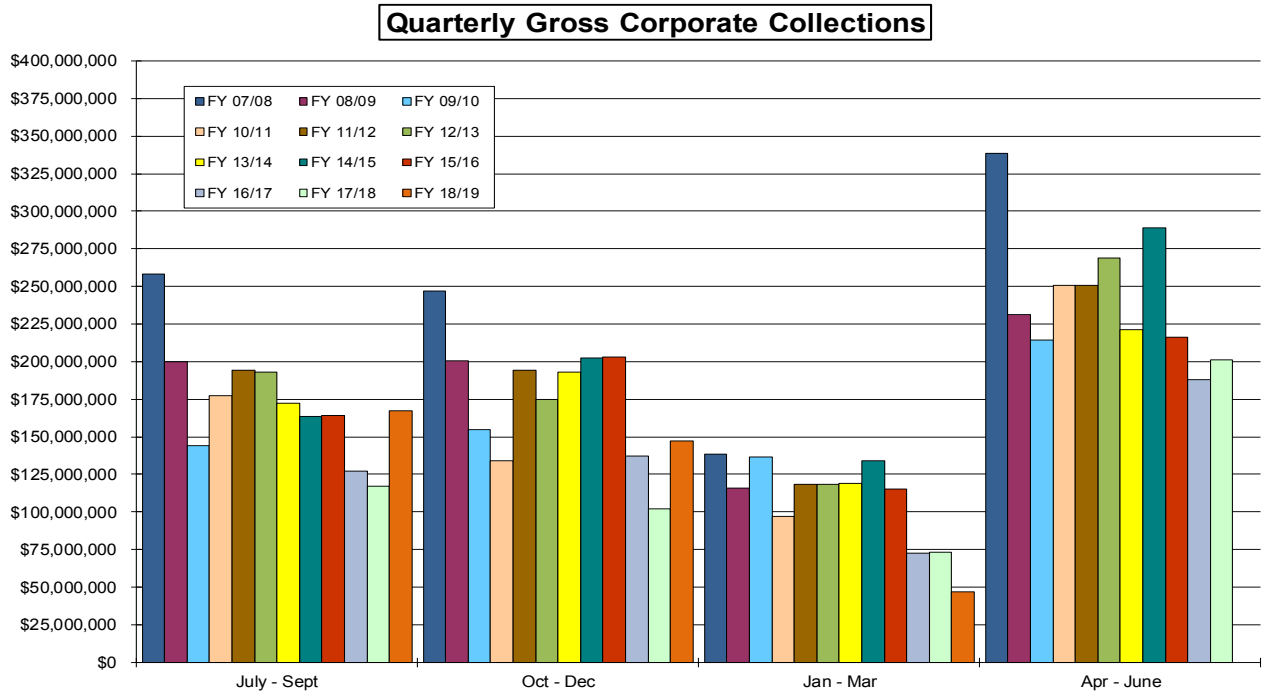

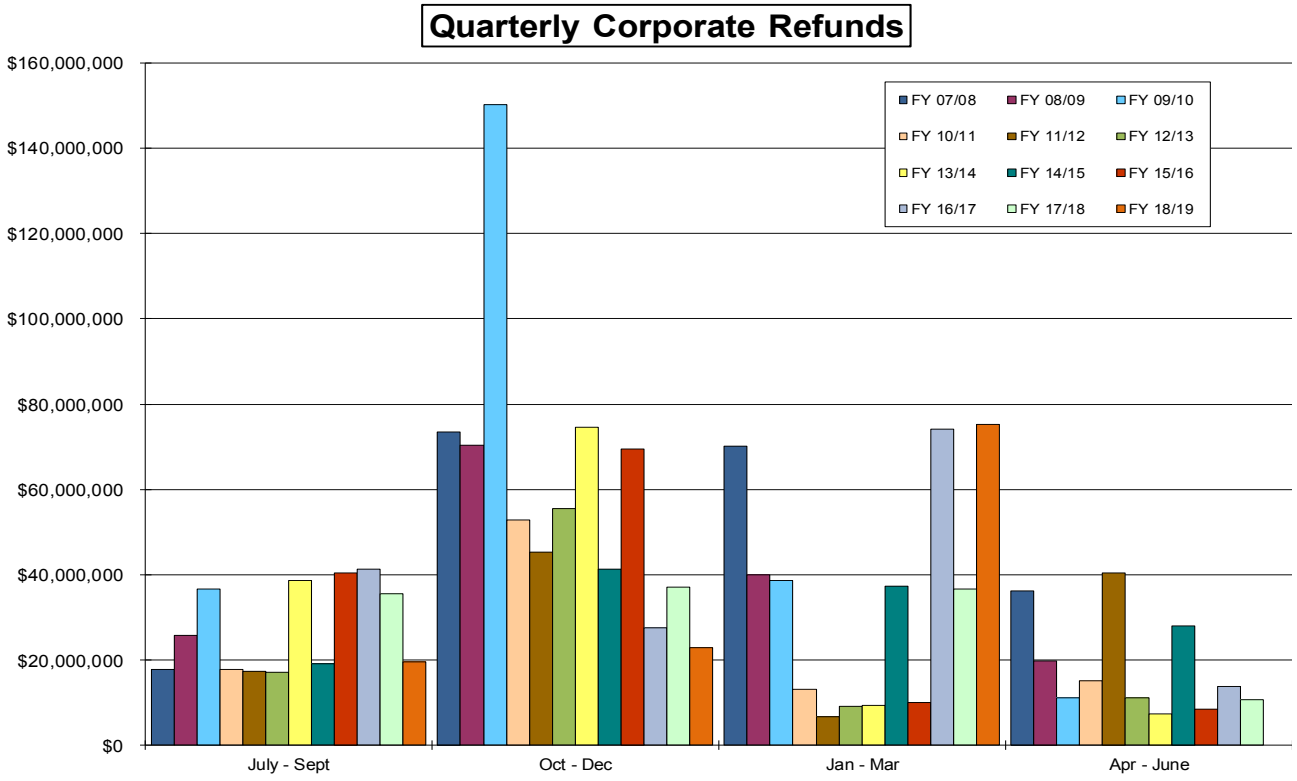

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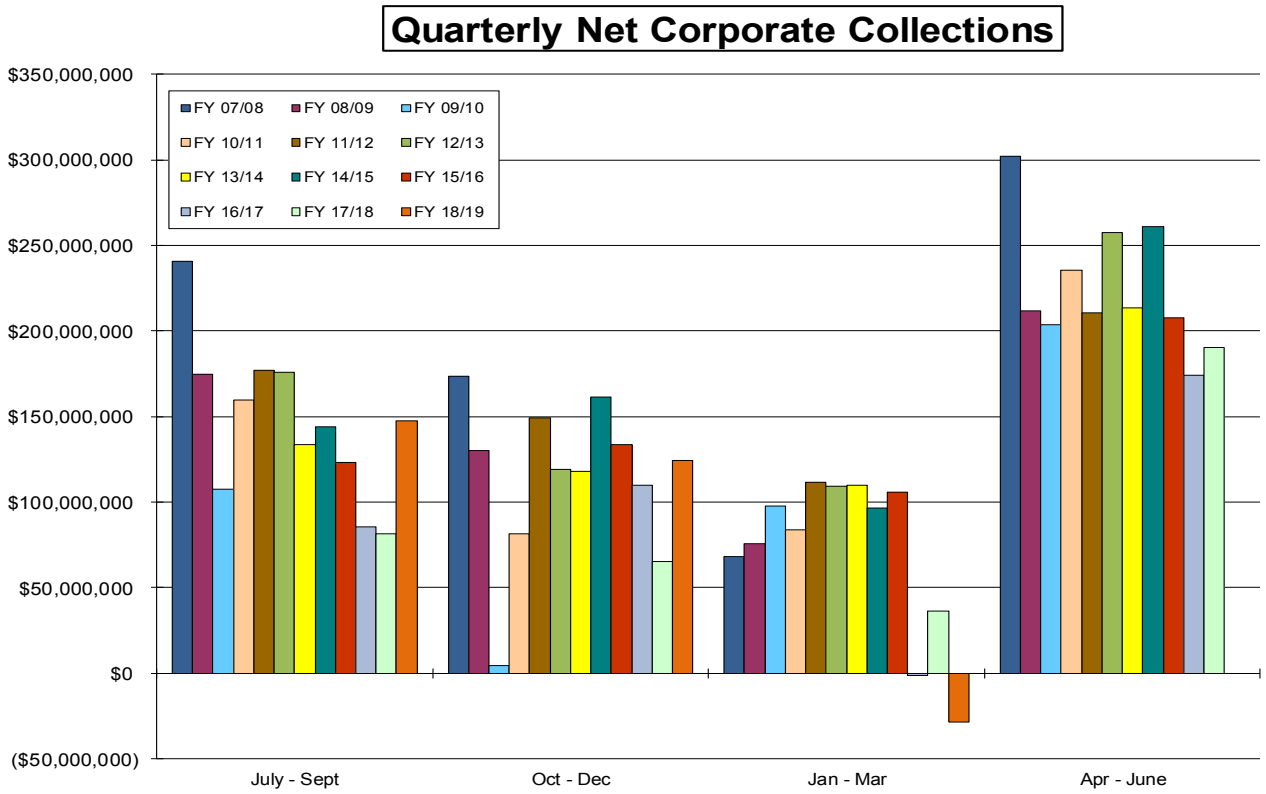

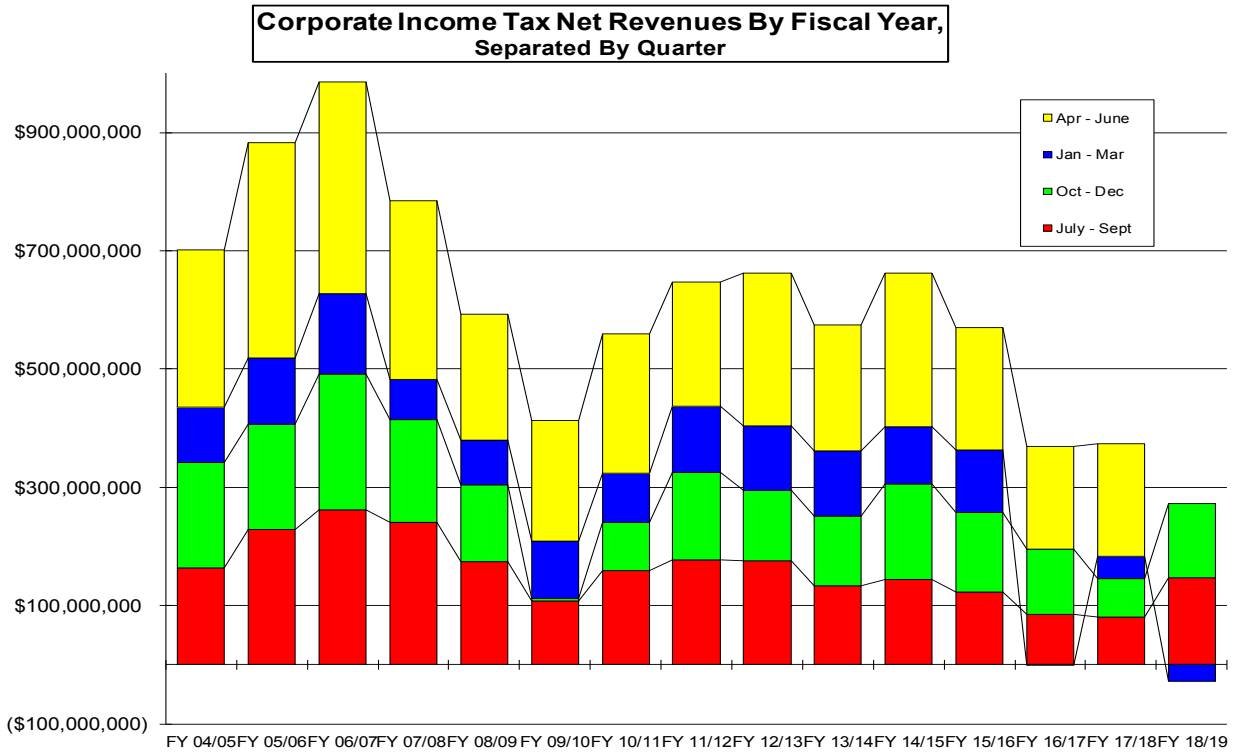

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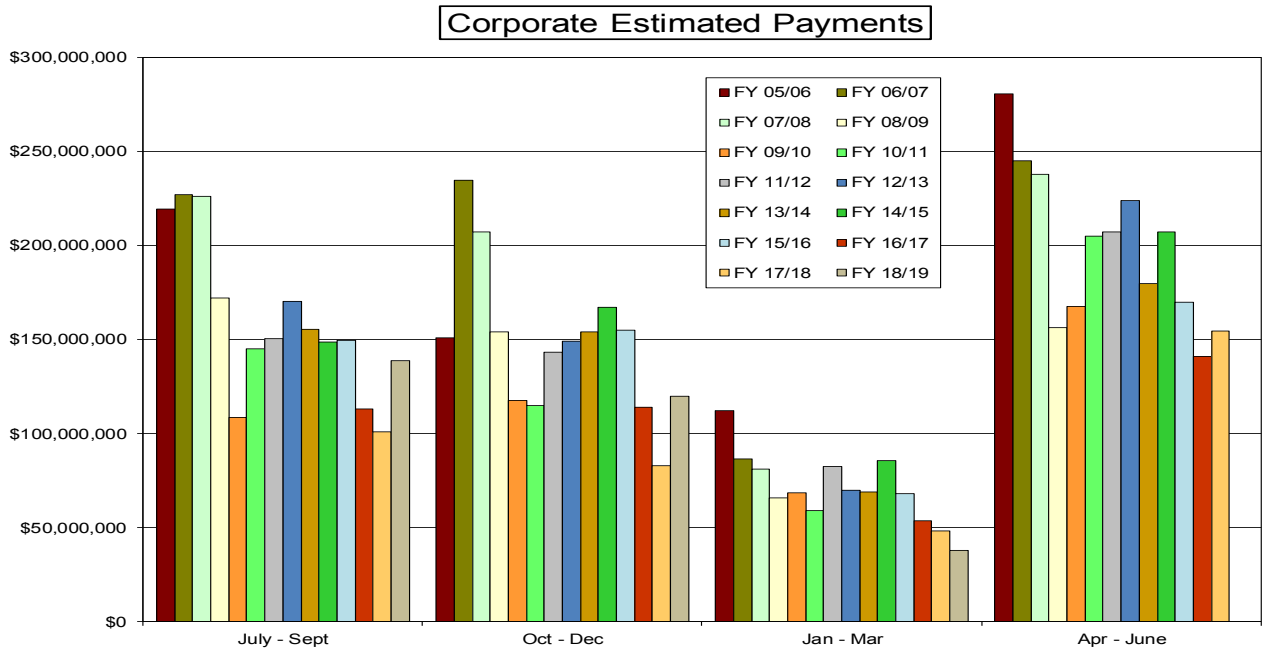
CORPORATE ESTIMATED PAYMENTS

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds $1,000 and (2) they are required to file federal estimated tax payments.

February 2019	$ 7,358,629	Fiscal Year Total	$ 296,957,709
February 2018	$ 6,508,871	Fiscal Year Total	$ 215,575,524
% Change	13.1%	% Change	37.8%



ESTIMATED PAYMENTS MADE THROUGH ELECTRONIC FUNDS TRANSFER

All corporations with an income tax liability of $20,000 or greater are required to make estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment.

Size of Payment ➔	Less than $50,000	$50,000 up to $100,000	$100,001 up to $500,000	$500,001 up to $1,000,000	$1,000,001 up to $10,000,000	$10,000,001 and more	Total	% change
February 2019	104	12	11	1	1	0	129	12.2%
February 2018	94	8	11	0	2	0	115	
FY 2019	2,651	306	312	58	47	0	3,374	9.8%
FY 2018	2,424	279	294	46	31	0	3,074	

The next table shows the dollars of eft estimated payments received from those counts above.

Size of Payment ➔	Less than $50,000	$50,000 up to $100,000	$100,001 up to $500,000	$500,001 up to $1,000,000	$1,000,001 and more	Total	% change
February 2019	$ 845,523	$ 810,600	$ 2,636,300	$ 546,000	$ 1,591,000	$ 6,429,423	13.0%
February 2018	$ 493,728	$ 469,100	$ 1,977,790	$ 0	$ 2,748,000	$ 5,688,618	
FY 2019	$ 25,968,430	$ 21,744,737	$ 68,425,900	$ 41,150,949	$ 103,982,600	$ 261,272,616	34.3%
FY 2018	$ 23,297,038	$ 19,515,258	$ 61,692,467	$ 33,337,525	$ 56,688,636	$ 194,530,924	

EDUCATION AND COMPLIANCE EFFORTS

The following shows corporate enforcement revenue collected as a result of the department's education and compliance efforts. The data below is the most recent month available at the time this report was published.

November 2018	$ 6,249,846	Fiscal Year Total	$ 30,940,441

CORPORATE REFUNDS

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 17/18 by corporate fiscal year. For example, in FY 17/18, 11.8% of the refund dollars paid were for corporate fiscal years ending in 2013 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	**13 & Prior**	**14**	**15**	**16**	**17**	**18**
FY 17/18	11.8%	2.3%	4.3%	75.4%	6.1%	0.1%

Corporate Fiscal Year-End:	**14 & Prior**	**15**	**16**	**17**	**18**	**19**
FY 18/19	31.7%	5.0%	11.1%	49.3%	2.9%	0.0%

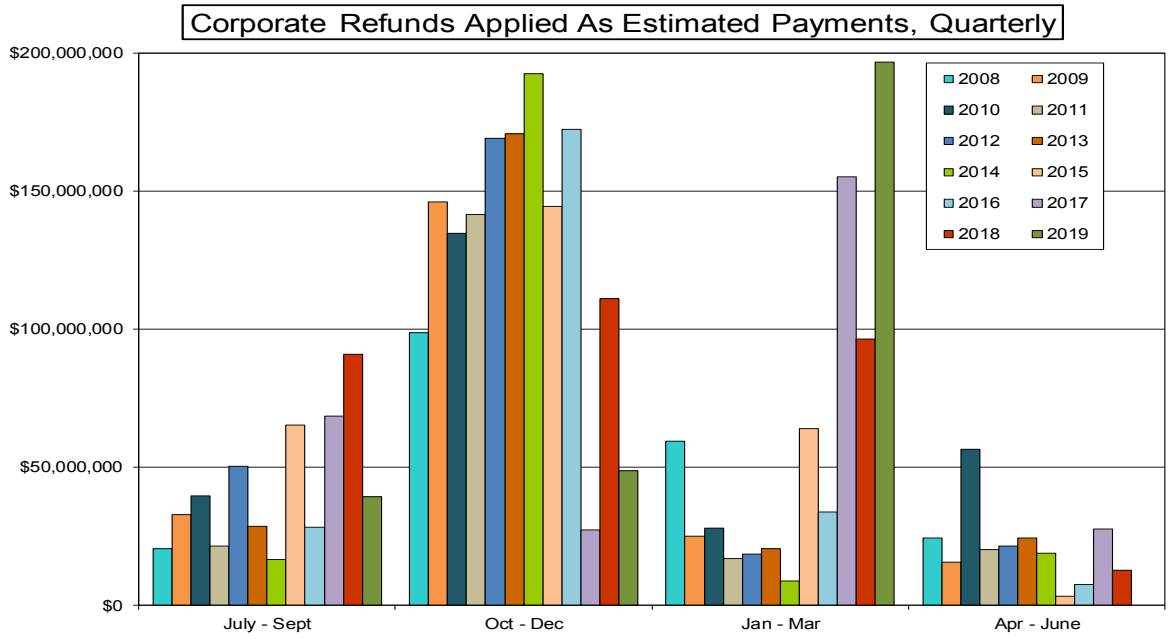
The following table shows the net amount of refunds for the month and fiscal year by size of refund.

Size of Refund ➔	**Less than $50,000**	**$50,000 up to $100,000**	**$100,001 up to $500,000**	**$500,001 and more**	**Total Refunds**	**% change**
February 2019	$ 1,732,692	$ 1,383,052	$ 5,614,900	$ 9,844,433	$ 18,575,077	28.3%
February 2018	$ 710,755	$ 222,985	$ 1,067,144	$ 12,471,473	$ 14,472,357	
FY 2019	$ 11,612,310	$ 6,227,553	$ 31,773,008	$ 67,854,134	$ 117,467,005	9.0%
FY 2018	$ 14,080,382	$ 6,201,016	$ 21,743,795	$ 65,777,147	$ 107,802,340	

REFUNDS APPLIED TO ESTIMATED PAYMENTS

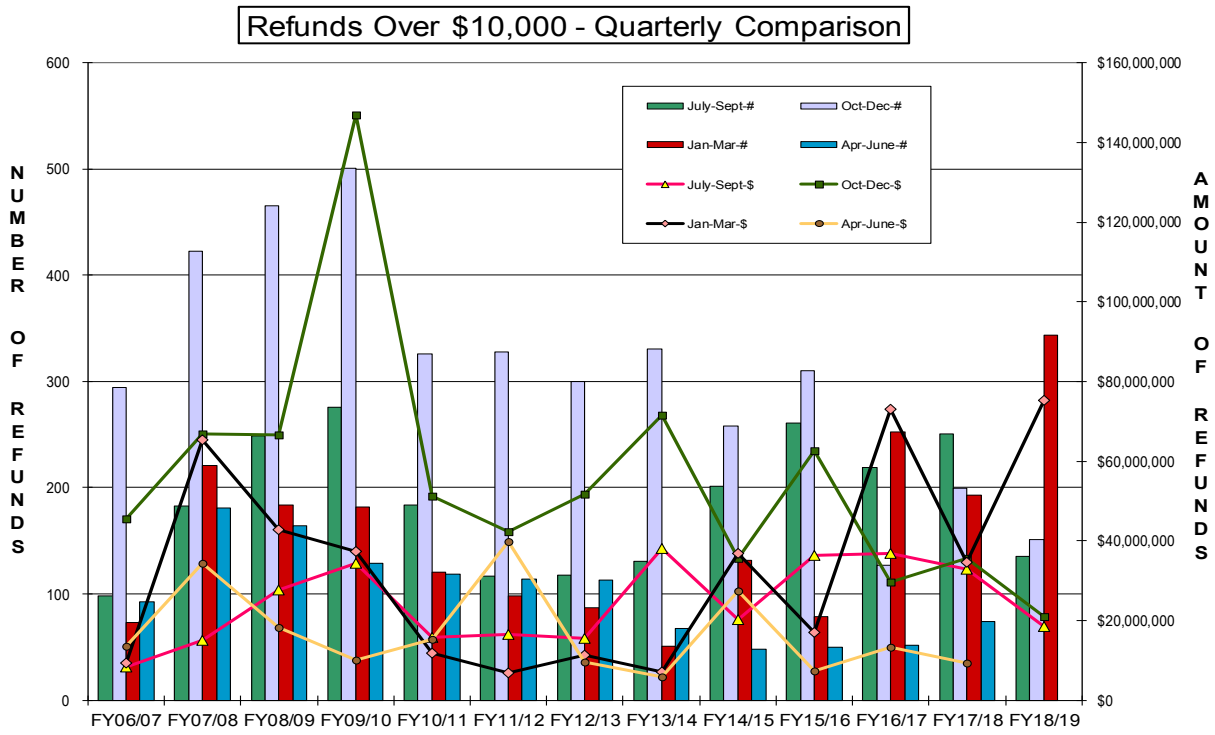
Corporate refunds shown above are those refunds for which a check is mailed to the corporation. Some corporations choose to apply their refund to next year's estimated payments. The following table presents refunds applied as estimated payments in the most recent month and for the fiscal year.

February 2019	$ 52,161,137	Fiscal Year Total	$ 284,381,143
February 2018	$ 5,958,638	Fiscal Year Total	$ 297,668,924
% Change	NA	% Change	(4.5)%



REFUNDS OVER $10,000

The following chart shows corporate refunds over $10,000, by quarter within the fiscal year. The columns illustrate the number of refunds over $10,000; the lines show the aggregate value of the refunds over $10,000. Remember this data is in a quarterly format; if this report is for a period that is less than the full quarter, the corresponding column or point on the line graph is incomplete.



CORPORATE INCOME TAX DOCUMENT COUNT

The Arizona Department of Revenue processed 143,675 corporate returns showing a fiscal year-end of 2017. The type of return processed is indicated below:

	120 X (Amended)	120 (Regular)	120S (S Corp)	99T (Exempt Org.)	120 A (Short Form)
#	130	33,979	96,913	1,124	11,529
%	0.1%	23.6%	67.5%	0.8%	8.0%

Through February 2019, 6,605 documents were processed for a fiscal year-end of 2018, distributed as follows:

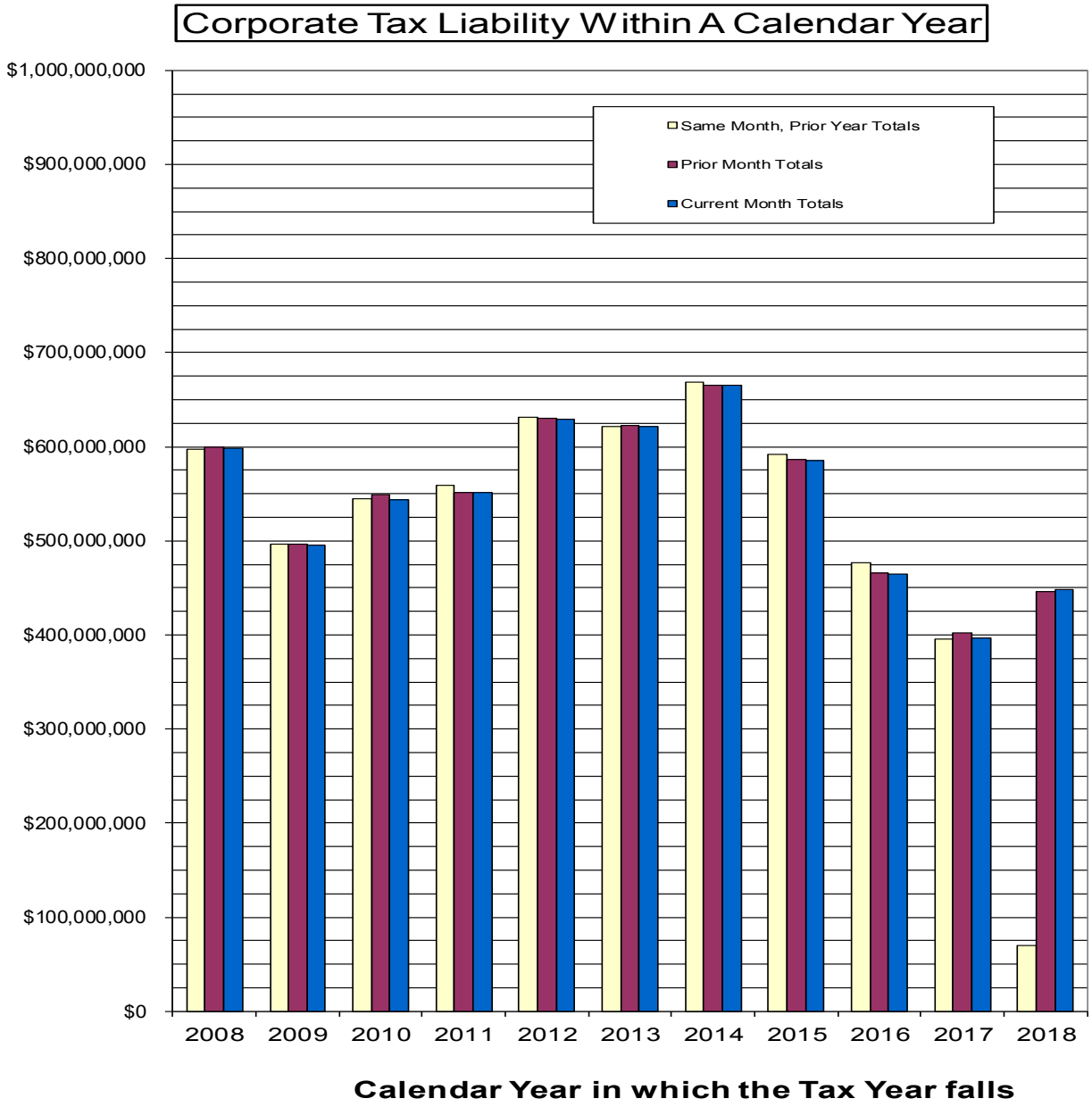
	120 X (Amended)	120 (Regular)	120S (S Corp)	99T (Exempt Org.)	120 A (Short Form)
#	21	4,817	605	70	1,092
%	0.3%	72.9%	9.2%	1.1%	16.5%

The figures for the 2018 returns are most meaningful when compared to 2017 returns processed during the same period of time in the previous year. Through February 2019, the Department of Revenue processed 10,019 documents with a fiscal year-end of 2017. Compared to 2017 documents, the department has seen a 34.1% decrease in the number of corporate returns processed at this point of time in the calendar year.

CORPORATE TAX LIABILITY

Corporate revenues and refunds for large corporations flow through the state coffers over three state fiscal years for each corporate fiscal year. For example, consider a corporate fiscal year that corresponds to the calendar year. Estimated payments are received in April of state fiscal year X. More estimated payments are received in the second half of the calendar year, which is state fiscal year Y. In April of the following calendar year, still state fiscal year Y, either the final corporate return is filed with payment made or notice of refund due or an extension is filed with some payment. Large corporations nearly always file an extension, which means final returns are not submitted until October, which is state fiscal year Z. These final returns will have payments or notice of refund due.

The following chart shows corporate tax liability within a calendar year. The data for this table aggregates all payments and refunds for corporate fiscal years, regardless of state fiscal year, and then all corporate fiscal years are aggregated within a calendar year. For example, fiscal years ending January 2010, February 2010, March 2010, etc., are aggregated into 2010. The maroon bars are liability totals from last month; the blue bars are liability totals from the current month. The difference is the activity occurring in the current month. The yellow bars represent the aggregate liability from a year earlier. For example, in April 2013, net payments for fiscal year 2012 were $696 million. In April 2014, net payments for fiscal year 2012 had dropped to $633 million. This means that $63 million in refunds for that tax year was paid between April 2013 and April 2014.



All payments and refunds are aggregated by fiscal year-end for which the payment was received or refund was paid. This creates a net corporate liability for fiscal year periods. The data can be aggregated in a number of different ways, each having its own problems in reconciling to the state fiscal year net corporate collections. The following table shows data aggregated by state fiscal year in which it is received. The problem here is capturing the fiscal year-end of the corporation for all transactions. Therefore, for each state fiscal year's worth of data, a varying amount of revenue is missing from this database. See the table on the following page, Corporate Payment Totals by DOR Fiscal Year, to view the data components.

The final table included with this report, Grand Total Net Corporate Payments by Corporate, present revenues for each corporate fiscal year, aggregated by calendar year, and grouped by the state fiscal year within which they were received or paid. Moving horizontally in each row beginning with 1987, there are three numbers for each corporate fiscal year that represent the bulk of tax liability for all corporations with a corresponding fiscal year end.

Corporate Payment Totals By DOR Fiscal Year

25-Mar-19

DOR FY	Payments	Estimates	Extensions	Payments Subtotal	DP Refunds	Canceled Warrants	Total DP Refunds	600's	Total Refunds	Total
FY 1987	$28,555,670	$144,128,339	$60,898,043	$233,582,052	$36,821,439	$644,363	$36,177,076	$12,320,247	$48,497,323	$185,084,729
FY 1988	$28,500,283	$133,962,102	$37,912,778	$200,375,163	$83,360,085	$9,468,876	$73,891,209	$5,585,424	$79,476,633	$120,898,530
FY 1989	$30,783,411	$163,371,751	$41,331,468	$235,486,630	$60,218,218	$1,484,853	$58,733,365	$2,812,457	$61,545,822	$173,940,808
FY 1990	$20,677,861	$158,797,357	$33,281,471	$212,756,689	$43,297,625	$274,463	$43,023,162	$11,451,096	$54,474,258	$158,282,431
FY 1991	$28,898,507	$164,107,086	$39,284,793	$232,290,386	$52,796,639	$172,670	$52,623,969	$5,146,693	$57,770,662	$174,519,724
FY 1992	$29,056,836	$174,614,037	$31,320,370	$234,991,243	$42,974,285	$858,754	$42,115,531	$4,630,618	$46,746,149	$188,245,094
FY 1993	$30,452,774	$209,785,430	$29,892,325	$270,130,529	$37,007,509	$184,583	$36,822,926	$10,478,770	$47,301,696	$222,828,833
FY 1994	$24,441,015	$260,514,182	$45,318,657	$330,273,854	$49,294,785	$123,139	$49,171,646	$5,616,465	$54,788,111	$275,485,743
FY 1995	$33,758,517	$348,356,940	$57,475,214	$439,590,671	$33,276,898	$960,406	$32,316,492	$3,598,039	$35,914,531	$403,676,140
FY 1996	$29,777,606	$404,084,694	$50,936,735	$484,799,035	$52,714,631	$581,852	$52,132,779	$2,813,854	$54,946,633	$429,852,402
FY 1997	$34,447,841	$524,949,009	$59,706,386	$619,103,236	$61,257,762	$793,473	$60,464,289	$11,701,948	$72,166,237	$546,936,999
FY 1998	$33,151,360	$469,460,941	$69,020,532	$571,632,833	$91,095,049	$603,795	$90,491,254	$9,317,159	$99,808,413	$471,824,420
FY 1999	$49,125,253	$495,450,820	$73,286,977	$617,863,050	$92,582,067	$764,021	$91,818,046	$4,494,524	$96,312,570	$521,550,480
FY 2000	$45,068,039	$482,945,584	$81,682,494	$609,696,117	$84,352,834	$2,429,744	$81,923,091	$9,940,801	$91,863,891	$517,832,226
FY 2001	$38,701,413	$501,832,200	$87,842,914	$628,376,527	$130,456,381	$5,917,118	$124,539,263	$11,300,890	$135,840,153	$492,536,373
FY 2002	$34,801,147	$374,610,815	$73,066,301	$482,478,263	$132,435,707	$10,952,810	$121,482,897	$45,983,879	$167,466,776	$315,011,487
FY 2003	$25,827,535	$360,877,189	$76,006,279	$462,711,003	$136,732,676	$27,161,516	$109,571,160	$12,648,654	$122,219,814	$340,491,189
FY 2004	$30,653,623	$425,585,879	$77,279,392	$533,518,894	$103,298,390	$1,046,516	$102,251,874	$13,178,224	$115,430,098	$418,088,796
FY 2005	$66,253,051	$580,224,670	$71,214,053	$717,691,774	$67,988,198	$594,317	$67,393,881	$17,189,658	$84,583,539	$633,108,235
FY 2006	$54,331,799	$762,836,285	$131,067,597	$948,235,681	$62,196,589	$947,783	$61,248,806	$28,656,134	$89,904,940	$858,330,741
FY 2007	$107,672,927	$793,048,689	$155,033,663	$1,055,755,279	$81,050,252	$2,214,793	$78,835,458	$2,625,297	$81,460,755	$974,294,524
FY 2008	$108,037,413	$752,500,627	$118,323,021	$978,861,062	$197,916,778	$326,804	$197,589,975	$0	$197,589,975	$781,271,087
FY 2009	$132,414,568	$548,568,349	$64,399,652	$745,382,569	$156,389,748	$476,150	$155,913,598	$0	$155,913,598	$589,468,971
FY 2010	$116,011,863	$462,045,951	$70,153,027	$648,210,842	$237,420,509	$502,150	$236,918,359	$0	$236,918,359	$411,292,483
FY 2011	$66,294,242	$524,408,720	$66,343,256	$657,046,218	$99,238,907	$472,013	$98,766,893	$0	$98,766,893	$558,279,324
FY 2012	$109,346,275	$583,065,148	$62,168,243	$754,579,665	$109,974,787	$317,029	$109,657,758	$0	$109,657,758	$644,921,907
FY 2013	$56,187,643	$612,987,958	$78,168,622	$747,344,222	$92,922,774	$301,888	$92,620,886	$0	$92,620,886	$654,723,337
FY 2014	$63,169,463	$558,540,251	$76,073,010	$697,782,724	$130,262,335	$279,723	$129,982,612	$0	$129,982,612	$567,800,112
FY 2015	$76,142,171	$608,734,766	$92,486,239	$777,363,176	$125,959,415	$235,867	$125,723,549	$0	$125,723,549	$651,639,627
FY 2016	$84,393,308	$542,530,696	$66,516,189	$693,440,194	$129,052,927	$564,778	$128,488,149	$0	$128,488,149	$564,952,044
FY 2017	$44,188,524	$421,578,303	$55,326,758	$521,093,585	$157,085,399	$290,661	$156,794,738	$0	$156,794,738	$364,298,847
FY 2018	$56,899,849	$386,295,540	$49,018,195	$492,213,585	$120,046,946	$159,489	$119,887,458	$0	$119,887,458	$372,326,127
FY 2019	$48,711,395	$296,957,708	$12,662,661	$358,331,764	$117,793,953	$326,948	$117,467,005	$0	$117,467,005	$240,864,759

* Note: Figures may not add to total due to rounding.

Grand Total Net Corporate Payments By Corporate and DOR Fiscal Year

25-Mar-19

Corporate Fiscal Year	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
1987	($3,282)	$31									
1988	$14,655	($50)	($727,121)								
1989	$23,459	$21,782									
1990	($159)	($1,869)	$10,967	$6,627	$891	$5,871	$5,575	($1,460,081)	$51		
1991	$19,029		$142,266	($117,364)							
1992	$61,795	($9,984)	($956,301)	($68,274)	($18,884)		$12,300				
1993	$45,524	($65,023)	$15,326		($53,507)		$9,163				
1994	($1,743,298)	$1,003,650	$131,774	($236,841)	$113,302		$27,921	($441,834)			
1995	$507,572	($897,056)	($802,451)	($104,527)	($118,456)			($11,848)			
1996	($368,041)	$4,167,318	$794,524	($260,794)	($817,065)	($38,349)	$1,110	($4,977)			
1997	($1,363,359)	$744,196	($1,326,940)	($370,153)	($251,828)		$575,169	($624)	$304,023		
1998	$17,213,177	($2,700,574)	($372,261)	($41,667)	($458,264)	$356,783	$494,713	($10,142)		$10,551	
1999	$921,429	$1,638,635	$1,377,237	$547,676	$433,603	($695,787)	$1,418,281	($443,524)	($928)	$3,921	
2000	$14,032,952	$469,221	$3,253,237	$2,000,980	$1,954,176	$1,458,681	$1,112,934	($335,512)	$6,661	($49,947)	$1,993
2001	$1,768,231	$684,861	$1,055,392	$2,820,091	$949,377	$387,082	($2,221,773)	$334,142	($1,359,305)	$382,971	$40,450
2002	$2,688,361	$1,558,497	$641,692	$290,936	$161,469	($112,763)	($1,189,701)	($156,326)	($868,207)	$339,989	$393,006
2003	$11,649,811	$4,594,000	$897,276	$806,276	($1,187,931)	$1,996,583	$87,241	$2,099,735	($2,047,421)	$90,104	$136,555
2004	$7,065,694	$4,401,153	$776,546	$177,963	($330,571)	$2,870,607	($788,435)	$4,745,288	($1,538,167)	$211,997	$1,170,825
2005	$9,660,883	$2,940,241	($3,480,013)	$769,123	($2,637,754)	$2,026,019	$1,024,634	$1,288,193	($4,561,335)	$1,792,737	$340,779
2006	$2,353,956	$979,229	($2,785,271)	($24,498,922)	$2,228,297	($8,702,806)	$2,420,739	$10,787,617	($5,787,696)	($996,678)	$1,242,969
2007	($89,955,924)	($12,273,365)	($733,232)	($5,734,070)	$3,208,803	($11,044,874)	($284,062)	($5,227,333)	($2,956,802)	($125,447)	$2,917,489
2008	$307,711,316	($129,080,028)	($1,234,796)	$11,192,806	($1,192,770)	($577,958)	($3,880,230)	$6,253,918	($4,260,145)	$324,429	$664,192
2009	$291,279,364	$230,991,491	($29,722,785)	$7,424,393	($1,126,748)	$1,309,393	($11,802,350)	($4,588,226)	($2,732,832)	$668,178	($1,487,818)
2010	$15,885,825	$289,210,455	$253,466,079	($3,891,363)	($3,246,203)	($356,207)	($991,212)	($2,644,880)	($5,312,198)	$2,762,518	($976,078)
2011		$12,915,672	$311,977,216	$275,586,670	($37,655,833)	($3,057,334)	$2,549,958	($1,436,070)	($2,768,700)	$321,302	($7,696,736)
2012			$25,880,963	$357,640,335	$313,440,796	($62,958,221)	($2,817,638)	$2,542,361	($1,456,023)	($1,064,361)	($1,632,911)
2013				$20,982,008	$362,866,332	$275,066,036	($37,735,323)	$5,303,893	($2,370,338)	($2,660,026)	$376,962
2014					$18,462,105	$358,461,068	$352,755,461	($51,907,552)	($10,420,793)	$1,636,949	($3,890,195)
2015						$11,406,290	$342,768,903	$302,180,260	($74,824,068)	$8,796,380	($5,061,257)
2016							$8,086,250	$288,662,542	$260,993,162	($81,385,655)	($11,374,627)
2017								$9,423,024	$224,094,817	$210,375,007	($46,982,793)
2018									$2,165,091	$222,072,666	$224,189,737
2019										$8,818,542	$88,492,215
Grand Total	**$589,468,971**	**$411,292,483**	**$558,279,324**	**$644,921,907**	**$654,723,337**	**$567,800,112**	**$651,639,627**	**$564,952,044**	**$364,298,847**	**$372,326,127**	**$240,864,759**

* Note: Figures may not add to total due to rounding.