

ARIZONA DEPARTMENT OF REVENUE

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FIFE SYMINGTON
GOVERNOR



HAROLD SCOTT
ACTING DIRECTOR

ARIZONA CORPORATE TAX RULING CTR 93-2

This substantive policy statement is advisory only. A substantive policy statement does not include internal procedural documents that only affect the internal procedures of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona administrative procedure act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties you may petition the agency under Arizona Revised Statutes § 41-1033 for a review of the statement.

ISSUE:

Does the corporate minimum tax of \$50 apply to short period corporate returns?

APPLICABLE LAW:

Arizona Revised Statutes (A.R.S.) § 43-1111 imposes a minimum tax of \$50 for the taxable year on each corporation required to file an Arizona income tax return.

A.R.S. § 43-104.24 defines the term "taxable year."

DISCUSSION:

The minimum tax is imposed upon a corporation for each taxable year. A.R.S. § 43-102.24 defines a "taxable year" as the period for which the return is made in the case of a return made for a fractional part of a year. Therefore, the short period for which the return is made is considered a taxable year and is subject to the minimum tax.

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RULING:

The \$50 minimum tax is imposed for the taxable year, not for an annual period. Therefore, in the case of a return made for a fractional part of a year, the minimum tax applies in full.

Harold Scott, Acting Director

Signed: March 29, 1993

Explanatory Notice

The purpose of a tax ruling is to provide interpretive guidance to the general public and to department personnel. A tax ruling is intended to encompass issues of law which are not adequately covered in statute, case law or administrative rules. A tax ruling is a position statement which provides interpretation, details or supplementary information concerning the application of the law. **Relevant statute, case law, or administrative rules, as well as a subsequent ruling, may modify or negate any or all of the provisions of any tax ruling.** See GTP 92-1 for more detailed information regarding documents issued by the Department of Revenue.