

ARIZONA'S INDIVIDUAL AND CORPORATE INCOME TAX CREDIT REPORT

ARIZONA DEPARTMENT OF REVENUE

Office of Economic Research and Analysis

November 2024

The following report on Arizona's individual and corporate income tax credits provides an analysis on income tax credits claimed by tax year.

The statistical data includes individual income tax credits for tax years 2015 through 2023. Tax year 2023 data for individual tax credits is preliminary due to pending extension returns. Tax year 2023 data for small business income tax credits is preliminary due to pending extension returns. Corporate income tax credit data includes tax years 2014 through 2022. Tax year 2022 data for corporate is preliminary due to pending extension returns from fiscal year fillers. Tax year 2023 for corporate will be included in the next published report as the majority of tax credits are claimed on pending extension returns. Some of the tax credit data is not releasable due to confidentiality restrictions.

If you have questions or comments regarding this report, please contact the Office of Economic Research and Analysis at the Arizona Department of Revenue at (602) 716-6507.

ARIZONA'S INDIVIDUAL AND CORPORATE INCOME TAX CREDITS

EXECUTIVE SUMMARY

TOTAL TY 2023 INDIVIDUAL TAX CREDITS USED OR REFUNDED: ¹ \$881,492,863
TOTAL TY 2022 INDIVIDUAL TAX CREDITS USED OR REFUNDED: \$1,030,755,928
TOTAL TY 2021 INDIVIDUAL TAX CREDITS USED OR REFUNDED: \$848,686,165

TOTAL TY 2022 CORPORATE TAX CREDITS USED OR REFUNDED: ² \$264,280,423
TOTAL TY 2021 CORPORATE TAX CREDITS USED OR REFUNDED: \$176,684,262
TOTAL TY 2020 CORPORATE TAX CREDITS USED OR REFUNDED: \$181,347,301

Arizona's Individual and Corporate Income Tax Credit Report is an analysis of tax credits claimed prepared by the Arizona Department of Revenue's Office of Economic Research and Analysis.

Current income tax credits available to Arizona taxpayers are defined in Title 43 of Arizona Revised Statutes under Chapter 10, Article 5 for individuals and Chapter 11, Article 6 for corporations. Income tax credits reduce the taxpayer's tax liability, as opposed to a subtraction which reduces taxable income. Tax credits are either refundable or non-refundable. Although non-refundable tax credits can never exceed a taxpayer's tax liability, the majority of non-refundable tax credits allow the unused amounts to be carried forward to future years.

Refundable tax credits for individual income tax include the property tax credit and the low-income credit for increased excise taxes paid. Refundable tax credits that require approval by the Arizona Commerce Authority that apply to both individual and corporate taxpayers include the research and development credit (subject to a \$5 million annual limit) and the qualified facility credit (with a \$70 million annual limit).

The purpose of this report is to provide a better understanding of impacts associated with income tax credits. The contents include a summary of the individual and corporate income tax credits claimed by tax year including the amount of available carry forward if applicable. Detail is provided for each tax credit regarding the statutory reference, effective date, statutory provisions and the number of taxpayers claiming the credit and the amounts available and used. Due to confidentiality restrictions, certain tax credit data is not releasable.

TOTAL INCOME TAX CREDITS USED OR REFUNDED BY TAX TYPE

Included in this report are tax years 2015 through 2023 for individual and tax years 2014 through 2022 for corporate. For individual, tax year 2023 represents only a portion of the tax year due to pending extension returns. For corporate, tax year 2022 is preliminary based on pending extension returns from fiscal year filers and tax year 2023 will be included in the next published report as the majority of tax credits are claimed on pending extension returns.

¹ Tax year 2023 data for individual tax credits used or refunded is preliminary due to pending extension returns.

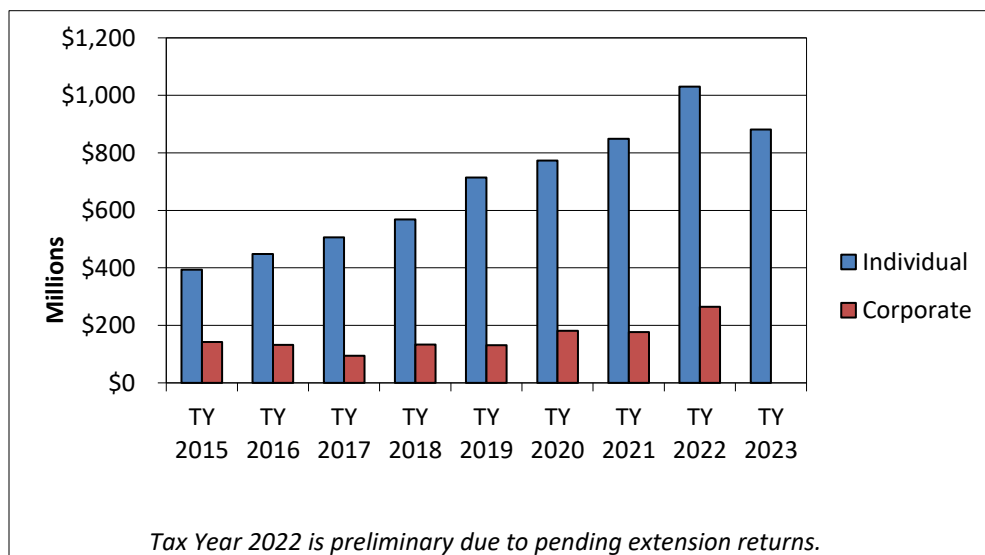
² Tax year 2022 data for corporate tax credits used or refunded is preliminary due to pending returns from fiscal year filers to be claimed on extension returns.

The following table and chart display the total value of individual and corporate income tax credits from tax year 2015 through 2023.

HISTORICAL TOTAL OF INCOME TAX CREDITS USED OR REFUNDED

	Individual	Year over year change	Corporate	Year over year change
TY 2015	\$393,897,075	8.1%	\$142,413,475	1.3%
TY 2016	\$447,755,005	13.7%	\$131,973,693	-7.3%
TY 2017	\$506,085,259	13.0%	\$93,981,285	-28.8%
TY 2018	\$568,725,879	12.4%	\$133,406,784	42.0%
TY 2019	\$713,934,115	25.5%	\$130,631,580	-2.1%
TY 2020	\$773,113,229	8.3%	\$181,347,301	38.8%
TY 2021	\$848,686,165	9.6%	\$176,684,262	-2.6%
TY 2022	\$1,030,755,928	21.6%	\$264,280,423	49.6%
TY 2023³	\$881,492,863	-14.5%		

INDIVIDUAL AND CORPORATE TAX CREDITS USED OR REFUNDED



³ Italics indicate the values for one or more tax credits are preliminary. Tax year 2023 data for individual tax credits is preliminary due to pending extension returns. For corporate income tax credits, tax year 2022 represents only a portion of the tax year due to pending extension returns from fiscal year filers.

INDIVIDUAL AND CORPORATE TAX CREDITS USED OR REFUNDED BY TAX CREDIT

The following table lists those tax credits that were active in tax years 2023 for individual income tax and 2022 for corporate income tax (including those that are only available for carry forward balances established in a prior tax year). Reference the summary pages for individual and corporate tax credits claimed by tax year and the detail for each tax credit by using the link in the Table of Contents.

SUMMARY INCOME TAX CREDITS USED OR REFUNDED TAX YEARS 2023 OR 2022 ⁴

Tax Credit	TY 2023 Individual	Change from FY21	TY 2022 Corporate	Change from FY20
Affordable Housing	\$0	0.0%	\$0	NA
Agricultural Pollution Control Equipment	**	**		
Agricultural Water Conservation System	\$738,799	-39.5%		
Commercial and Industrial Solar Energy * ⁵	\$0	-100%	**	**
Contributions to Qualifying Charitable Organizations (QCOs)	\$82,229,229	3.1%		
Contributions to Qualifying Foster Organizations (QFCOs)	\$26,409,316	0.1%		
Corporate Contributions to School Tuition Organizations (STOs)	\$9,051,781	-67.2%	\$37,497,005	-15.5%
Corporate Contributions to STOs for Disabled Displaced Students	\$69,811	-77.2%	\$665,000	9.9%
Dependent Tax Credit	\$140,687,004	-1.7%		
Donations to the Military Family Relief Fund	\$932,316	0.0%		
Employing National Guard Members	\$0	0.0%	\$0	**
Entity Level Income Taxes Paid	\$271,098,403	-4.3%		
Employment of TANF Recipients	\$0	0.0%	\$0	**
Family Income Tax Credit	\$208,457	-55.5%		
Healthy Forest Enterprise Employment	\$0	0.0%		
Healthy Forest Production	\$0	0.0%	\$0	0%
Income Taxes Paid to Other States or Countries	\$163,867,121	-32.8%		
Increased Excise Taxes Paid	\$18,849,177	-10.1%		
Investment in Qualified Small Business	\$792,961	-33.6%		
Military Reuse Zone *	\$0	0.0%	\$0	0.0%
Motion Picture Production Costs	\$0	NA		
New Employment	\$0	-100.0%	\$8,892,279	-19.2%
Pollution Control Device	\$920	**	\$962,976	-22.0%
Private STOs (Original)	\$53,894,477	-20.9%		
Private STOs (Switcher)	\$40,326,115	-8.5%		

⁴ Tax year 2023 data for individual tax credits is preliminary due to pending extension returns. Tax year 2022 data for corporate is preliminary due to pending extension returns from fiscal year filers.

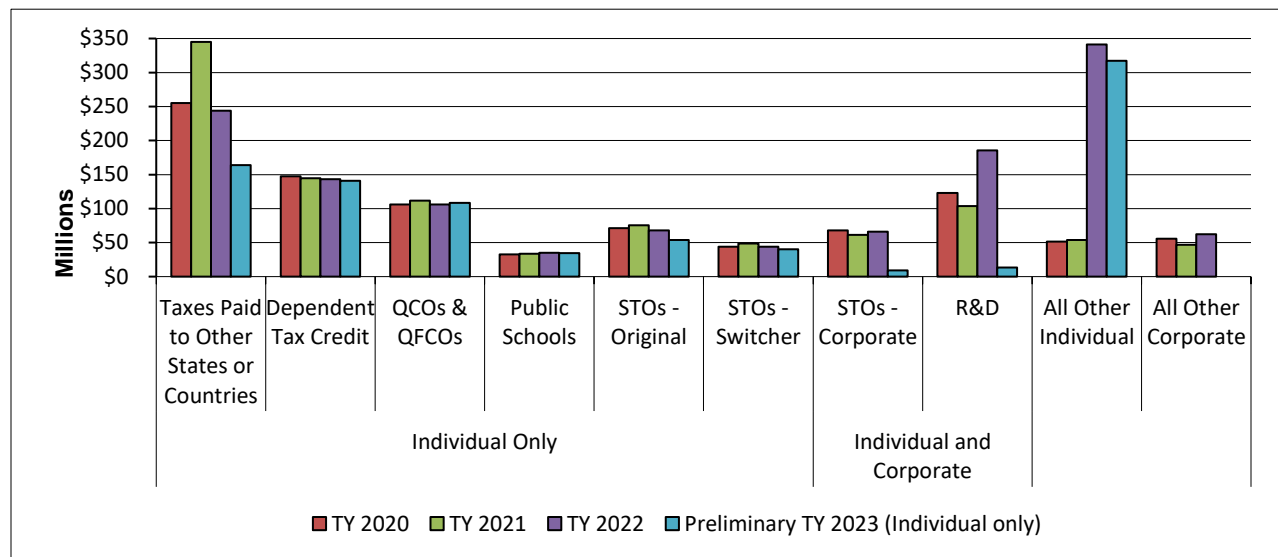
⁵ The single asterisk indicates the tax credit is only available for carry over balances established in a prior year.

Tax Credit	TY 2022 Individual	Change from FY21	TY 2021 Corporate	Change from FY20
Property Tax	\$7,244,513	-1.5%		
Public School Fees and Contributions	\$34,392,208	-1.3%		
Qualified Facilities (Refundable)	\$0	0%	\$52,227,656	54.9%
Renewable Energy Production	\$31,854	-64.2%	\$330,927	-50.5%
Research and Development	\$12,909,294	-38.9%	\$160,361,125	97.4%
Research and Development (Refundable)	\$549,143	17.3%	\$3,339,161	-7.8%
Research and Development for University Research	\$0	**	\$0	0.0%
School Site Donation	**	**	\$0	**
Solar Energy Device	\$16,649,090	-23.2%		
Solar Hot Water Plumbing Stub Outs & Electric Vehicle Recharge *	\$0	0.0%	\$0	0.0%
Taxes Paid for Coal Consumed in Generating Electrical Power			**	**
Credits from Small Business Return	\$551,475	-85.4%		
TOTAL CREDITS USED OR REFUNDED	\$881,492,863	-14.5%	\$264,280,423	49.6%

TOP INCOME TAX CREDITS USED OR REFUNDED

The following chart highlights some of the top income tax credits used or refunded. The top individual income tax credits include: 1) taxes paid to other states or countries, 2) dependent tax credit beginning with tax year 2019, 3) contributions to qualified charitable organizations (QCOs) or to qualified foster care charitable organizations (QFCOs), 4) contributions and fees to public schools, 5) contributions to private School Tuition Organizations (STOs) for the original tax credit and 6) contributions to private STOs that exceed the original credit limit (or the switcher credit). Credit data for both individual and corporate tax credits include corporate contributions to STOs and the research and development tax credit.

INDIVIDUAL AND CORPORATE INCOME TAX CREDITS USED OR REFUNDED TAX YEARS 2020 THROUGH 2023⁶



SMALL BUSINESS INCOME TAX CREDITS

The small business income (SBI) tax was new beginning in tax year 2021. Most nonrefundable income tax credits available to claim on the regular income tax return are also available to claim on the SBI return. For the November 2024 report, the SBI credit data by credit type is summarized on pages 6 through 8 and is not reported with each of the corresponding individual credit data. The 2023 SBI tax credit data is considered preliminary due to pending extension returns.

⁶ Tax year 2023 data for individual tax credits is preliminary due to pending extension returns. Tax year 2022 data for corporate is not yet available as the majority of credits are claimed on pending extension returns.

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SUMMARY OF INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

INDIVIDUAL		2023	2022	2021	2020	2019	2018	2017	2016	2015
Affordable Housing	# of claims	0	0							
	credit available	\$0	\$0							
	credit used	\$0	\$0							
	carry forward	\$0	\$0							
Agricultural	# of claims			0	4	4	4	4	0	4
Pollution	credit available	Data Not	Data Not	\$0	\$25,000	\$16,905	\$19,752	\$16,225	\$0	\$18,342
Control	credit used	Releasable	Releasable	\$0	\$25,000	\$16,905	\$19,752	\$16,225	\$0	\$18,342
Equipment	carry forward			0	0	\$0	\$0	\$0	\$0	\$0
Agricultural	# of claims	97	132	111	123	112	99	105	119	126
Water	credit available	\$5,681,099	\$9,314,055	\$13,765,246	\$15,730,402	\$15,371,478	\$16,467,911	\$16,970,577	\$19,158,761	\$13,199,232
Conservation	credit used	\$738,799	\$1,221,179	\$1,187,775	\$2,125,600	\$1,744,994	\$1,568,908	\$2,614,803	\$2,892,820	\$2,150,572
System	carry forward	\$4,942,300	\$8,092,876	\$12,577,471	\$13,604,802	\$13,626,484	\$14,899,003	\$14,355,774	\$15,738,303	\$10,784,162
Commerical and	# of claims	0	27	34	37	59	94	97	124	123
Industrial Solar	credit available	\$0	\$454,741	\$468,893	\$499,763	\$561,750	\$920,512	\$802,636	\$979,663	\$1,100,042
Energy	credit used	\$0	\$29,735	\$155,032	\$122,504	\$100,185	\$274,308	\$331,657	\$373,231	\$465,781
	carry forward	\$0	\$425,006	\$427,416	\$377,259	\$454,565	\$576,924	\$389,430	\$423,884	\$574,549
Contributions	# of claims	183,321	183,689	189,007	190,526	167,057	164,897	165,525	148,703	130,419
To Qualifying	credit available	\$102,073,356	\$98,996,844	\$101,640,893	\$98,374,889	\$83,573,904	\$80,014,935	\$77,783,334	\$66,349,084	\$41,882,428
Charitable	credit used	\$82,229,229	\$79,777,538	\$83,496,087	\$80,666,670	\$70,311,855	\$68,644,862	\$68,594,148	\$58,459,196	\$36,796,635
Organizations	carry forward	\$19,771,332	\$19,143,539	\$18,067,880	\$17,592,411	\$12,707,794	\$10,968,030	\$8,830,903	\$7,594,772	\$5,085,793
Contributions	# of claims	41,359	41,472	43,431	40,953	36,075	36,440	33,839	26,235	
To Qualifying	credit available	\$32,731,119	\$32,139,758	\$33,435,447	\$29,162,430	\$25,434,460	\$25,398,873	\$24,012,278	\$18,146,367	
Foster	credit used	\$26,409,316	\$26,386,773	\$28,208,242	\$25,435,628	\$22,609,627	\$22,864,438	\$21,502,241	\$16,334,609	
Organizations	carry forward	\$6,321,803	\$5,752,985	\$5,227,205	\$3,726,802	\$2,824,833	\$2,532,732	\$2,510,037	\$1,811,758	
Corporate Contributions	# of claims	577	934	709	960	984	846	574	209	129
to School Tuition	credit available	\$13,772,978	\$39,440,540	\$22,408,135	\$44,083,985	\$36,882,310	\$43,737,257	\$14,216,612	\$4,817,101	\$4,394,874
Organizations	credit used	\$9,051,781	\$27,574,738	\$16,221,870	\$37,848,920	\$29,311,614	\$35,470,478	\$11,571,012	\$3,693,366	\$3,651,946
	carry forward	\$4,721,197	\$11,865,802	\$6,186,265	\$6,235,065	\$7,570,695	\$8,266,779	\$2,645,600	\$1,123,735	\$742,928
Corporate Contributions to	# of claims	8	22	24	33	31	38	35	12	12
School Tuition Organizations	credit available	\$158,506	\$578,838	\$799,751	\$646,291	\$1,038,879	\$1,149,373	\$380,686	\$105,795	\$59,839
Organizations for Disabled	credit used	\$69,811	\$305,595	\$358,162	\$422,899	\$914,202	\$1,064,193	\$318,457	\$91,642	\$54,393
or Displaced Students	carry forward	\$88,695	\$273,243	\$441,589	\$223,392	\$124,677	\$85,180	\$62,229	\$14,153	\$5,446
Dependent	# of claims	976,618	986,503	984,345	994,901	1,027,101				
Tax Credit	credit available	\$140,687,004	\$143,093,368	\$144,591,809	\$147,397,553	\$150,259,177				
	credit used	\$140,687,004	\$143,093,368	\$144,591,809	\$147,397,553	\$150,259,177				
Donations to	# of claims	2,942	2,938	3,051	3,113	3,159	3,208	3,092	3,102	3,118
the Military Family	credit available	\$967,071	\$961,592	\$992,338	\$1,022,228	\$1,026,772	\$1,053,281	\$1,016,743	\$1,011,959	\$1,006,248
Relief Fund	credit used	\$932,316	\$932,089	\$953,954	\$983,559	\$994,079	\$1,022,673	\$996,134	\$989,958	\$980,331

SUMMARY OF INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

INDIVIDUAL		2023	2022	2021	2020	2019	2018	2017	2016	2015
Employing National Guard Members	# of claims credit available credit used carry forward	0 \$0 \$0 0	0 \$0 \$0 0	0 \$0 \$0 0	Data Not Releasable	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	Data Not Releasable	Data Not Releasable
Entity Level Income Tax Paid	# of claims credit available credit used	18,262 \$304,495,923 \$271,098,403 \$33,397,520	15,062 \$322,679,164 \$283,267,808 \$39,411,356							
Employment of TANF Recipients	# of claims credit available credit used carry forward	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	Data Not Releasable
Enterprise Zone	# of claims credit available credit used carry forward						Data Not Releasable	Data Not Releasable	7 \$170,794 \$5,514 \$154,702	12 \$223,008 \$32,030 \$168,120
Environmental Technology Facility	# of claims credit available credit used carry forward					0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0
Family Income Tax Credit	# of claims credit available credit used	429,759 \$30,250,408 \$208,457	472,593 \$33,506,440 \$468,854	511,641 \$36,435,640 \$736,426	571,958 \$38,541,880 \$871,031	530,175 \$37,761,985 \$1,208,198	534,595 \$39,759,760 \$3,214,670	558,737 \$42,556,920 \$3,778,067	581,877 \$44,929,720 \$4,298,041	594,928 \$46,682,890 \$4,417,745
Healthy Forest Enterprise Employment	# of claims credit available credit used carry forward	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	Data Not Releasable	4 \$5,071 \$36 \$5,035
Healthy Forest Enterprise Ecological Restoration Workforce Training	# of claims credit available credit used carry forward		0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	Data Not Releasable	3 \$224 \$158 \$66
Healthy Forest Production	# of claims credit available credit used carry forward	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0						
Income Taxes Paid To Other States or Countries	# of claims credit available credit used carry forward	92,385 \$163,867,121 \$163,867,121	95,657 \$243,804,861 \$243,804,861	92,045 \$345,005,266 \$345,005,266	81,309 \$254,935,347 \$254,935,347	83,752 \$220,594,074 \$220,594,074	82,544 \$212,305,970 \$212,305,970	76,370 \$178,356,886 \$178,356,886	72,540 \$151,650,517 \$151,650,517	63,220 \$149,668,202 \$149,668,202

SUMMARY OF INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

INDIVIDUAL		2023	2022	2021	2020	2019	2018	2017	2016	2015
Increased Excise Taxes Paid	# of claims	422,950	470,413	530,810	629,021	563,758	546,796	586,961	621,298	620,579
	credit available	\$18,849,177	\$20,958,785	\$23,452,679	\$26,265,049	\$25,882,137	\$26,152,002	\$28,374,247	\$30,054,916	\$30,835,109
	credit used	\$18,849,177	\$20,958,785	\$23,452,679	\$26,265,049	\$25,882,137	\$26,152,002	\$28,374,247	\$30,054,916	\$30,835,109
Investment in Qualified Small Businesses	# of claims	219	290	232	290	234	219	213	297	349
	credit available	\$3,936,487	\$4,381,706	\$3,923,664	\$4,524,565	\$3,927,017	\$3,610,139	\$3,797,145	\$3,367,769	\$3,789,529
	credit used	\$792,961	\$1,193,778	\$1,096,378	\$1,878,461	\$1,636,707	\$1,085,055	\$652,369	\$1,204,816	\$1,455,096
	carry forward	\$3,143,526	\$3,187,928	\$2,827,518	\$2,646,104	\$2,290,310	\$2,525,084	\$1,393,627	\$1,980,885	\$2,193,668
Military Reuse Zone	# of claims	0	0	0	0	0	0	0		
	credit available	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Data Not	Data Not
	credit used	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Releasable	Releasable
	carry forward	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Motion Picture Production and Infrastructure	# of claims									0
	credit available									\$0
	credit used									\$0
	carry forward									\$0
Motion Picture Production Costs	# of claims	0								
	credit available	\$0								
	credit used	\$0								
	carry forward	\$0								
New Employment	# of claims	0	11	30	31	23	23	20	19	7
	credit available	\$0	\$173,900	\$2,077,783	\$2,312,762	\$2,210,517	\$2,467,293	\$1,341,104	\$924,291	\$86,705
	credit used	\$0	\$163,254	\$758,696	\$709,531	\$1,853,935	\$1,280,781	\$734,358	\$894,771	\$61,338
	carry forward	\$0	\$10,646	\$1,319,087	\$1,603,231	\$356,582	\$1,186,512	\$606,453	\$29,520	\$25,367
Pollution Control Device	# of claims	9	0						8	7
	credit available	\$11,731	\$0	Data Not	Data Not	Data Not	Data Not	Data Not	\$135,451	\$122,247
	credit used	\$920	\$0	Releasable	Releasable	Releasable	Releasable	Releasable	\$99,666	\$29,041
	carry forward	\$11,731	\$0						\$35,725	\$93,206
Private School Tuition Organization (ORIGINAL)	# of claims	66,250	83,968	93,113	93,167	88,324	95,510	95,893	94,130	92,554
	credit available	\$63,941,664	\$80,397,976	\$88,547,422	\$85,220,174	\$77,769,754	\$81,463,025	\$80,919,789	\$78,742,303	\$76,116,018
	credit used	\$53,894,477	\$68,116,505	\$75,632,620	\$71,305,313	\$65,154,270	\$69,216,283	\$69,151,752	\$66,639,027	\$64,819,262
	carry forward	\$10,047,187	\$12,281,471	\$12,914,802	\$13,527,826	\$11,630,990	\$11,268,851	\$10,914,230	\$11,197,833	\$11,296,756
Private School Tuition Organization (SWITCHER)	# of claims	49,862	54,579	59,780	57,711	52,417	55,005	54,856	51,082	41,532
	credit available	\$53,886,988	\$57,378,238	\$61,938,961	\$57,073,965	\$50,527,476	\$51,311,542	\$50,175,050	\$45,952,287	\$36,046,212
	credit used	\$40,326,115	\$44,058,653	\$48,828,205	\$43,901,006	\$39,158,499	\$40,858,648	\$39,890,966	\$36,838,940	\$28,986,576
	carry forward	\$13,551,525	\$13,306,186	\$13,094,901	\$13,172,959	\$11,368,977	\$10,452,894	\$10,284,084	\$9,113,347	\$7,371,020
Property Tax	# of claims	17,683	18,031	17,850	19,781	18,448	19,389	19,794	19,956	19,345
	credit available	\$7,244,513	\$7,357,792	\$7,251,097	\$8,004,005	\$7,402,310	\$7,603,194	\$7,817,529	\$7,671,378	\$7,526,953
	credit used	\$7,244,513	\$7,357,792	\$7,251,097	\$8,004,005	\$7,402,310	\$7,603,194	\$7,817,529	\$7,671,378	\$7,526,953
	carry forward									

SUMMARY OF INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

INDIVIDUAL		2023	2022	2021	2020	2019	2018	2017	2016	2015
Public School	# of claims	126,530	127,964	122,653	121,325	159,149	165,331	167,832	167,438	168,809
Fees and Contributions	credit available	\$39,338,789	\$40,220,224	\$38,064,026	\$37,634,002	\$48,473,543	\$50,618,717	\$50,781,742	\$50,960,447	\$50,911,324
	credit used	\$34,392,208	\$34,850,778	\$33,646,890	\$32,457,428	\$42,619,018	\$45,221,748	\$46,175,813	\$45,709,479	\$45,936,328
	carry forward	\$4,946,581	\$5,369,446	\$4,181,767	\$5,137,077	\$5,620,263	\$5,159,072	\$4,435,093	\$4,882,874	\$4,503,123
Qualified Facilities	# of claims	0	0		0			3	3	0
	credit available	\$0	\$0	Data Not	\$0	Data Not	Data Not	\$26,000	\$26,000	\$0
	CREDIT REFUNDED	\$0	\$0	Releasable	\$0	Releasable	Releasable	\$26,000	\$26,000	\$0
REFUNDABLE										
Qualified Health Insurance Plans	# of claims							Data Not	5	5
	credit available							Releasable	\$29,220	\$35,327
	credit used								\$6,247	\$8,680
	carry forward								\$22,973	\$26,647
Recycling Equipment	# of claims							0	0	0
	credit available							\$0	\$0	\$0
	credit used							\$0	\$0	\$0
	carry forward							\$0	\$0	\$0
Renewable Energy Industry-Investment and Employment	# of claims							0	0	0
	credit available							\$0	\$0	\$0
	CREDIT REFUNDED							\$0	\$0	\$0
REFUNDABLE										
Renewable Energy Investment and Production for Self-Consumption	# of claims						0	0	0	0
	credit available						\$0	\$0	\$0	\$0
	credit used						\$0	\$0	\$0	\$0
	carry forward						\$0	\$0	\$0	\$0
Renewable Energy Production	# of claims		5	0	4	4	5	5	5	5
	credit available	Data Not	\$89,064	\$0	\$343,577	\$304,382	\$392,247	\$264,975	\$386,388	\$322,936
	credit used	Releasable	\$89,064	\$0	\$127,723	\$131,113	\$262,695	\$136,023	\$376,221	\$241,707
	carry forward		\$0	\$0	\$215,854	\$173,269	\$129,552	\$128,952	\$10,167	\$81,229
Research and Development	# of claims	734	990	926	1,139	1,067	1,019	972	882	736
	credit available	\$58,159,548	\$71,388,538	\$64,804,083	\$69,260,279	\$67,724,542	\$62,661,643	\$53,804,582	\$44,615,124	\$42,101,417
	credit used	\$12,909,294	\$21,144,648	\$17,969,227	\$26,303,456	\$21,528,245	\$21,322,073	\$17,107,786	\$14,463,496	\$11,419,988
	CREDIT REFUNDED	\$549,143	\$468,188	\$696,195	\$732,323	\$506,205	\$579,438	\$387,419	\$349,355	\$121,369
	ltd carry forward								\$55,476	\$156,254
	unltd carry forward	\$25,328,358	\$34,577,998	\$31,162,244	\$41,980,391	\$45,521,354	\$40,566,986	\$36,186,866	\$29,703,484	\$30,324,363
Research and Development for University Research	# of claims	0		0	0	0	0	0	0	0
	credit available	\$0	Data Not	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	credit used	\$0	Releasable	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	carry forward	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0

SUMMARY OF INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

INDIVIDUAL		2023	2022	2021	2020	2019	2018	2017	2016	2015
School Site	# of claims		11	11	15	8	21	20	18	10
Donation	credit available	Data Not	\$161,869	\$267,537	\$499,541	\$269,099	\$1,136,373	\$250,293	\$214,307	\$204,818
	credit used	Releasable	\$15,135	\$121,874	\$158,399	\$64,733	\$772,093	\$56,735	\$18,679	\$35,960
	carry forward		\$146,734	\$145,663	\$341,609	\$275,436	\$366,226	\$197,375	\$195,628	\$168,858
Solar Energy Device	# of claims	27,874	32,993	25,628	17,019	15,591	12,772	11,422	7,798	7,961
Energy Device	credit available	\$23,780,679	\$29,326,137	\$22,676,985	\$14,432,044	\$13,256,106	\$10,369,192	\$9,367,906	\$5,997,206	\$5,833,443
	credit used	\$16,649,090	\$21,678,368	\$16,832,171	\$10,434,778	\$9,759,385	\$7,896,075	\$7,449,654	\$4,596,644	\$4,166,795
	carry forward	\$7,131,589	\$7,647,769	\$5,844,814	\$3,979,722	\$3,426,775	\$2,393,485	\$1,868,706	\$1,345,036	\$1,574,175
Solar Hot Water Plumbing Stub	# of claims		0		6	18	28	247	174	124
Outs and Electric Vehicle Recharge	credit available		\$0	Data Not	\$450	\$1,125	\$2,850	\$19,350	\$15,550	\$15,536
	credit used		\$0	Releasable	\$46	\$750	\$1,645	\$18,150	\$13,350	\$10,036
	carry forward		\$0		\$404	\$450	\$1,205	\$2,325	\$2,200	\$5,500
Solar Liquid Fuel Research and Development	# of claims							0	0	0
Research and Development	credit available							\$0	\$0	\$0
	credit used							\$0	\$0	\$0
Solar Liquid Fuel Production	# of claims							0	0	
Production	credit available							\$0	\$0	
	credit used							\$0	\$0	
Solar Liquid Fuel Delivery Systems	# of claims							0	0	
Delivery Systems	credit available							\$0	\$0	
	credit used							\$0	\$0	
Water Conservation Systems	# of claims								Data Not	6
Systems	credit available								Releasable	\$2,527
	credit used									\$226
	carry forward									\$2,301
Total	# of claims	2,457,453	2,588,287	2,675,438	2,823,430	2,747,554	1,718,888	1,776,623	1,796,052	1,744,131
credit available	\$1,063,888,334	\$1,237,034,407	\$1,012,734,462	\$936,058,269	\$870,477,188	\$718,808,993	\$643,265,602	\$576,422,702	\$512,199,240	
credit used	\$880,392,245	\$1,026,512,463	\$846,504,535	\$772,380,906	\$713,427,910	\$568,146,441	\$505,671,840	\$447,379,650	\$393,775,706	
credit refunded	\$549,143	\$468,188	\$856,655	\$732,323	\$506,205	\$579,438	\$413,419	\$375,355	\$121,369	
Credit used from SBI	\$551,475	\$3,775,277	\$1,324,975							
carry forward	\$133,413,655	\$161,492,985	\$114,444,894	\$124,431,996	\$118,009,042	\$111,414,103	\$94,980,939	\$85,386,080	\$75,034,611	
ltd carry forward								\$55,476	\$156,254	

Notes:

1. Shaded areas indicate that the credit was not in effect during the tax year.
2. "Data Not Releasable" indicates that the credit information cannot be released due to confidentiality restrictions.
3. "Total" includes credits for which information was "not releasable" individually.
4. DATA IN ITALICS ARE PRELIMINARY.

SUMMARY OF SMALL BUSINESS TAX CREDITS CLAIMED BY TAX YEAR

SMALL BUSINESS INCOME		2023	2022	2021
Affordable Housing	# of claims	59	0	
	credit available	\$60,914	\$0	
	credit used	\$60,914	\$0	
	SBI to 301	\$0	\$0	
	carry forward	\$0	\$0	
Agricultural Pollution Control Equipment	# of claims	0	0	0
	credit available	\$0	\$0	\$0
	credit used	\$0	\$0	\$0
	SBI to 301	\$0	\$0	\$0
	carry forward	\$0	\$0	\$0
Agricultural Water Conservation System	# of claims	0	0	5
	credit available	\$0	\$0	\$493,115
	credit used	\$0	\$0	\$295,460
	SBI to 301	\$0	\$0	Data Not Releasable
	carry forward	\$0	\$0	\$196,208
Commerical and Industrial Solar Energy	# of claims	0	0	
	credit available	\$0	\$0	Data Not Releasable
	credit used	\$0	\$0	Data Not Releasable
	SBI to 301	\$0	\$0	
	carry forward	\$0	\$0	
Corporate Contributions to School Tuition Organizations	# of claims	6	19	265
	credit available	\$68,726	\$408,219	\$16,397,487
	credit used	\$59,961	\$270,767	\$12,975,724
	SBI to 301	\$183,825	\$408,219	\$640,651
	carry forward	\$0	\$0	\$2,781,112
Corporate Contributions to School Tuition Organizations Organizations for Disabled Displaced Students	# of claims	0		5
	credit available	\$0	Data Not Releasable	\$258,622
	credit used	\$0	Data Not Releasable	\$188,488
	SBI to 301	\$0		Data Not Releasable
	carry forward	\$0		Data Not Releasable
Employing National Guard Members	# of claims	0		0
	credit available	\$0	Data Not Releasable	\$0
	credit used	\$0	Data Not Releasable	\$0
	SBI to 301	\$0		\$0
	carry forward	\$0		\$0
Enity Level Income Tax Paid	# of claims	96	222	
	credit available	\$3,302,384	\$10,188,164	
	credit used	\$173,347	\$1,619,654	
	SBI to 301	\$183,825	\$1,683,529	
	carry forward	\$21,163	\$21,163	
Healthy Forest Enterprise Employment	# of claims	0	0	0
	credit available	\$0	\$0	\$0
	credit used	\$0	\$0	\$0
	SBI to 301	\$0	\$0	\$0
	carry forward	\$0	\$0	\$0
Healthy Forest Enterprise Ecological Restoration Workforce Training	# of claims	0	0	0
	credit available	\$0	\$0	\$0
	credit used	\$0	\$0	\$0
	SBI to 301	\$0	\$0	\$0
	carry forward	\$0	\$0	\$0
Healthy Forest Production	# of claims	0	0	0
	credit available	\$0	\$0	\$0
	credit used	\$0	\$0	\$0
	SBI to 301	\$0	\$0	\$0
	carry forward	\$0	\$0	\$0

SUMMARY OF SMALL BUSINESS TAX CREDITS CLAIMED BY TAX YEAR

SMALL BUSINESS INCOME		2023	2022	2021
Income Taxes Paid	# of claims	57	96	1,634
To Other States	credit available	\$791,172	\$3,251,288	\$12,975,724
or Countries	credit used	\$774,414	\$3,239,702	\$12,975,724
Investment in	# of claims	0		22
Qualified Small	credit available	\$0	Data Not	\$304,949
Businesses	credit used	\$0	Releasable	\$300,447
	SBI to 301	\$0		Data Not
	carry forward	\$0		Releasable
New Employment	# of claims	0	0	0
	credit available	\$0	\$0	\$0
	credit used	\$0	\$0	\$0
	carry forward	\$0	\$0	\$0
Pollution	# of claims	0		
Control Device	credit available	\$0	Data Not	Data Not
	credit used	\$0	Releasable	Releasable
	SBI to 301	\$0		
	carry forward	\$0		
Qualified Facilities	# of claims	0	0	0
	credit available	\$0	\$0	\$0
	CREDIT REFUNDED	\$0	\$0	\$0
REFUNDABLE				
Renewable Energy	# of claims	0	0	0
Production	credit available	\$0	\$0	\$0
	credit used	\$0	\$0	\$0
	carry forward	\$0	\$0	\$0
Research and	# of claims	3		149
Development	credit available	\$72,711		\$8,759,252
	credit used	\$20,824	Data Not	\$5,457,677
	CREDIT REFUNDED	\$0	Releasable	\$0
	ltd carry forward	\$183,825		\$658,981
	SBI to 301	\$325,236		\$2,642,594
	unltd carry forward			
Research and	# of claims	0	0	0
Development for	credit available	\$0	\$0	\$0
University Research	credit used	\$0	\$0	\$0
	SBI to 301			
	carry forward			
School Site	# of claims	0	0	0
Donation	credit available	\$0	\$0	\$0
	credit used	\$0	\$0	\$0
	SBI to 301	\$0	\$0	\$0
	carry forward			
Solar Hot Water	# of claims	\$0	\$0	\$0
Plumbing Stub	credit available	\$0	\$0	\$0
Outs and Electric	credit used	\$0	\$0	\$0
Vehicle Recharge	carry forward			
Total	# of claims	221	345	2,082
	credit available	\$4,295,907	\$14,176,379	\$39,220,348
	credit used	\$1,089,460	\$5,251,293	\$32,196,261
	credit refunded	\$0	\$0	\$0
	SBI to 301	\$551,475	\$3,775,277	\$1,324,975
	carry forward	\$346,399	\$542,947	\$5,699,112

Notes:

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2. "Data Not Available" indicates that the credit data was not available at the time of publication and will be provided on a later report.
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4. "Total" includes credits for which information was "not releasable" individually.
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SUMMARY OF CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR

CORPORATE		2022	2021	2020	2019	2018	2017	2016	2015	2014
Affordable Housing	# of claims	0								
	credit available	\$0								
	credit used	\$0								
	carry forward	\$0								
Agricultural	# of claims				0	0	0	0	0	0
Pollution	credit available				\$0	\$0	\$0	\$0	\$0	\$0
Control	credit used				\$0	\$0	\$0	\$0	\$0	\$0
Equipment	carry forward				\$0	\$0	\$0	\$0	\$0	\$0
Commercial and	# of claims				7	15	15	14	14	13
Industrial Solar	credit available	Data Not	Data Not	Data Not	\$153,193	\$226,988	\$201,337	\$228,174	\$301,662	\$218,675
Energy	credit used	Releasable	Releasable	Releasable	\$23,112	\$43,248	\$26,121	\$83,314	\$200,140	\$141,059
	carry forward				\$130,081	\$178,266	\$154,010	\$119,860	\$101,522	\$77,616
Contributions to	# of claims	99	102	103	110	90	105	86	76	75
School Tuition	credit available	\$55,934,350	\$58,304,860	\$38,872,365	\$38,029,845	\$32,825,810	\$36,355,358	\$40,339,723	\$32,535,421	\$29,235,862
Organizations	credit used	\$37,497,005	\$44,396,466	\$29,595,155	\$22,589,535	\$22,493,711	\$18,774,114	\$30,852,407	\$23,462,751	\$20,873,381
	carry forward	\$18,437,345	\$13,908,394	\$9,277,210	\$15,332,001	\$10,330,779	\$14,268,842	\$9,527,316	\$9,072,670	\$8,355,333
Contributions to School	# of claims	6	4	3	9	9		9	13	17
Tuition Organizations	credit available	\$665,000	\$608,787	\$267,726	\$493,114	\$1,066,099	Data Not	\$1,084,581	\$2,916,042	\$2,624,318
for Disabled or Displaced	credit used	\$665,000	\$605,050	\$263,939	\$330,819	\$942,985	Releasable	\$677,488	\$2,319,840	\$2,334,026
Students	carry forward	\$0	\$3,737	\$3,787	\$162,295	\$123,114		\$407,093	\$596,202	\$290,292
Employing	# of claims	0		0						5
National Guard	credit available	\$0	Data Not	\$0	Data Not	Data Not	Data Not	Data Not	Data Not	\$6,950
Members	credit used	\$0	Releasable	\$0	Releasable	Releasable	Releasable	Releasable	Releasable	\$6,000
	carry forward	\$0		\$0						\$950
Employment of	# of claims	0				4	4	5	6	11
TANF	credit available	\$0	Data Not	Data Not	Data Not	\$109,073	\$154,988	\$124,401	\$155,862	\$240,649
Recipients	credit used	\$0	Releasable	Releasable	Releasable	\$79,991	\$88,915	\$27,100	\$64,619	\$131,046
	carry forward	\$0				\$4,350	\$58,073	\$86,801	\$72,173	\$81,243
Enterprise	# of claims						8	11	15	19
Zone	credit available					Data Not	\$551,221	\$1,051,707	\$2,420,000	\$3,282,845
	credit used					Releasable	\$32,130	\$95,793	\$59,703	\$50,215
	carry forward						\$75,951	\$551,221	\$1,652,852	\$2,420,000
Environmental	# of claims			0	0	0				
Technology	credit available			\$0	\$0	\$0	Data Not	Data Not	Data Not	Data Not
Facility	credit used			\$0	\$0	\$0	Releasable	Releasable	Releasable	Releasable
	carry forward			\$0	\$0	\$0				
Healthy Forest	# of claims				0	0	0	0	0	0
Enterprise Employment	credit available				\$0	\$0	\$0	\$0	\$0	\$0
	credit used				\$0	\$0	\$0	\$0	\$0	\$0
	carry forward				\$0	\$0	\$0	\$0	\$0	\$0
Healthy Forest	# of claims				0	0	0	0	0	0
Enterprise Ecological	credit available				\$0	\$0	\$0	\$0	\$0	\$0
Restoration Workforce	credit used				\$0	\$0	\$0	\$0	\$0	\$0
Training	carry forward				\$0	\$0	\$0	\$0	\$0	\$0

SUMMARY OF CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR

CORPORATE		2022	2021	2020	2019	2018	2017	2016	2015	2014
Healthy Forest Production	# of claims	0	0							
	credit available	\$0	\$0							
	credit used	\$0	\$0							
	carry forward	\$0	\$0							
Military Reuse Zone	# of claims	0	0	0	0	0	0	0	0	0
	credit available	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	credit used	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	carry forward	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Motion Picture Production and Infrastructure	# of claims								0	
	credit available								\$0	Data Not
	credit used								\$0	Releasable
	carry forward								\$0	
New Employment Credit	# of claims	34	38	41	43	41	34	33	26	24
	credit available	\$22,228,382	\$28,034,981	\$34,008,586	\$34,329,903	\$34,059,904	\$27,978,323	\$18,193,937	\$11,315,628	\$8,162,272
	credit used	\$8,892,279	\$11,009,458	\$13,752,366	\$14,014,633	\$15,121,126	\$11,264,416	\$8,119,188	\$5,917,220	\$5,260,897
	carry forward	\$13,336,103	\$17,025,523	\$20,909,454	\$20,171,370	\$18,474,252	\$16,713,907	\$10,074,749	\$5,397,958	\$2,901,375
Pollution Control Device	# of claims	5	8	7	7	6	10	16	13	14
	credit available	\$2,762,721	\$4,258,462	\$2,318,223	\$3,825,759	\$3,236,917	\$5,192,592	\$7,908,490	\$7,725,527	\$7,653,204
	credit used	\$962,976	\$1,234,687	\$849,105	\$1,041,983	\$641,620	\$1,856,162	\$2,293,528	\$1,295,928	\$1,264,507
	carry forward	\$1,696,467	\$2,857,515	\$1,199,554	\$2,339,497	\$2,287,800	\$2,724,292	\$4,693,192	\$5,876,596	\$6,137,146
Qualified Facilities	# of claims	48	39	34	16	13	6			0
	credit available	\$52,274,990	\$33,756,431	\$27,802,607	\$5,118,786	\$3,432,000	\$2,812,000	Data Not	Data Not	\$0
	CREDIT REFUNDED	\$52,227,656	\$33,718,623	\$27,725,956	\$5,118,786	\$3,432,000	\$2,812,000	Releasable	Releasable	\$0
										\$0
Qualified Health Insurance Plans Credit	# of claims						0	0	0	
	credit available						\$0	\$0	\$0	Data Not
	credit used						\$0	\$0	\$0	Releasable
	carry forward						\$0	\$0	\$0	
Recycling Equipment	# of claims									
	credit available									
	credit used									
	carry forward									
Renewable Energy Industry-Investment and Employment REFUNDABLE	# of claims						0			
	credit available						\$0	Data Not	Data Not	Data Not
	CREDIT REFUNDED						\$0	Releasable	Releasable	Releasable
							\$0			
Renewable Energy Investment and Production for Self-Consumption	# of claims								0	0
	credit available			Data Not	Data Not	Data Not	Data Not	Data Not	\$0	\$0
	credit used			Releasable	Releasable	Releasable	Releasable	Releasable	\$0	\$0
	carry forward								\$0	\$0
Renewable Energy Production	# of claims	8	9	9	10	9	10	10	10	9
	credit available	\$62,158,726	\$74,736,328	\$77,874,080	\$75,973,598	\$71,794,005	\$66,265,792	\$54,685,334	\$44,211,353	\$34,182,183
	credit used	\$330,927	\$668,391	\$5,777,391	\$1,628,631	\$6,821,644	\$9,232,420	\$8,742,119	\$9,220,860	\$9,658,821
	carry forward	\$55,970,143	\$65,094,823	\$63,467,189	\$65,340,104	\$57,070,300	\$52,106,701	\$45,823,716	\$34,990,493	\$24,523,362

SUMMARY OF CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR

CORPORATE		2022	2021	2020	2019	2018	2017	2016	2015	2014
Research and Development	# of claims	523	532	475	466	454	410	400	387	363
	credit available	\$2,301,994,233	\$2,457,278,328	\$2,241,267,509	\$2,030,587,192	\$1,782,804,382	\$1,528,216,323	\$1,304,160,507	\$1,189,932,612	\$1,051,692,081
	credit used	\$160,361,125	\$81,241,045	\$91,348,667	\$76,168,920	\$75,585,942	\$36,529,280	\$67,176,438	\$90,865,966	\$91,997,666
	CREDIT REFUNDED	\$3,339,161	\$3,620,403	\$4,573,487	\$4,399,441	\$3,710,434	\$5,197,774	\$4,094,460	\$4,513,320	\$3,754,656
ltd carry forward							\$39,012,285	\$92,634,072	\$229,898,885	
unltd carry forward	\$2,034,935,729	\$2,330,688,956	\$2,110,515,779	\$1,906,191,226	\$1,670,678,742	\$1,484,230,353	\$1,229,600,091	\$1,094,983,273	\$953,533,459	
Research and Development for University Research	# of claims	0	0							
	credit available	\$0	\$0	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable
	credit used	\$0	\$0							
carry forward	\$0	\$0								
School Site Donation	# of claims	0			0	0	0	0	0	0
	credit available	\$0	Data Not Releasable	Data Not Releasable	\$0	\$0	\$0	\$0	\$0	\$0
	credit used	\$0			\$0	\$0	\$0	\$0	\$0	\$0
carry forward	\$0			\$0	\$0	\$0	\$0	\$0	\$0	
Solar Hot Water Plumbing Stub Outs and Electric Vehicle Recharge	# of claims	0	0	0	0	0	0	0	0	0
	credit available	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	credit used	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
carry forward	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Solar Liquid Fuel Research and Development	# of claims						0	0	0	0
	credit available						\$0	\$0	\$0	\$0
	credit used						\$0	\$0	\$0	\$0
Solar Liquid Fuel Production	# of claims						0	0		
	credit available						\$0	\$0		
	credit used						\$0	\$0		
Solar Liquid Fuel Delivery Systems	# of claims						0	0		
	credit available						\$0	\$0		
	credit used						\$0	\$0		
Taxes Paid for Coal Consumed In Generating Electrical Power	# of claims				4	4		4	4	
	credit available	Data Not Releasable	Data Not Releasable	Data Not Releasable	\$8,259,118	\$8,202,055	Data Not Releasable	\$9,078,655	\$9,022,346	Data Not Releasable
	credit used				\$1,094,641	\$1,028,355		\$1,415,191	\$642,803	
carry forward				\$6,104,334	\$6,036,441		\$6,547,313	\$7,494,682		
Water Conservation Plumbing Stub-Out	# of claims							0	0	0
	credit available							\$0	\$0	\$0
	credit used							\$0	\$0	\$0
carry forward							\$0	\$0	\$0	
Total	# of claims	728	740	684	678	650	620	599	573	563
credit available	\$2,504,853,637	\$2,664,786,863	\$2,438,234,959	\$2,203,346,810	\$1,942,772,923	\$1,688,267,433	\$1,449,718,544	\$1,308,878,146	\$1,154,975,179	
credit used	\$208,713,606	\$139,345,236	\$149,047,858	\$121,113,353	\$126,264,350	\$85,971,511	\$124,516,566	\$134,065,488	\$136,496,309	
credit refunded	\$55,566,817	\$37,339,026	\$32,299,443	\$9,518,227	\$7,142,434	\$8,009,774	\$7,457,127	\$8,347,987	\$4,081,323	
carry forward	\$2,130,363,311	\$2,436,445,237	\$2,212,809,542	\$2,018,126,131	\$1,766,684,996	\$1,581,689,670	\$1,311,897,720	\$1,164,729,789	\$1,009,992,720	
ltd carry forward							\$39,012,285	\$92,634,072	\$229,898,885	

Notes:

1. Shaded areas indicate that the credit was not in effect during the tax year.
2. "Data Not Releasable" indicates that the credit information cannot be released due to confidentiality restrictions.
3. "Total" includes credits for which information was "not releasable" individually.
4. DATA IN *ITALICS* ARE PRELIMINARY.

ARIZONA INDIVIDUAL INCOME TAX

AFFORDABLE HOUSING CREDIT

- Statute:** Arizona Revised Statutes (A.R.S.) §§ 43-1075 and 43-1163
- Effective Date:** For donations made in taxable years beginning on or after December 31, 2021.
- Provisions:** Beginning with tax year 2022, Arizona allows an individual taxpayer to claim a nonrefundable tax credit for projects in this state that qualify for the federal low-income housing tax credit under section 42 of the Internal Revenue Code that are placed in service from and after June 30, 2022 in an amount equal to at least 50% of the amount of the federal credit allowed in each taxable year during the federal credit. The tax credit may be claimed on either the individual's personal income tax return (Form 140, 140NR, or 140PY) or the Small Business Income tax return, if filing (Form 140-SBI, 140NR-SBI, or 140PY-SBI).
- Credit:** The taxpayer must first apply for an eligibility statement from the Arizona Department of Housing (Housing) certifying that the taxpayer has housing projects in this state that qualify for the federal low-income housing credit and that are placed in service from and after June 30, 2022. To claim the credit, the taxpayer must submit the Eligibility Statement provided by the Housing to the Arizona Department of Revenue (hereinafter "ADOR") with the taxpayer's income tax return. A credit is not allowed until the taxpayer furnishes the required documentation. On notice to ADOR, the credit may be allocated among the partners, members or shareholders as they may agree among themselves regardless of the size of such participant's ownership interest. A partner, member or shareholder may hold an investment exclusively in either the state credits or federal credits allocated to the qualified project.
- Carry forward:** Five years.

No individual income tax returns have been filed claiming this credit.

ARIZONA INDIVIDUAL INCOME TAX

AGRICULTURAL POLLUTION CONTROL EQUIPMENT CREDIT

Statute: A.R.S. § 43-1081.01
Effective Date: For taxable years from and after December 31, 1998.
Provisions: A nonrefundable credit is allowed for expenses that a taxpayer (involved in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products) incurs to purchase tangible personal property that is primarily used in the taxpayer’s trade or business in Arizona to control or prevent pollution. Property that qualifies for this credit includes the portion of a structure, building, installation, excavation, machine, equipment or device and any attachment or addition or reconstruction, replacement or improvement of that property that is directly used, constructed or installed to prevent, monitor, control or reduce air, water or land pollution.
Credit: The credit is equal to 25% of the cost of the real or personal property, not to exceed \$25,000.
Carry forward: Five years.

Tax Year	# of Claimants	Total Credit	Credit Used	Carry Forward
1999	1	//////////	//////////	//////////
2000	9	\$77,096	\$15,218	\$61,878
2001	9	\$54,870	\$17,500	\$37,370
2002	6	\$47,706	\$32,542	\$15,164
2003	1	//////////	//////////	//////////
2004	1	//////////	//////////	//////////
2005	2	//////////	//////////	//////////
2006	1	//////////	//////////	//////////
2007	1	//////////	//////////	//////////
2008	5	\$14,331	\$14,087	\$244
2009	3	\$16,569	\$13,306	\$3,263
2010	2	//////////	//////////	//////////
2011	1	//////////	//////////	//////////
2012	5	\$27,350	\$27,350	\$0
2013	3	//////////	//////////	//////////
2014	5	\$22,916	\$22,916	\$0
2015	4	\$18,342	\$18,342	\$0
2016	0	\$0	\$0	\$0
2017	4	\$16,225	\$16,225	\$0
2018	4	\$19,752	\$19,752	\$0
2019	4	\$16,905	\$16,905	\$0
2020	4	\$25,000	\$25,000	\$0
2021	0	\$0	\$0	\$0
2022	2	//////////	//////////	//////////
2023	1	//////////	//////////	//////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

AGRICULTURAL WATER CONSERVATION SYSTEM CREDIT

- Statute:** A.R.S. § 43-1084
- Effective Date:** For taxable years from and after December 31, 1993.
- Provisions:** A nonrefundable credit is allowed for expenses incurred during the taxable year to purchase and install an agricultural water conservation system in Arizona. The system must be primarily designed to substantially conserve water on land used to (1) produce crops, fruits or other agricultural products, (2) raise, harvest or grow trees, or (3) sustain livestock. The expense must be consistent with a conservation plan filed and in effect with the United States Department of Agriculture Soil Conservation Service.
- Credit:** The credit is equal to 75% of the qualifying expenses.
- Carry forward:** Five years.

Tax Year	# of Claimants	Total Credit	Credit Used	Carry Forward
1994	35	\$1,800,000	\$382,000	\$1,400,000
1995	54	\$2,600,000	\$923,000	\$1,700,000
1996	75	\$4,247,392	\$721,093	\$3,524,790
1997	63	\$3,752,833	\$430,131	\$3,323,906
1998	94	\$4,567,632	\$625,676	\$3,941,314
1999	129	\$8,484,744	\$970,210	\$7,213,521
2000	130	\$8,157,000	\$1,578,411	\$6,527,281
2001	136	\$8,442,943	\$1,484,014	\$6,160,791
2002	133	\$7,984,544	\$1,256,346	\$6,157,459
2003	154	\$9,170,688	\$1,611,457	\$7,273,813
2004	141	\$10,366,257	\$2,784,783	\$6,855,589
2005	137	\$8,868,257	\$1,905,338	\$6,409,360
2006	138	\$8,880,517	\$1,873,866	\$6,202,735
2007	137	\$8,910,104	\$1,853,588	\$6,331,826
2008	139	\$8,607,460	\$1,509,358	\$6,319,174
2009	141	\$6,805,785	\$1,046,140	\$4,962,270
2010	114	\$5,881,565	\$731,746	\$4,727,748
2011	97	\$5,687,843	\$1,015,966	\$4,609,905
2012	93	\$7,179,476	\$1,454,021	\$4,875,372
2013	100	\$8,891,857	\$1,303,244	\$6,869,616
2014	125	\$10,306,941	\$1,163,539	\$8,927,831
2015	126	\$13,199,232	\$2,150,572	\$10,784,162
2016	119	\$19,158,761	\$2,892,280	\$15,738,303
2017	105	\$16,970,577	\$2,614,803	\$14,355,774
2018	99	\$16,467,911	\$1,568,908	\$14,899,003
2019	112	\$15,371,478	\$1,744,994	\$13,626,484
2020	123	\$15,730,402	\$2,125,600	\$13,604,802
2021	111	\$13,765,246	\$1,187,775	\$12,577,471
2022	132	\$9,314,055	\$1,221,179	\$8,092,879
2023	97	\$5,681,099	\$738,799	\$4,942,300

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

CLEAN ELECTIONS CREDIT

Statute:	A.R.S. § 16-954 B
Effective Date:	For donations made in taxable years beginning on or after January 1, 1998.
Repealed:	For donations made from and after August 2, 2012.
Provisions:	A nonrefundable credit is allowed for donations made directly to the Clean Elections Fund or a donation made on the tax return.
Credit:	The credit is not to exceed 20% of the tax liability or the maximum credit amount adjusted biennially (per A.R.S. § 16-959A), whichever is greater. For tax years 2009 and 2010 the maximum credit amount was \$640 for single filers (\$1,280 for married filing jointly).
Carry forward:	None.

Tax Year	# of Claimants	Total Credit	Credit Used
1999	8,585	\$546,255	\$502,151
2000	23,717	\$564,312	\$537,345
2001	26,757	\$639,427	\$599,485
2002	33,470	\$725,230	\$688,864
2003	32,042	\$746,749	\$727,224
2004	32,338	\$748,343	\$739,774
2005	31,075	\$811,007	\$801,435
2006	33,046	\$831,486	\$817,591
2007	34,358	\$875,909	\$815,625
2008	33,966	\$830,123	\$773,000
2009	26,088	\$691,600	\$633,415
2010	24,908	\$712,628	\$644,314
2011	25,275	\$640,462	\$596,451
2012	28,320	\$593,442	\$537,541

ARIZONA INDIVIDUAL INCOME TAX

COMMERCIAL AND INDUSTRIAL SOLAR ENERGY CREDIT

Statute: A.R.S. § 43-1085
Effective Date: For installing devices in taxable years beginning on or after January 1, 2006.
Repealed: For taxable years beginning from and after January 1, 2019. Repeal date set when credit enacted.
Provisions: A nonrefundable credit is allowed for installing one or more solar energy devices for commercial or industrial purposes in the taxpayer’s trade or business.
Credit: The credit is equal to 10% of the installed cost of the device. Total credits under this section may not exceed \$25,000 per taxpayer with respect to the same building in the same year or \$50,000 in total credits in any year.
Carry forward: Five years.

Tax Year	# of Claimants	# of Devices	Cost of Devices	New Credit	Total Credit	Credit Used	Carry Forward
2006	5	4	\$275,068	\$27,507	\$27,507	\$18,086	\$9,421
2007	15	8	\$661,280	\$66,128	\$75,549	\$54,558	\$20,991
2008	53	26	\$5,021,934	\$410,714	\$428,724	\$279,874	\$148,850
2009	81	15	\$11,980,212	\$428,445	\$549,543	\$325,054	\$224,489
2010	129	40	\$12,938,019	\$658,123	\$910,731	\$543,109	\$367,622
2011	119	39	\$11,603,359	\$610,824	\$963,770	\$506,006	\$457,764
2012	157	39	\$5,723,369	\$509,972	\$966,809	\$639,332	\$327,477
2013	117	28	\$8,262,065	\$385,316	\$729,977	\$408,692	\$346,285
2014	108	24	\$8,124,457	\$330,035	\$737,819	\$324,529	\$399,031
2015	123	24	\$17,600,268	\$704,011	\$1,100,042	\$465,781	\$574,549
2016	124	19	\$7,745,802	\$405,114	\$979,663	\$373,231	\$423,884
2017	97	---	-----	\$287,798	\$802,636	\$331,657	\$389,430
2018	94	---	-----	\$539,196	\$920,512	\$274,308	\$576,924
2019	59	---	-----	-----	\$561,750	\$100,185	\$454,565
2020	37	---	-----	-----	\$499,763	\$122,504	\$377,259
2021	34	---	-----	-----	\$468,893	\$155,032	\$427,416
2022	27	---	-----	-----	\$454,741	\$29,735	\$425,006
2023	0	---	-----	-----	\$0	\$0	\$0

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

CONTRIBUTIONS TO QUALIFYING CHARITABLE ORGANIZATIONS CREDIT

- Statute:** A.R.S. § 43-1088
- Effective Date:** For taxable years from and after December 31, 1997.
- Provisions:** A nonrefundable credit is allowed for voluntary cash contributions to a qualifying charitable organization (QCO). A qualifying charitable organization means a 501(c)(3) that spends at least 50% of its budget on services to Arizona residents who receive TANF benefits or low-income residents of this state and their households. Low income individuals are persons whose household income is less than 150% of the federal poverty level or are chronically ill or physically disabled individuals. The credit applies only to contributions to qualifying charitable organizations that exceed the total amount deducted on the taxpayer's Schedule A in the taxpayer's baseline year. The baseline year is the 1996 taxable year if the taxpayer had charitable contributions as itemized deductions on the Schedule A. If the taxpayer did not deduct charitable contributions on the Schedule A in 1996, the taxpayer's baseline year is the first taxable year after 1996 that charitable contributions were deducted on the Schedule A.
- For taxable years 2009 and later, the baseline year requirement was eliminated. However, to claim the credit for taxable year 2009 and later the taxpayer must claim itemized deductions on the return filed for the year in which the credit is claimed.
- For taxable years 2013 and later, the itemized deduction requirement was eliminated and both standard deduction and itemized deduction taxpayers are now eligible to claim. Also, the credit was expanded to include qualified foster care charitable organizations (QFCO). QFCOs must meet all requirements of a QCO and in addition a QFCO must provide ongoing services to at least 200 foster children in Arizona and spend at least 50% of its budget on ongoing services to foster children in Arizona.
- For taxable years 2016 and later, a separate credit is allowed for voluntary cash contributions to a QCO and QFCO.
- Credit:** The credit is the amount of the voluntary cash contribution, not to exceed \$400 for married filing joint filers and \$200 for all other filing statuses. If donating to a QFCO the credit is not to exceed \$800 for married filing joint filers and \$400 for all other filing statuses.
- For taxable years 2016 and later, the QCO credit is the amount of voluntary cash contribution, not to exceed \$800 for married filing joint filers and \$400 for all other filing statuses. The QFCO credit is the amount of voluntary cash contribution, not to exceed \$1,000 for married filing joint filers and \$500 for all other filing statuses.
- Carry forward:** Five years.

For taxable years 1998 through 2001, tax returns were reviewed to obtain the contribution, total credit amount, credit amount used and carry forward amounts. For taxable years 2002 through 2008 and 2010-2013, the total credit and used amounts were estimated. Due to taxpayers claiming multiple credits, the carry forward amounts were not estimated. For taxable year 2009, return data was pulled to determine actual amounts. Beginning with 2014, additional credit data has been captured and an estimate is provided for carry forward amounts.

Prior to tax year 2016, the QFCO credit was a part of the QCO credit. Starting in 2016, the QFCO credit is reported as a separate credit.

ARIZONA INDIVIDUAL INCOME TAX

Tax Year	# of Claimants	Total Contributions	Total Credit	Credit Used	Carry Forward
1998	2,894	\$523,501	\$481,037	\$476,691	\$4,346
1999	6,725	\$1,237,519	\$1,168,515	\$1,154,768	\$13,747
2000	10,654	\$1,897,876	\$1,829,205	\$1,792,123	\$35,581
2001	12,538	\$2,332,832	\$2,257,673	\$2,196,043	\$41,852
2002	14,226	N/A	\$2,687,900	\$2,676,900	---
2003	17,467	N/A	\$3,286,100	\$3,259,400	---
2004	20,736	N/A	\$3,884,600	\$3,851,700	---
2005	25,587	N/A	\$6,637,500	\$6,589,000	---
2006	29,202	N/A	\$7,988,039	\$7,939,507	---
2007 ¹	18,280	N/A	\$5,877,831	\$5,860,953	---
2008	36,568	N/A	\$11,077,991	\$11,059,408	---
2009	49,915	\$23,095,158	\$13,556,228	\$12,889,895	\$666,333
2010	61,602	\$28,502,613	\$16,899,920	\$16,727,074	---
2011	66,396	\$30,720,747	\$18,191,993	\$18,012,263	---
2012	78,736	\$36,430,339	\$22,128,648	\$21,835,458	---
* 2013	100,398	\$45,025,000	\$27,457,025	\$24,503,609	---
* 2014 ²	116,225	\$55,747,000	\$35,790,362	\$31,617,855	\$4,172,507
* 2015	130,419	\$68,064,000	\$41,882,428	\$36,796,635	\$5,085,793
2016	148,703	\$90,087,876	\$66,349,084	\$58,459,196	\$7,594,772
2017	165,525	\$104,069,795	\$77,783,334	\$68,594,148	\$8,830,903
2018	164,897	\$100,051,921	\$80,014,935	\$68,644,862	\$10,968,030
2019	167,057	\$99,977,483	\$83,573,904	\$70,311,855	\$12,707,794
2020	190,526	\$104,911,793	\$98,374,889	\$80,666,670	\$17,592,411
2021	189,007	\$118,009,936	\$101,640,893	\$83,496,087	\$18,067,880
2022	183,689	\$113,677,789	\$98,996,844	\$79,777,538	\$19,143,539
2023	<i>183,321</i>	<i>\$102,004,432</i>	<i>\$102,073,356</i>	<i>\$82,229,229</i>	<i>\$19,771,332</i>

Italics indicate preliminary numbers.

¹ Tax year 2007 data is understated based on limited reporting information available when individual income tax was converted to a new processing program.

² Based on a sample review of 2014 credit returns, 89% of the total credit was for contributions made to Qualifying Charitable Organization and 11% went to Qualifying Foster Care Charitable Organizations.

* The data for tax year 2013 through 2015 includes both Qualifying Charitable Organization and Qualifying Foster Care Charitable Organization information.

ARIZONA INDIVIDUAL INCOME TAX

CONTRIBUTIONS TO QUALIFYING FOSTER CARE ORGANIZATIONS CREDIT

- Statute:** A.R.S. § 43-1088
- Effective Date:** For taxable years from and after December 31, 2015.
- Provisions:** A nonrefundable credit is allowed for voluntary cash contributions to a QFCO. QFCOs must meet all requirements of a QCO and in addition a QFCO must provide ongoing services to at least 200 foster children in Arizona and spend at least 50% of its budget on ongoing services to foster children in Arizona. A QCO is a 501(c)(3) that spends at least 50% of its budget on services to Arizona residents who receive TANF benefits or low income residents of this state and their households, or are chronically ill or physically disabled individuals. Low income individuals are persons whose household income is less than 150% of the federal poverty level.
- The QFCO tax credit used to be part of the QCO credit. For taxable years 2016 and later, a separate credit is allowed for voluntary cash contributions to a QCO and QFCO.
- Credit:** Previously, the QFCO credit is the amount of the voluntary cash contribution, not to exceed \$800 for married filing joint filers and \$400 for all other filing statuses. For taxable years 2016 and later, the QFCO credit is the amount of voluntary cash contribution, not to exceed \$1,000 for married filing joint filers and \$500 for all other filing statuses.
- Carry forward:** Five years.

Prior to tax year 2016, the QFCO credit was a part of the QCO credit. Starting in 2016, the QFCO credit is reported as a separate credit.

Tax Year	# of Claimants	Total Contributions	Total Credit	Credit Used	Carry Forward
2016	26,235	\$19,876,877	\$18,146,367	\$16,334,609	\$1,811,758
2017	33,839	\$25,893,820	\$24,012,278	\$21,502,241	\$2,510,037
2018	36,440	\$26,366,332	\$25,398,873	\$22,864,438	\$2,532,732
2019	36,075	\$25,896,068	\$25,434,460	\$22,609,627	\$2,824,833
2020	40,953	\$29,368,438	\$29,162,430	\$25,435,628	\$3,726,802
2021	43,431	\$32,749,544	\$33,435,447	\$28,208,242	\$5,227,205
2022	41,472	\$42,059,308	\$32,139,758	\$26,386,773	\$5,752,985
2023	<i>41,359</i>	<i>\$43,277,682</i>	<i>\$32,731,119</i>	<i>\$26,409,316</i>	<i>\$6,321,803</i>

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

CORPORATE CONTRIBUTIONS TO SCHOOL TUITION ORGANIZATIONS

- Statute:** A.R.S. § 43-1089.04
- Effective Date:** For contributions in taxable years beginning on or after December 31, 2014.
- Provisions:** A nonrefundable credit is allowed for voluntary cash contributions made by an S corporation to School Tuition Organizations pursuant to § 43-1183 for a pro rata share based on the individual's ownership interest in the S corporation. The aggregate contribution by the S corporation must be at least \$5,000 and pre-approved by the ADOR.
- Credit:** The credit is equal to pro rata share of the pre-approved amount. The aggregate amount of the credit was limited to \$10 million in fiscal year 2007 and increased 20% in each fiscal year thereafter. For fiscal year 2018, the credit limit was \$74,300,838. Due to the aggregate limitation, all corporations must be pre-approved for the credit. There is no limitation on the amount of contribution one corporation can give.
- Carry forward:** Five years.

For more information on the donations and scholarships reported by the School Tuition Organizations, a report is available on the ADOR website under Reports, Statistics and Legal Research.

Donation amounts approved by the ADOR are as follows:

Fiscal Year	Credit Cap	Total Approved	Corporations	Insurance Companies	S Corporations
2016	\$51,597,804	\$51,597,804	\$22,661,113	\$23,786,691	\$5,150,000
2017	\$61,917,365	\$61,917,365	\$31,243,773	\$23,631,838	\$7,031,754
2018	\$74,300,838	\$74,300,838	\$28,184,721	\$31,819,986	\$14,296,131
2019	\$89,161,006	\$89,161,006	\$18,688,968	\$27,009,199	\$43,462,839
2020	\$106,993,207	\$106,983,528	\$31,912,875	\$45,927,400	\$29,143,253
2021	\$123,042,188	\$122,717,188	\$32,818,661	\$49,862,295	\$40,036,232
2022	\$135,346,407	\$135,346,407	\$49,664,989	\$43,446,772	\$42,234,646
2023	\$142,113,727	\$142,111,227	\$56,337,291	\$49,831,462	\$35,942,474
2024	\$158,476,605	\$120,218,112	\$53,891,926	\$47,389,500	\$18,936,686

The figures below show individual income tax credits claimed for these donations thus far.³

Tax Year	# of Claims	Total Credit	Credit Used	Carry Forward
2015	129	\$4,394,874	\$3,651,946	\$742,928
2016	209	\$4,817,101	\$3,693,366	\$1,123,735
2017	574	\$14,216,612	\$11,571,012	\$2,645,600
2018	846	\$43,737,257	\$35,470,478	\$8,266,779
2019	984	\$36,882,310	\$29,311,614	\$7,570,696
2020	960	\$44,083,985	\$37,848,920	\$6,235,065
2021	709	\$22,408,135	\$16,221,870	\$6,186,265
2022	934	\$39,440,540	\$27,574,738	\$11,865,802
2023	577	\$13,772,978	\$9,051,781	\$4,721,197

Italics indicate preliminary numbers.

³ The Department of Insurance reports on the value of the School Tuition Organization contribution credits in the ADOR *Tax Expenditure Report*.

ARIZONA INDIVIDUAL INCOME TAX

CORPORATE CONTRIBUTIONS TO SCHOOL TUITION ORGANIZATIONS FOR DISABLED OR DISPLACED STUDENTS

- Statute:** A.R.S. § 43-1089.04
- Effective Date:** For contributions in taxable years beginning on or after December 31, 2014.
- Provisions:** A nonrefundable credit is allowed for voluntary cash contributions made by an S corporation to School Tuition Organizations for displaced students or students with disabilities pursuant to § 43-1184 for a pro rata share based on the individual's ownership interest in the S corporation. The aggregate contribution by the S corporation must be at least \$5,000 and pre-approved by the ADOR.
- Credit:** The credit is equal to pro rata share of the pre-approved amount. The aggregate amount of the credit for corporations and health insurance companies is limited to \$6 million each fiscal year beginning in FY 2022. Due to the aggregate limitation, all corporations must be pre-approved for the credit. There is no limitation on the amount of contribution one corporation can give.
- Carry forward:** Five years.

Donation amounts approved by the ADOR are as follows:

Fiscal Year	Credit Cap	Total Approved	Corporations	Insurance Companies	S Corporations
2016	\$5,000,000	\$5,000,000	\$1,832,000	\$3,065,000	\$103,000
2017	\$5,000,000	\$5,000,000	\$1,097,500	\$3,747,000	\$155,500
2018	\$5,000,000	\$5,000,000	\$2,515,000	\$2,364,500	\$120,500
2019	\$5,000,000	\$5,000,000	\$355,500	\$3,326,000	\$1,318,500
2020	\$5,000,000	\$5,000,000	\$395,000	\$3,591,100	\$1,013,900
2021	\$5,000,000	\$5,000,000	\$331,000	////////////////	////////////////
2022	\$6,000,000	\$6,000,000	\$75,000	\$5,589,500	\$335,500
2023	\$6,000,000	\$6,000,000	\$0	\$5,602,188	\$397,812
2024	\$6,000,000	\$6,000,000	\$190,000	\$5,486,000	\$324,000

The figures below show individual income tax credits claimed for these donations thus far.⁴

Tax Year	# of Claims	Total Credit	Credit Used	Carry Forward
2015	12	\$59,839	\$54,393	\$5,446
2016	12	\$105,795	\$91,642	\$14,153
2017	35	\$380,686	\$318,457	\$62,229
2018	38	\$1,149,373	\$1,064,193	\$85,180
2019	31	\$1,038,879	\$914,202	\$124,677
2020	33	\$646,291	\$422,899	\$223,392
2021	24	\$799,751	\$358,162	\$441,589
2022	22	\$578,838	\$305,595	\$273,243
2023	8	\$158,506	\$69,811	\$88,695

Italics indicate preliminary numbers.

⁴ The Department of Insurance reports on the value of the School Tuition Organization contribution credits in the ADOR Tax Expenditure Report.

ARIZONA INDIVIDUAL INCOME TAX

DEPENDENT TAX CREDIT

- Statute:** A.R.S. § 43-1073.01
- Effective Date:** For taxable years from and after December 31, 2018.
- Provisions:** The dependent tax credit is a nonrefundable credit for taxpayers with differing amounts based on income levels and age of the dependent.
- Credit:** The credit is \$100 for each qualified dependent under the age of 17 and \$25 for each dependent age 17 and older at the end of the taxable year. The allowable credit is phased out for single, head of household, and married taxpayers filing separate returns whose federal adjusted gross income is more than \$200,000 and for married taxpayers filing a joint return whose federal adjusted gross income is more than \$400,000. For these taxpayers, the credit is equal to \$100 for each dependent under the age of 17 and \$25 for each dependent age 17 and older minus 5% for each \$1,000, or fraction thereof, by which the taxpayer's federal adjusted gross income exceeds the applicable threshold.
- Carry forward:** None.

Tax Year	# of Claims	Total Credit	Credit Used
2019	1,027,101	\$150,259,177	\$150,259,177
2020	994,901	\$147,397,553	\$147,397,553
2021	984,345	\$144,591,809	\$144,591,809
2022	986,503	\$143,093,368	\$143,093,368
2023	976,618	\$140,687,004	\$140,687,004

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

DONATIONS TO THE MILITARY FAMILY RELIEF FUND CREDIT

- Statute:** A.R.S. § 43-1086
- Effective Date:** For taxable years from and after December 31, 2008.
- Repealed:** For taxable years beginning from and after January 1, 2019. Repeal date was set when credit enacted, but extended in 2012 legislation.
- Provisions:** A credit is allowed for cash donations made to the Military Family Relief Fund, which is administered by the Arizona Department of Veterans' Services. Donations to the fund will qualify for the credit if the total amount donated to the fund during the calendar year has not exceeded \$1 million dollars. Donations made to the fund after the \$1 million limit has been reached will not qualify for the tax credit.
- Credit:** The credit is equal to the lesser of the cash donation, credit amount of \$400 for married filing joint and \$200 for all other filing statuses, or the taxpayer's tax liability.
- Carry forward:** None.

The Arizona Department of Veterans' Services has reported the following donations. The number of donations represents the total count of donations and therefore contains duplicates. The total amount of donations does not account for the tax credit limitation that will be applied when the tax return is filed.

Tax Year	# of Donations	Total Donations
2008	3,130	\$993,132
2009	3,259	\$1,004,775
2010	3,128	\$1,000,384
2011	3,093	\$999,296
2012	3,065	\$993,900
2013	3,086	\$993,508
2014	3,037	\$994,131
2015	3,079	\$1,027,531
2016	2,989	\$999,939
2017	2,940	\$999,990
2018	2,908	\$999,423
2019	2,934	\$998,983
2020	2,930	\$1,004,953
2021	2,845	\$979,389
2022	2,593	\$895,825
2023	2,289	\$819,011

ARIZONA INDIVIDUAL INCOME TAX

The following table adjusts for multiple donations and estimates the credit amount claimed on tax returns by limiting the donation by the credit cap of \$400 (without information on filing status, estimate assumes the higher married filing joint cap).

Tax Year	# of Claimants	Total Credit	Credit Used
2008	3,070	\$982,575	\$982,575
2009	3,185	\$998,331	\$998,331
2010	3,052	\$995,849	\$995,849
2011	3,007	\$996,695	\$996,695
2012	2,967	\$989,868	\$989,868
2013	2,936	\$989,606	\$989,606
2014	2,913	\$977,410	\$977,410
2015	2,932	\$997,629	\$997,629
2016	2,900	\$989,952	\$989,952
2017	2,633	\$900,219	\$900,219
2018	2,862	\$991,008	\$991,008
2019	2,912	\$992,839	\$992,839
2020	2,919	\$1,003,153	\$1,003,153

Beginning with 2014, additional credit data has been captured. The figures below show individual income tax credits claimed for these donations.

Tax Year	# of Claims	Total Credit	Credit Used
2014	2,994	\$971,838	\$953,251
2015	3,118	\$1,006,248	\$980,331
2016	3,102	\$1,011,959	\$989,958
2017	3,092	\$1,016,743	\$996,134
2018	3,208	\$1,053,281	\$1,022,673
2019	3,159	\$1,026,772	\$994,079
2020	3,113	\$1,022,228	\$983,559
2021	3,051	\$992,338	\$953,954
2022	2,938	\$961,592	\$932,089
2023	2,942	\$967,071	\$932,316

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

EMPLOYING NATIONAL GUARD MEMBERS CREDIT

Statute: A.R.S. § 43-1079.01
Effective Date: For taxable years from and after December 31, 2005.
Provisions: A nonrefundable credit is allowed to each taxpayer whose employee is a member of the Arizona National Guard if the employee is placed on active duty. The employee must be employed in a full-time equivalent position when the employee is placed on active duty. Each member of the Arizona National Guard who is employed must have served during the taxable year on active duty for training that exceeds the required annual training period, including any activation for federal or state contingencies or emergencies.
Credit: The credit is equal to \$1,000 for each employee who is placed on active duty by the Arizona National Guard.
Carry forward: Five years.

Tax Year	# of Claimants	Total Credit	Credit Used	Carry Forward
2006	1	////////////////	////////////////	////////////////
2007	1	////////////////	////////////////	////////////////
2008	1	////////////////	////////////////	////////////////
2009	2	////////////////	////////////////	////////////////
2010	2	////////////////	////////////////	////////////////
2011	2	////////////////	////////////////	////////////////
2012	3	////////////////	////////////////	////////////////
2013	0	\$0	\$0	\$0
2014	2	////////////////	////////////////	////////////////
2015	2	////////////////	////////////////	////////////////
2016	1	////////////////	////////////////	////////////////
2017	0	\$0	\$0	\$0
2018	0	\$0	\$0	\$0
2019	0	\$0	\$0	\$0
2020	1	////////////////	////////////////	////////////////
2021	0	\$0	\$0	\$0
2022	0	\$0	\$0	\$0
2023	0	\$0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

ENTITY LEVEL INCOME TAX PAID

- Statute:** A.R.S. § 43-1014
- Effective Date:** For taxable years from and after December 31, 2021.
- Provisions:** For taxable years beginning from and after December 31, 2021 *individual* partners or shareholders of a business (including certain trusts and estates) may consent to be taxed at the entity level at a rate that is the same as the tax rate prescribed by A.R.S. § 43-1011. For tax year 2022, the tax rate is equal to 2.98% of the entire portion of its taxable income that is attributable to its resident partners or shareholders and the portion of its taxable income derived from sources within this state that is attributable to its nonresident partners or shareholders for that taxable year.
- Credit:** A partnership or S Corporation that intends to make the election shall notify all individual partners or shareholders and estates or trusts of the intent to make the election and that each partner or shareholder and estates or trusts has the right to opt out of the election. The notice shall allow each partner or shareholder at least sixty days after receiving the notice to notify the partnership or S Corporation that the partner or shareholder is exercising the partner or shareholder's right to opt out of the election. If the partner or shareholder does not respond within the sixty-day period or waives the right to opt out, the partner or shareholder will be included in the election. The partnership or S Corporation's election must be made on or before the due date or extended due date of the business's return under this title. Individual partners or shareholders (including certain trusts and estates) who opt out or waive the right to opt out of the election, their portion of the taxable income attributable to a partner or shareholder who is an individual, estate or trust and waives the right to opt out of the election is not included in the entity-level tax
- Carry forward:** Five years.

Tax Year	# of Claimants	Total Credit	Credit Used	Carry Forward
2022	15,062	\$322,679,164	\$283,267,808	\$39,411,356
2023	18,262	\$304,495,923	\$271,098,403	\$33,397,520

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

EMPLOYMENT OF TANF RECIPIENTS CREDIT

- Statute:** A.R.S. § 43-1087
- Effective Date:** For taxable years from and after December 31, 1997.
- Provisions:** A nonrefundable credit is allowed for net increases in qualified employment of recipients of temporary assistance for needy families who are Arizona residents. To qualify for a credit, all employees must reside in Arizona and be TANF recipients, must be employed full-time, must have insurance coverage if insurance coverage is offered to non-TANF employees, must be paid minimum wage or a wage comparable to that received by non-TANF employees, must have been employed for at least 90 days during the first year.
- Credit:** The credit is equal to one-fourth of the taxable wages paid to a qualified employee, not to exceed \$500 in the first year of employment, one-third of taxable wages not to exceed \$1,000 in the second year and one-half of taxable wages not to exceed \$1,500 in the third year of continuous employment.
- Carry forward:** Five years.

Tax Year	# of Claimants	Total Credit	Credit Used	Carry Forward
1998	1	//////////	//////////	//////////
1999	1	//////////	//////////	//////////
2000	0	\$0	\$0	\$0
2001	0	\$0	\$0	\$0
2002	4	//////////	//////////	//////////
2003	5	//////////	//////////	//////////
2004	0	\$0	\$0	\$0
2005	5	//////////	//////////	//////////
2006	0	\$0	\$0	\$0
2007	5	\$24,606	\$12,666	\$11,940
2008	1	//////////	//////////	//////////
2009	0	\$0	\$0	\$0
2010	3	\$21,929	\$20,822	\$1,107
2011	1	//////////	//////////	//////////
2012	1	//////////	//////////	//////////
2013	1	//////////	//////////	//////////
2014	2	//////////	//////////	//////////
2015	1	//////////	//////////	//////////
2016	0	\$0	\$0	\$0
2017	0	\$0	\$0	\$0
2018	0	\$0	\$0	\$0
2019	0	\$0	\$0	\$0
2020	0	\$0	\$0	\$0
2021	0	\$0	\$0	\$0
2022	0	\$0	\$0	\$0
2023	0	\$0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

ENTERPRISE ZONE CREDIT

Statute:	A.R.S. § 43-1074
Effective Date:	For taxable years from and after December 31, 1989.
Sunset Date:	June 30, 2011. First or second year credits for employees hired in a qualified employment position by June 30, 2011 are able to claim the second or third year credits for the same employees in tax years beginning after June 30, 2011.
Provisions:	A nonrefundable credit is allowed for net increases in qualified employment positions of Arizona residents by a business located in an enterprise zone, except where more than 10% of the business conducted at the location consists of selling tangible personal property at retail. (Originally this credit had no restriction on retail businesses. Then for a few years, retail businesses were excluded.) To qualify for the credit there are a number of requirements, including an Arizona residency requirement, 35% of the employees with respect to whom a credit is claimed must reside in an enterprise zone on the date of employment, located in the same county as the business is located and the position must be at least 1,750 hours per year.
Credit:	The credit is equal to one-fourth the taxable wages paid to a qualified employee, not to exceed \$500 in the first year of employment, one-third of taxable wages not to exceed \$1,000 in the second year and one-half of taxable wages not to exceed \$1,500 in the third year of continuous employment.
Carry forward:	Five years.

ARIZONA INDIVIDUAL INCOME TAX

Tax Year	# of Claimants	Total Credit	Credit Used	Carry Forward
1991	30	\$67,000	\$60,000	\$7,000
1992	46	\$145,000	\$112,000	\$33,000
1993	21	\$221,000	\$134,000	\$87,000
1994	25	\$595,894	\$337,581	\$258,313
1995	32	\$835,696	\$667,005	\$168,691
1996	80	\$796,678	\$325,542	\$468,135
1997	119	\$1,348,636	\$717,178	\$631,458
1998	134	\$1,932,606	\$1,196,708	\$735,928
1999	184	\$2,704,548	\$1,573,538	\$1,133,681
2000	200	\$3,669,226	\$2,123,440	\$1,553,807
2001	228	\$4,038,179	\$2,370,519	\$1,667,790
2002	176	\$2,838,420	\$1,602,832	\$1,289,247
2003	202	\$2,981,234	\$1,713,943	\$1,190,859
2004	165	\$2,204,199	\$1,339,705	\$738,055
2005	193	\$2,296,501	\$1,458,081	\$713,499
2006	197	\$2,158,246	\$1,642,905	\$397,705
2007	151	\$1,632,256	\$1,003,582	\$593,280
2008	140	\$1,766,320	\$896,056	\$862,776
2009	119	\$1,630,893	\$676,791	\$947,085
2010	159	\$1,617,002	\$654,420	\$942,090
2011	112	\$1,490,118	\$469,034	\$1,001,263
2012	115	\$904,001	\$294,431	\$578,439
2013	62	\$406,443	\$92,579	\$316,431
2014	28	\$283,579	\$43,604	\$219,030
2015	12	\$223,008	\$32,030	\$168,120
2016	7	\$170,794	\$5,514	\$154,702
2017	3	//////////	//////////	//////////
2018	1	//////////	//////////	//////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

ARIZONA INDIVIDUAL INCOME TAX

ENVIRONMENTAL TECHNOLOGY FACILITY CREDIT

Statute:	A.R.S. § 43-1080
Effective Date:	For taxable years from and after December 31, 1992.
Repealed:	For taxable years beginning from and after January 1, 2020.
Provisions:	A nonrefundable credit is allowed for expenses incurred in constructing a qualified technology manufacturing, producing or processing facility. The facility must be either owned by the manufacturer, producer or processor, or leased for a term of five years or more. The facility must be used predominantly to do a variety of things (set out in statute) that involve recycled materials or renewable energy. The facility must cost an aggregate of at least \$20 million of new capital investment in Arizona within five years after construction begins or commencement of installation of improvements.
Credit:	The credit is equal to 10% of the amount spent during the taxable year to construct the facility, including land acquisition, improvements, building improvements, machinery and equipment, but not exceeding 75% of the tax liability.
Carry forward:	Fifteen years.

No individual income tax returns have been filed claiming this credit for tax years 1993 through 2019.

ARIZONA INDIVIDUAL INCOME TAX

FAMILY INCOME TAX CREDIT

- Statute:** A.R.S. § 43-1073
- Effective Date:** For taxable years from and after December 31, 1995.
- Provisions:** The family income tax credit is a nonrefundable credit for taxpayers below certain income levels, with differing amounts for different household sizes.
- Credit:** The credit is \$40 per person in the household, not to exceed \$240 for married taxpayers filing joint returns or unmarried head of household filers and \$120 for taxpayers filing single or married filing separate returns.
1. For taxpayers filing single or married filing separately, income⁵ must be less than or equal to \$10,000 to take the credit.
 2. For married taxpayers filing joint, the income threshold is \$20,000 with one dependent, \$23,600 with two dependents, \$27,300 with three dependents, and \$31,000 with four or more dependents.
 3. For taxpayers filing as unmarried head of household, the income threshold is \$20,000 with one dependent, \$20,135 with two dependents, \$23,800 with three dependents, \$25,200 with four dependents, and \$26,575 with five or more dependents.
- Carry forward:** None.

⁵ Income is defined as Arizona adjusted gross income plus any subtractions taken which reduced Federal Adjusted Gross Income.

ARIZONA INDIVIDUAL INCOME TAX

Tax Year	# of Claimants	Total Credit	Credit Used
1995	340,844	\$20,600,000	\$5,150,000
1996	340,790	\$20,526,564	\$5,071,340
1997	345,223	\$20,483,252	\$4,637,593
1998	312,768	\$27,669,951	\$7,390,406
1999	327,974	\$28,374,663	\$7,925,721
2000	335,253	\$28,924,670	\$7,799,840
2001	402,094	\$33,377,585	\$7,356,939
2002	427,798	\$36,064,781	\$7,382,178
2003	417,451	\$35,068,208	\$7,445,937
2004	425,484	\$35,617,953	\$7,709,270
2005	439,056	\$36,737,292	\$7,661,867
2006	448,960	\$37,349,413	\$6,867,294
2007	518,820	\$42,706,477	\$6,784,150
2008	501,013	\$42,060,538	\$5,811,534
2009	515,867	\$44,711,520	\$5,270,319
2010	516,513	\$44,548,440	\$5,594,106
2011	533,345	\$45,490,320	\$5,905,317
2012	520,448	\$43,457,960	\$5,399,635
2013	538,319	\$43,639,520	\$5,017,004
2014	580,028	\$46,798,120	\$4,770,077
2015	594,928	\$46,682,890	\$4,417,745
2016	581,877	\$44,929,720	\$4,298,041
2017	558,737	\$42,556,920	\$3,778,067
2018	534,595	\$39,759,760	\$3,214,670
2019	530,175	\$37,761,985	\$1,208,198
2020	571,958	\$38,541,880	\$871,031
2021	511,641	\$36,435,640	\$736,426
2022	472,593	\$33,506,440	\$468,854
2023	<i>429,759</i>	<i>\$30,250,408</i>	<i>\$208,457</i>

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

HEALTHY FOREST ENTERPRISE EMPLOYMENT CREDIT

- Statute:** A.R.S. § 43-1076
- Effective Date:** For taxable years from and after December 31, 2004.
- Repealed:** For taxable years beginning from and after January 1, 2025. Repeal date set when credit enacted but extended in 2012 legislation.
- Provisions:** A business may qualify for a nonrefundable credit, if certified by the Arizona Commerce Authority (hereinafter “ACA”) as a healthy forest enterprise. The business must enhance or sustain forest health, sustain or recover watershed, or improve public safety. It must be engaged in the business of harvesting, transporting or initial processing of qualifying forest products for commercial use.
- Credit:** The credit is based on the net increase in the number of qualified employment positions created and filled by businesses operating healthy forest enterprises. The credit amount per employee depends on the employee’s year of employment; first year equal to the lesser of \$500 or one-fourth of the taxable wages paid to an employee in a qualified employment position; second year equal to the lesser of \$1,000 or one-third the wages paid to an employee in a qualified employment position; third year equal to the lesser of \$1,500 or one-half of the taxable wages paid to an employee in a qualified employment position.
- Carry forward:** Five years

Tax Year	# of Claimants	Total Credit	Credit Used	Carry Forward
2005	1	//////////	//////////	//////////
2006	1	//////////	//////////	//////////
2007	1	//////////	//////////	//////////
2008	1	//////////	//////////	//////////
2009	1	//////////	//////////	//////////
2010	1	//////////	//////////	//////////
2011	0	\$0	\$0	\$0
2012	0	\$0	\$0	\$0
2013	0	\$0	\$0	\$0
2014	0	\$0	\$0	\$0
2015	4	\$5,071	\$36	\$5,035
2016	3	//////////	//////////	//////////
2017	0	\$0	\$0	\$0
2018	0	\$0	\$0	\$0
2019	0	\$0	\$0	\$0
2020	0	\$0	\$0	\$0
2021	0	\$0	\$0	\$0
2022	0	\$0	\$0	\$0
2023	0	\$0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

HEALTHY FOREST ECOLOGICAL RESTORATION WORKFORCE TRAINING

Statute: A.R.S. § 43-1076.01
Effective Date: For taxable years from and after December 31, 2011.
Repealed: For taxable years beginning from and after January 1, 2018. Repeal date of January 1, 2025 set when enacted but amended in 2017 legislation.
Provisions: A business may qualify for a nonrefundable credit for training new employees in qualified employment positions, if certified by the ACA as a healthy forest enterprise.
Credit: The credit is based on the net cost of training and certifying a new employee in a qualified employment position incurred during the period the taxpayer has been certified as a healthy forest enterprise. The credit amount per employee cannot exceed \$3,000 in each of the first three years of employment with no more than a total of 200 employees in a taxable year.
Carry forward: Five years.

Tax Year	# of Claimants	Total Credit	Credit Used	Carry Forward
2012	0	\$0	\$0	\$0
2013	0	\$0	\$0	\$0
2014	0	\$0	\$0	\$0
2015	3	\$224	\$158	\$66
2016	1	////////	////////	////////
2017	0	\$0	\$0	\$0
2018	0	\$0	\$0	\$0
2019	0	\$0	\$0	\$0
2020	0	\$0	\$0	\$0
2021	0	\$0	\$0	\$0
2022	0	\$0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

ARIZONA INDIVIDUAL INCOME TAX

HEALTHY FOREST PRODUCTION

- Statute:** A.R.S. § 43-1076.01
- Effective Date:** For taxable years beginning from and after December 31, 2020.
- Provisions:** A taxpayer may qualify for a nonrefundable credit, if certified by the ACA as a healthy forest enterprise. The credit is available if the taxpayer processes qualifying forest products from a qualifying project within this state from and after December 31, 2020 and before January 1, 2031.
- Credit:** The credit is based on the number of tons of qualifying forest products that a taxpayer processes during a calendar year. The amount of the credit is \$10,000 for the first twenty thousand tons and \$5,000 for every ten thousand tons thereafter. The credit amount cannot exceed \$500,000 per taxpayer and cannot exceed in the aggregate a total of \$2 million for any calendar year.
- Carry forward:** Five years.

No individual income tax returns have been filed claiming this credit.

ARIZONA INDIVIDUAL INCOME TAX

INCOME TAXES PAID TO OTHER STATES OR COUNTRIES CREDIT

- Statute:** A.R.S. § 43-1071
- Effective Date:** For taxable years from and after January 1, 1935.
- Provisions:** Residents are allowed a nonrefundable credit against income tax imposed in Arizona for net income taxes imposed by and paid to another state or country on income taxable in Arizona. The credit is available if the taxpayer is paying a net income tax to certain states and the tax owed to Arizona and the other state or country must be charged on the same income.
- Credit:** The credit is the amount of tax paid to the other state on the same income taxable in Arizona.
- Carry forward:** None.

Due to the volume of taxpayers claiming the credit for income taxes paid as well as the number claiming multiple credits, the following table through 2013 represents only those taxpayers who have claimed the credit for income taxes paid to other states or countries and no other credits.

Tax Year	# of Claimants	Total Credit	Credit Used
1995	22,496	\$29,203,587	\$29,203,587
1996	23,379	\$40,570,806	\$40,570,806
1997	25,325	\$42,910,138	\$42,910,138
1998	25,794	\$53,091,928	\$53,091,928
1999	26,317	\$51,433,659	\$51,433,659
2000	27,831	\$57,403,404	\$57,403,404
2001	29,007	\$58,777,258	\$58,777,258
2002	24,909	\$52,843,508	\$52,843,508
2003	25,722	\$62,484,651	\$62,484,651
2004	29,956	\$80,229,015	\$80,229,015
2005	34,664	\$119,416,310	\$119,416,310
2006	34,880	\$124,937,274	\$124,937,274
2007	27,706	\$105,315,257	\$105,315,257
2008	31,103	\$78,837,292	\$78,837,292
2009	30,125	\$75,216,168	\$75,216,168
2010	36,535	\$84,093,029	\$84,093,029
2011	39,174	\$82,151,564	\$82,151,564
2012	32,281	\$93,394,010	\$93,394,010
2013	43,359	\$96,608,047	\$96,608,047
2014	58,335	\$140,744,364	\$140,744,364
2015	63,220	\$149,668,202	\$149,668,202
2016	72,540	\$151,650,517	\$151,650,517
2017	76,370	\$178,356,886	\$178,356,886
2018	82,544	\$212,305,970	\$212,305,970
2019	83,752	\$220,594,074	\$220,594,074
2020	81,309	\$254,935,347	\$254,935,347
2021	92,045	\$345,005,266	\$345,005,266
2022	95,657	\$243,804,861	\$243,804,861
2023	92,385	\$163,867,121	\$163,867,121

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

INCREASED EXCISE TAXES PAID CREDIT

- Statute:** A.R.S. § 43-1072.01
- Effective Date:** For taxable years from and after December 31, 2000.
- Provisions:** A *refundable* credit is allowed against income tax imposed to mitigate the increase in transaction privilege tax rates for education. The claimant must meet certain income thresholds to qualify for the credit: federal adjusted gross income of \$25,000 or less for a married couple or a single person who is head of a household, or \$12,500 for a single person or a married person filing separately.
- Credit:** The credit shall not exceed \$25 for each person who is a resident of Arizona and for whom a personal or dependent exemption is allowed. The credit shall not be more than \$100 for all persons in a household.

Tax Year	# of Claimants	Total Credit	Credit Used
2001	428,189	\$22,612,548	\$22,612,548
2002	529,265	\$28,403,741	\$28,403,741
2003	548,831	\$29,581,905	\$29,581,905
2004	555,762	\$29,924,907	\$29,924,907
2005	546,678	\$29,358,243	\$29,358,243
2006	536,940	\$28,751,332	\$28,751,332
2007	579,464	\$30,444,007	\$30,444,007
2008	605,599	\$32,308,185	\$32,308,185
2009	664,675	\$35,928,030	\$35,928,030
2010	656,524	\$35,278,230	\$35,278,230
2011	672,009	\$35,659,215	\$35,659,215
2012	638,208	\$33,367,298	\$33,367,298
2013	648,116	\$33,418,364	\$33,418,364
2014	664,037	\$33,511,567	\$33,511,567
2015	620,579	\$30,835,109	\$30,835,109
2016	621,298	\$30,054,916	\$30,054,916
2017	586,961	\$28,374,247	\$28,374,247
2018	546,796	\$26,152,002	\$26,152,002
2019	563,758	\$25,882,137	\$25,882,137
2020	629,021	\$26,265,049	\$26,265,049
2021	530,810	\$23,452,679	\$23,452,679
2022	470,413	\$20,958,785	\$20,958,785
2023	422,950	\$18,849,177	\$18,849,177

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

INVESTMENT IN QUALIFIED SMALL BUSINESSES CREDIT

- Statute:** A.R.S. § 43-1074.02
- Effective Date:** For taxable years from and after December 31, 2006.
- Repealed:** For taxable years beginning from and after January 1, 2035. Repeal date of January 1, 2020 set when credit enacted but amended in 2017 and 2021 legislation.
- Provisions:** A nonrefundable credit is allowed for investments made in qualified small businesses. The amount of the credit is the amount determined and authorized by the ACA (A.R.S. § 41-1518).
- Credit:** If the qualified investment is made in a qualified small business (\$10 million in assets effective January 1, 2012, up from \$2 million) located in a rural county or is a bioscience enterprise, the credit is 12% of the investment amount per year for the first and second taxable years after the investment is made and 11% of the investment amount for the third taxable year after the year in which the investment is made.
 If the qualified investment is made in a qualified small business other than a business described above, the credit is 10% of the amount of the investment for each of the three taxable years after the year in which the investment is made.
 The ACA may not authorize tax credits after June 30, 2021. The ACA cannot certify more than \$20,000,000 in credits for investment in qualified small businesses through June 30, 2016. An additional \$10,000,000 in credit cap is added beginning July 1, 2017, with a fiscal year limit of \$2,500,000.
- Carry forward:** Three years.

Tax Year	# of Claimants	New Credit	Total Credit	Credit Used	Carry Forward
2007	84	\$415,766	\$415,766	\$296,115	\$119,736
2008	128	\$747,953	\$867,689	\$411,156	\$456,644
2009	208	\$1,398,414	\$1,823,783	\$574,434	\$1,249,498
2010	220	\$1,475,990	\$2,746,899	\$766,806	\$1,980,385
2011	223	\$1,172,210	\$3,100,066	\$849,766	\$1,980,384
2012	281	\$1,217,879	\$3,198,263	\$1,069,297	\$1,536,819
2013	297	\$1,553,274	\$3,191,923	\$1,064,348	\$1,517,517
2014	364	\$2,064,419	\$3,581,936	\$1,716,442	\$1,555,344
2015	349	\$2,234,185	\$3,789,529	\$1,455,096	\$2,193,668
2016	297	\$1,174,101	\$3,367,769	\$1,204,816	\$1,980,885
2017	213	\$983,597	\$3,797,145	\$652,369	\$1,393,627
2018	219	\$716,125	\$3,610,139	\$1,085,055	\$2,525,084
2019	234	\$1,563,115	\$3,927,017	\$1,636,707	\$2,290,310
2020	290	\$1,684,244	\$4,524,565	\$1,878,461	\$2,646,104
2021	232	\$1,728,515	\$3,923,664	\$1,096,378	\$2,827,518
2022	290	\$2,124,112	\$4,381,706	\$1,193,778	\$3,187,928
2023	219	\$1,404,153	\$3,936,487	\$792,961	\$3,143,526

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

MILITARY REUSE ZONE CREDIT

Statute:	A.R.S. § 43-1079
Effective Date:	For taxable years from and after December 31, 1992 (although no military reuse zones were designated until 1996).
Repeal:	For taxable years beginning from and after January 1, 2018.
Provisions:	A nonrefundable credit is allowed for net increases in employment of full-time employees working in a military reuse zone, and who are primarily engaged in providing aviation or aerospace services or in manufacturing, assembling or fabricating aviation or aerospace products. A credit is also allowed for dislocated military base employees, which are civilians who previously had permanent full-time civilian employment on the military facility as of the date the closure of the facility was determined under federal law.
Credit:	For each employee who is not a dislocated military base employee, the credit is \$500 in the first year of employment and increases in \$500 increments until it reaches \$2,500 in the fifth year of employment. For dislocated military base employees, the credit amount starts at \$1,000 in the first year of employment and increases in \$500 increments each year until it reaches \$3,000 in the fifth year of employment.
Carry forward:	Five years.

One individual income tax return has been filed claiming this credit for tax year 1996, 1997, 2010, 2011, 2014, 2015 and two were filed for 2016.

ARIZONA INDIVIDUAL INCOME TAX

MOTION PICTURE PRODUCTION AND INFRASTRUCTURE CREDIT

Statutes:	A.R.S. §§ 43-1075 and 43-1075.01
Effective Date:	For taxable years from and after December 31, 2005 for Motion Picture Productions and for taxable years from and after December 31, 2007 for Motion Picture Infrastructure Projects.
Repealed:	For taxable year beginning from and after January 1, 2011.
Provisions:	<p>A nonrefundable, transferable credit is allowed for a motion picture production company that produces motion pictures completely or partially in Arizona and for the construction of an eligible infrastructure project. The taxpayer must receive pre-approval and post-approval from the ACA. For the motion picture production credit, the taxpayer must acknowledge that the production was filmed in Arizona, incur production costs of at least \$250,000, employ 50% of Arizona residents during production activities in Arizona (25% of full-time employees for 2006 and 35% for 2007), begin production within 90 days of pre-approval and submit a completion report to Commerce.</p> <p>For taxable years beginning from and after December 31, 2022, the credit is based on the percentage of motion picture production costs a production company has in Arizona that are directly attributable to the production of that motion picture in Arizona. The tax credit is in lieu of a deduction for the expenses for which the credit is claimed. An addition to Arizona gross income is required for the amount of the expenses included in the computation of federal taxable.</p>
Credit:	<p>The amount of the motion picture production credit is based on qualified production costs in Arizona equal to 20% of costs from \$250,000 to \$1 million and 30% of costs exceeding \$1 million (increased from 10%, 15% or 20% of costs for 2006 and 2007). The tax credit is limited to \$9 million per motion picture (\$5 million for 2006 and 2007, \$7 million for 2008 and \$8 million for 2009). The total corporate and individual income tax credit is limited to \$30 million for 2006, \$40 million for 2007, \$50 million for 2008, \$60 million for 2009, and \$70 million for 2010. Beginning in 2008, 5% of the calendar year cap is reserved for commercial advertisements or music videos. An infrastructure income tax credit is available, subject to the same cap, up to 15% of the base investment for the construction of a qualified infrastructure project in Arizona. The infrastructure tax credit cannot exceed \$5 million in any year for soundstages or \$3 million for support and augmentation facilities. All or part of any unclaimed amount of credit may be sold or otherwise transferred. A single sale or transfer may involve one or more transferees, and a transferee may in turn resell or transfer the credit.</p> <p>For taxable years beginning from and after December 31, 2022. An amount equal to a percentage of the total amount of the qualified production costs as approved by ACA pursuant to A.R.S. § 41-1517 as follows:</p> <ul style="list-style-type: none">A. For a motion picture production company that spends up to \$10,000,000, 15% of production costs.B. For a motion picture production company that spends more than \$10,000,000 but less than \$35,000,000, 17.5% of production costs.C. For a motion picture production company that spends more than \$35,000,000, 20% of production costs. <p>2. An additional 2.5% of the motion picture production company's production labor costs related to positions held by residents of this state as approved by the ACA.</p>
Carry forward:	Five years.

ARIZONA INDIVIDUAL INCOME TAX

Tax Year	# of Claimants	# of Productions	New Credit	Total Credit	Credit Used	Carry Forward
2006	0	0	\$0	\$0	\$0	\$0
2007	4	3	\$153,184	\$153,184	\$128,165	\$25,019
2008	10	4	\$488,548	\$513,567	\$292,098	\$221,469
2009	8	5	\$107,134	\$328,603	\$98,854	\$229,749
2010	7	7	\$171,590	\$401,339	\$180,574	\$220,765
2011	4	3	\$12,040	\$187,542	\$52,115	\$16,505
2012	3	2	\$0	\$16,505	\$16,505	\$0
2013	0	0	\$0	\$0	\$0	\$0
2014	0	0	\$0	\$0	\$0	\$0
2015	0	0	\$0	\$0	\$0	\$0

Since the creation of this credit, 15 individual and 24 corporate taxpayers have claimed it.

ARIZONA INDIVIDUAL INCOME TAX

MOTION PICTURE PRODUCTION COSTS CREDIT

- Statutes:** A.R.S. § 43-1082
- Effective Date:** For taxable years beginning from and after December 31, 2022.
- Provisions:** The credit is based on the percentage of motion picture production costs a production company has in Arizona that are directly attributable to the production of that motion picture in Arizona. The tax credit is in lieu of a deduction for the expenses for which the credit is claimed. An addition to Arizona gross income is required for the amount of the expenses included in the computation of federal taxable. To claim this credit, a motion picture production company must have received post-approval from the ACA prior to claiming the credit. The credit is claimed on the tax return for the taxable year in which the post-approval has been received.
- Credit:** The tax credit is in lieu of a deduction for the expenses for which the credit is claimed. An addition to Arizona gross income is required for the amount of the expenses included in the computation of federal taxable income for which the Arizona tax credit is claimed. An amount equal to a percentage of the total amount of the qualified production costs as approved by ACA pursuant to A.R.S. § 41-1517 as follows:
- A. For a motion picture production company that spends up to \$10,000,000, 15% of production costs.
 - B. For a motion picture production company that spends more than \$10,000,000 but less than \$35,000,000, 17.5% of production costs.
 - C. For a motion picture production company that spends more than \$35,000,000, 20% of production costs.
- An additional 2.5% of the motion picture production company's production labor costs related to positions held by residents of this state as approved by the ACA.
- An additional 2.5% of the total amount of qualified production costs as approved by ACA if the motion picture production is produced and filmed in association with a long-term tenant of a qualified production facility.

No individual income tax returns have been filed claiming this credit.

ARIZONA INDIVIDUAL INCOME TAX

NEW EMPLOYMENT CREDIT

- Statute:** A.R.S. § 43-1074
- Effective Date:** For taxable years from and after June 30, 2011. ACA is authorized to approve credits through June 30, 2025.
- Provisions:** A nonrefundable credit is allowed for net increases in qualified employment positions in Arizona at an Arizona business location. To qualify for the credit, the taxpayer must either invest at least \$5 million of capital investment and create at least 25 new qualified positions in an Arizona city or town with a population of 50,000 or invest at least \$1 million of capital investment and create at least five new qualified positions in any other location in Arizona. The employer must also provide health insurance coverage for the employee (paying at least 65% of the cost) and pay a wage at least equal to the median wage for the county. Beginning in tax year 2018, the taxpayer can invest less than \$5 million for an urban location or \$1 million for a rural location if wages exceed 100% of the median wage for the county. The credit must be pre-approved by the ACA, which cannot approve more than 10,000 first-year positions for all taxpayers. For tax year 2013 and later, the maximum of 400 new jobs in the first year of credit use was eliminated.
- Credit:** The credit is equal to \$3,000 for each employee in the first year or partial year of employment, \$3,000 for each employee for the full taxable year in the second year of continuous employment and \$3,000 for each employee for the full taxable year in the third year of continuous employment.
- Carry forward:** Five years.

Tax Year	# of Claimants	Total Credit	Credit Used	Carry Forward
2011	0	\$0	\$0	\$0
2012	2	//////////	//////////	//////////
2013	4	\$27,709	\$0	\$27,709
2014	7	//////////	//////////	//////////
2015	7	\$86,705	\$61,338	\$25,367
2016	19	\$924,291	\$894,771	\$29,520
2017	20	\$1,341,104	\$734,358	\$606,453
2018	23	\$2,467,293	\$1,280,781	\$1,186,512
2019	23	\$2,210,517	\$1,853,935	\$356,582
2020	31	\$2,312,762	\$709,531	\$1,603,231
2021	30	\$2,077,783	\$758,696	\$1,319,087
2022	11	\$173,900	\$163,254	\$10,646
2023	0	\$0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

POLLUTION CONTROL DEVICE CREDIT

- Statute:** A.R.S. § 43-1081
- Effective Date:** For taxable years from and after December 31, 1994.
- Provisions:** A nonrefundable credit is allowed for expenses incurred to purchase real or personal property that is used in the taxpayer's trade or business in Arizona to control or prevent pollution. Property that qualifies includes that portion of a structure, building, installation, excavation, machine, equipment or device and any attachment or addition to or reconstruction, replacement or improvement of that property that is directly used, constructed, or installed for the purposes of meeting rules or regulations adopted by the U.S. Environmental Protection Agency, the Department of Environmental Quality, or a political subdivision to prevent, monitor, control or reduce air, water or land pollution.
- Credit:** The amount of the credit is equal to the lesser of 10% of the purchase price or \$500,000. In 1995 and 1996, the credit was capped at \$750,000.
- Carry forward:** Five years.

Tax Year	# of Claimants	Total Credit	Credit Used	Carry Forward
1995	0	\$0	\$0	\$0
1996	0	\$0	\$0	\$0
1997	1	//////////	//////////	//////////
1998	5	//////////	//////////	//////////
1999	6	//////////	//////////	//////////
2000	4	//////////	//////////	//////////
2001	18	\$31,624	\$31,624	\$0
2002	13	\$18,562	\$18,525	\$37
2003	9	\$32,062	\$31,239	\$823
2004	28	\$40,676	\$16,385	\$24,291
2005	23	\$79,082	\$71,574	\$7,508
2006	14	\$31,327	\$14,412	\$16,860
2007	10	\$30,247	\$7,962	\$22,767
2008	5	\$18,492	\$5,731	\$12,756
2009	2	//////////	//////////	//////////
2010	3	\$5,844	\$2,466	\$2,661
2011	5	//////////	//////////	//////////
2012	9	\$221,039	\$221,039	\$0
2013	1	//////////	//////////	//////////
2014	4	//////////	//////////	//////////
2015	7	\$122,247	\$29,041	\$93,206
2016	8	\$135,451	\$99,666	\$35,725
2017	2	//////////	//////////	//////////
2018	2	//////////	//////////	//////////
2019	2	//////////	//////////	//////////
2020	3	//////////	//////////	//////////
2021	1	//////////	//////////	//////////
2022	0	\$0	\$0	\$0
2023	9	\$11,731	\$920	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown. Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

PRIVATE SCHOOL TUITION ORGANIZATION “ORIGINAL” CREDIT

Statute: A.R.S. § 43-1089

Effective Date: For taxable years from and after December 31, 1997.

Provisions: A nonrefundable credit is allowed for cash contributions to a school tuition organization. A school tuition organization is a 501(c)(3) that allocates at least 90% of its revenue for scholarships to children to allow them to attend any qualified school of their parents’ choice. The school tuition organization cannot limit availability of scholarships to only one school. A qualified school is a primary or secondary school.

Credit: The credit is equal to the cash contribution, not to exceed \$1,000 for married filing joint filers and \$500 for all other filing statuses. These amounts are adjusted for inflation annually.

Carry forward: Five years.

For more information on the donations and scholarships reported by the School Tuition Organizations, a report is available on the ADOR website on all private school tuition organization-related credits.

Calendar Year	# of STOs ⁶ Reporting Donations	# of Donations Reported	Donations Reported
1998	16	4,248	\$1,815,798
1999	33	32,023	\$13,781,341
2000	36	38,249	\$17,701,284
2001	43	46,696	\$24,897,444
2002	43	52,203	\$26,512,683
2003	51	58,122	\$29,444,972
2004	53	63,830	\$31,846,494
2005	53	69,239	\$42,196,206
2006	56	73,617	\$51,012,326
2007	55	76,065	\$54,304,968
2008	55	78,434	\$55,260,728
2009	54	73,430	\$50,916,897
2010	53	62,940	\$43,163,214
2011	51	71,801	\$49,104,660
2012	48	73,159	\$51,307,450
2013	49	75,813	\$54,425,997
2014	52	78,516	\$58,620,376
2015	53	80,823	\$61,815,968
2016	57	85,370	\$65,256,185
2017	57	88,109	\$68,299,878
2018	59	86,205	\$66,348,114
2019	56	83,054	\$64,358,582
2020	56	83,329	\$66,942,362
2021	53	88,811	\$73,968,846
2022	49	86,756	\$74,273,263
2023	51	76,589	\$67,255,430
2024 ⁷	47	50,598	\$47,357,705

⁶ School Tuition Organizations

⁷ Data represents only the first six months of the calendar year.

ARIZONA INDIVIDUAL INCOME TAX

Beginning with 2014, additional credit data has been captured. The figures below show individual income tax credits claimed for these donations.

Tax Year	# of Claims	Total Credit	Credit Used	Carry Forward
2014	86,901	\$71,383,890	\$60,123,591	\$11,260,299
2015	92,554	\$76,116,018	\$64,819,262	\$11,296,756
2016	94,130	\$78,742,303	\$66,639,027	\$11,197,833
2017	95,893	\$80,919,789	\$69,151,752	\$10,914,230
2018	95,510	\$81,463,025	\$69,216,283	\$11,268,851
2019	88,324	\$77,769,754	\$65,154,270	\$11,630,990
2020	93,167	\$85,220,174	\$71,305,313	\$13,527,826
2021	93,113	\$88,547,422	\$75,632,620	\$12,914,802
2022	83,968	\$80,397,976	\$68,116,505	\$12,281,471
2023	<i>66,250</i>	<i>\$63,941,664</i>	<i>\$53,894,477</i>	<i>\$10,047,187</i>

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

PRIVATE SCHOOL TUITION ORGANIZATION “SWITCHER” CREDIT

- Statute:** A.R.S. § 43-1089.03
- Effective Date:** For taxable years from and after December 31, 2011.
- Provisions:** A nonrefundable credit is allowed for cash contributions to a school tuition organization that exceed the original private school tuition organization credit (A.R.S. § 43-1089). A school tuition organization is a 501(c)(3) that allocates at least 90% of its revenue for scholarships to children to allow them to attend any qualified school of their parents’ choice. The school tuition organization cannot limit availability of scholarships to only one school. A qualified school is a primary or secondary school.
- Credit:** The credit is equal to the cash contribution, not to exceed \$1,000 for married filing joint filers and \$500 for all other filing statuses, to the extent that the contribution exceeds the maximum donation allowed for the original private school tuition organization credit. These amounts are adjusted for inflation annually.
- Carry forward:** Five years.

For more information on the donations and scholarships reported by the school tuition organizations, a report is available on the ADOR website under Reports, Statistics and Legal Research.

Calendar Year	# of STOs ⁸ Reporting Donations	# of Donations Reported	Donations Reported
2012	46	16,518	\$12,947,997
2013	49	28,932	\$23,201,403
2014	51	34,697	\$28,341,103
2015	53	39,078	\$32,534,281
2016	56	43,368	\$36,768,351
2017	57	47,895	\$40,341,802
2018	59	47,822	\$40,150,116
2019	56	46,099	\$39,253,021
2020	55	47,607	\$42,273,628
2021	51	52,838	\$48,044,480
2022	49	53,257	\$49,624,562
2023	49	47,151	\$45,263,378
2024 ⁹	46	31,123	\$30,942,264

Italics indicate preliminary numbers.

⁸ School Tuition Organizations

⁹ Data represents only the first six months of the calendar year.

ARIZONA INDIVIDUAL INCOME TAX

Beginning with 2014, additional credit data has been captured. The figures below show individual income tax credits claimed for these donations.

Tax Year	# of Claims	Total Credit	Credit Used	Carry Forward
2014	36,211	\$30,679,285	\$25,520,329	\$5,182,518
2015	41,532	\$36,046,212	\$28,986,576	\$7,371,020
2016	51,082	\$45,952,287	\$36,838,940	\$9,113,347
2017	54,856	\$50,175,050	\$39,890,966	\$10,284,084
2018	55,005	\$51,311,542	\$40,858,648	\$10,452,894
2019	52,417	\$50,527,476	\$39,158,499	\$11,368,977
2020	57,711	\$57,073,965	\$43,901,006	\$13,172,959
2021	59,780	\$61,938,961	\$48,828,205	\$13,094,901
2022	54,579	\$57,378,238	\$44,058,653	\$13,306,186
2023	49,862	\$53,886,988	\$40,326,115	\$13,551,525

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

PROPERTY TAX CREDIT

- Statute:** A.R.S. § 43-1072
- Effective Date:** For property taxes accrued during calendar years from and after 1974.
- Provisions:** This is a *refundable* credit for property taxes accrued or rent, or both, paid in that taxable year if certain conditions are met. The claimant must be at least 65 years of age or is a recipient of public monies under Title 16 of the social security act. The claimant paid either property taxes or rent during the taxable year. The person did not live with a spouse or any other persons and had an income from all sources in the taxable year of less than \$3,751, or lived with a spouse or other people and the combined income from all sources in the taxable year of all persons residing in the residence was less than \$5,501.
- Credit:** The credit allowed is the lesser of the amount of property taxes paid or the credit amount based on household income (credit ranges from \$56 to \$502).

Tax Year	# of Claimants	Total Credit	Credit Used
1995	22,091	\$6,342,285	\$6,342,285
1996	19,983	\$5,819,917	\$5,819,917
1997	18,644	\$5,581,477	\$5,581,477
1998	17,237	\$5,290,628	\$5,290,628
1999	15,862	\$4,987,796	\$4,987,796
2000	14,593	\$4,653,837	\$4,653,837
2001	15,218	\$5,015,318	\$5,015,318
2002	14,991	\$5,106,544	\$5,106,544
2003	15,028	\$5,301,879	\$5,301,879
2004	14,786	\$5,242,685	\$5,242,685
2005	13,943	\$4,977,070	\$4,977,070
2006	13,247	\$4,776,863	\$4,776,863
2007	16,810	\$5,979,296	\$5,979,296
2008	15,675	\$5,722,697	\$5,722,697
2009	17,366	\$6,606,391	\$6,606,391
2010	17,526	\$6,750,770	\$6,750,770
2011	18,503	\$7,183,778	\$7,183,778
2012	18,767	\$7,222,443	\$7,222,443
2013	19,012	\$7,327,176	\$7,327,176
2014	19,277	\$7,406,381	\$7,406,381
2015	19,345	\$7,526,953	\$7,526,953
2016	19,956	\$7,671,378	\$7,671,378
2017	19,794	\$7,817,529	\$7,817,529
2018	19,389	\$7,603,194	\$7,603,194
2019	18,448	\$7,402,310	\$7,402,310
2020	19,781	\$8,004,005	\$8,004,005
2021	17,850	\$7,251,097	\$7,251,097
2022	18,031	\$7,357,792	\$7,357,792
2023	17,683	\$7,244,513	\$7,244,513

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

PUBLIC SCHOOL FEES AND CONTRIBUTIONS CREDIT

- Statute:** A.R.S. § 43-1089.01
- Effective Date:** For taxable years from and after December 31, 1997.
- Provisions:** A nonrefundable credit is allowed for fees or cash contributions paid to a public school located in Arizona for the support of extracurricular activities or to pay for character education programs as defined in § 15-719. For taxable years beginning from and after December 31, 2014, qualified programs include standardized testing fees for college credit, preparation courses or materials for standardized testing, and the career and technical education industry certification assessment. The addition of cardiopulmonary resuscitations (CPR) training was added in 2016. For taxable years beginning from and after June 30, 2019 through June 30, 2024, qualified programs include acquiring capital items as defined in the *Uniform System of Financial Records*, including those items listed in section A.R.S. § Title 15-903, subsection C paragraphs 2 through 8, community school meal programs, student consumable health care supplies, and shade structures or playground equipment. Extracurricular activities are school sponsored activities that may require students to pay a fee in order to participate. Session Law (Laws 2011, Chapter 195) allowed schools to temporarily use up to 50% of the unencumbered contributions it received prior to tax year 2011 for short-term capital items such as technology, textbooks, library resources, instructional aids, pupil transportation vehicles, furniture or equipment in FY 2011/12 and FY 2012/13.
- Credit:** The credit is equal to the amount of fees paid or cash contributions, not to exceed \$400 for married filing joint filers and \$200 for all other filing statuses.
- Carry forward:** Five years.

Additional information about the Public School Tax Credit can be found on the ADOR website under Tax Credits, Public School Tax Credit.

The following table represents donations received and fees paid reported by public schools.

Tax Year	# of Claimants	Donations Received
1998	74,242	\$8,990,042
1999	109,748	\$14,775,353
2000	130,730	\$17,544,784
2001	135,656	\$20,004,715
2002	143,697	\$22,455,129
2003	201,407	\$27,753,764
2004	213,987	\$30,958,872
2005	215,369	\$35,416,279
2006	218,664	\$43,230,433
2007	214,356	\$44,069,896
2008	233,450	\$45,164,366
2009	239,031	\$42,657,087
2010	250,004	\$43,718,717
2011	250,216	\$48,442,987
2012	253,134	\$51,287,359

ARIZONA INDIVIDUAL INCOME TAX

Tax Year	# of Claimants	Donations Received
2013	253,842	\$50,972,856
2014	266,087	\$50,991,999
2015	262,879	\$48,062,286
2016	314,683	\$53,017,994
2017	336,791	\$56,968,948
2018	292,429	\$56,048,449
2019	277,589	\$54,934,742
2020	149,135	\$34,512,369
2021	167,855	\$35,158,202
2022	189,017	\$40,784,694
2023	<i>194,414</i>	<i>\$42,514,058</i>

Beginning with 2014, additional credit data has been captured. The figures below show individual income tax credits claimed for these donations.

Tax Year	# of Claims	Total Credit	Credit Used	Carry Forward
2014	152,101	\$45,833,570	\$41,138,422	\$4,695,148
2015	168,809	\$50,911,324	\$45,936,328	\$4,503,123
2016	167,438	\$50,960,447	\$45,709,479	\$4,882,874
2017	167,832	\$50,781,742	\$46,175,813	\$4,435,093
2018	165,331	\$50,618,717	\$45,221,748	\$5,159,072
2019	159,149	\$48,473,543	\$42,619,018	\$5,620,263
2020	121,325	\$37,634,002	\$32,457,428	\$5,137,077
2021	122,653	\$38,064,026	\$33,646,890	\$4,181,767
2022	127,964	\$40,220,224	\$34,850,778	\$5,369,446
2023	<i>126,530</i>	<i>\$39,338,789</i>	<i>\$34,392,208</i>	<i>\$4,946,581</i>

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

QUALIFIED FACILITIES CREDIT

- Statute:** A.R.S. § 43-1083.03
- Effective Date:** For taxable years from and after December 31, 2012.
- Repealed:** For taxable years beginning from and after January 1, 2031. Repeal date set when credit enacted but extended in 2016 and 2020 legislation.
- Provisions:** A *refundable* credit is allowed for expanding or locating a qualified facility in Arizona. A “qualified facility” is a facility that devotes at least 80% of the property and payroll at the facility to qualified manufacturing, qualified headquarters or qualified research. The credit must be approved by the ACA. There is a calendar year cap on approvals of \$125 million (increased from \$70 million in 2021) and a per taxpayer cap of \$30 million.
- Credit:** The amount of the credit is 10% of the lesser of the taxpayer’s total capital investment in the qualified facility or \$200,000 for each net new full-time employment position at the qualified facility (or \$300,000 for each net new full-time employment position if the total qualifying investment is \$2 billion or more). The credit is claimed in five equal annual installments.
- Carry forward:** Not applicable.

As of the date of this release on income tax credits, the ACA has pre-approved 64 companies for this credit and issued 27 post-approvals.

Tax Year	# of Claimants	Credit Available	Credit Refunded
2013	0	\$0	\$0
2014	0	\$0	\$0
2015	0	\$0	\$0
2016	3	\$26,000	\$26,000
2017	3	\$26,000	\$26,000
2018	2	//////////	//////////
2019	2	//////////	//////////
2020	0	\$0	\$0
2021	4	//////////	//////////
2022	0	\$0	\$0
2023	0	\$0	\$0

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

QUALIFIED HEALTH INSURANCE PLANS CREDIT

Statute: A.R.S. § 43-1087.01

Effective Date: For taxable years from and after December 31, 2011.

Repealed: For taxable years beginning from and after January 1, 2015. Repeal date set when credit enacted.

Provisions: A nonrefundable credit is allowed for employers who provide qualified health plans or contributions to health savings accounts for its employees who are Arizona residents. The taxpayer must employ at least two and not more than 50 employees. The employer cannot have provided health insurance coverage to its employees for the 90 days immediately preceding the offer of health insurance plans in the taxable year in which the employer initially claims the credit. The health insurance plan must be provided to enrolled employees for at least 12 consecutive months (and offered to all employees) and the employer must pay at least \$360 during the taxable year for premiums or contributions to a health savings account.

Credit: The amount of the credit is \$360 for every employee who is enrolled in the qualified health insurance plan.

Carry forward: Three years

Tax Year	# of Claimants	Total Credit	Credit Used	Carry Forward
2012	0	\$0	\$0	\$0
2013	2	//////////	//////////	//////////
2014	11	\$49,997	\$14,983	\$35,014
2015	5	\$35,327	\$8,680	\$26,647
2016	5	\$29,220	\$6,247	\$22,973
2017	2	//////////	//////////	//////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

ARIZONA INDIVIDUAL INCOME TAX

RECYCLING EQUIPMENT CREDIT

Statute: A.R.S. § 43-1076

Effective Date: For taxable years from and after December 31, 1992.

Repealed: For taxable years beginning on or after January 1, 2003.

Provisions: A nonrefundable credit is allowed to a taxpayer who places recycling equipment in service in Arizona. Recycling equipment is defined as new or used equipment purchased during the tax year and used exclusively to process post-consumer select solid waste materials and manufacturing machinery used exclusively to produce finished products, the composition of which is at least 25% post-consumer select solid waste materials. Select solid waste means paper, plastic, scrap metal and iron, glass and rubber.

Credit: The amount of the credit is equal to 10% of the installed cost of the equipment. The credit may not exceed 25% of the tax liability for the tax year or \$5,000.

Carry forward: Fifteen years.

Tax Year	# of Claimants	Total Credit	Credit Used	Carry Forward
1993	0	\$0	\$0	\$0
1994	5	//////////	//////////	//////////
1995	6	//////////	//////////	//////////
1996	2	//////////	//////////	//////////
1997	5	\$17,757	\$7,007	\$10,750
1998	5	//////////	//////////	//////////
1999	3	//////////	//////////	//////////
2000	6	\$26,303	\$4,605	\$21,698
2001	6	\$9,309	\$2,928	\$6,381
2002	5	\$7,945	\$3,267	\$4,678
2003	4	\$3,891	\$2,380	\$1,511
2004	2	//////////	//////////	//////////
2005	0	\$0	\$0	\$0
2006	0	\$0	\$0	\$0
2007	0	\$0	\$0	\$0
2008	0	\$0	\$0	\$0
2009	0	\$0	\$0	\$0
2010	0	\$0	\$0	\$0
2011	0	\$0	\$0	\$0
2012	0	\$0	\$0	\$0
2013	0	\$0	\$0	\$0
2014	0	\$0	\$0	\$0
2015	0	\$0	\$0	\$0
2016	0	\$0	\$0	\$0
2017	0	\$0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

ARIZONA INDIVIDUAL INCOME TAX

RENEWABLE ENERGY INDUSTRY CREDIT

Statute:	A.R.S. § 43-1083.01
Effective Date:	For taxable years from and after December 31, 2009.
Repealed:	For taxable years beginning from and after January 1, 2018. Repeal date set when enacted but amended in 2016 and 2017 legislation.
Provisions:	This <i>refundable</i> credit is for expanding or locating qualified renewable energy operations in Arizona. Renewable energy operations are limited to manufacturers of, and headquarters for, systems and components that are used, or useful in manufacturing renewable energy equipment for the generation, storage, testing and research and development, transmission or distribution of electricity from renewable resources, including specialized crates necessary to package the renewable energy equipment manufactured at the facility. Approval from the ACA is required to take the credit. No more than \$70 million can be approved by the ACA in a calendar year.
Credit:	The credit is up to 10% of the taxpayer's total capital investment in Arizona if 1.5 new full-time employment positions are created for each \$500,000 of capital investment for manufacturing operations or one new full-time employment position is created for each \$200,000 in capital investment for headquarters. For other qualifying renewable energy investment, the credit is 10% of \$500,000 for each 1.5 new full-time employment positions created in manufacturing operations or 10% of \$200,000 for each one full-time employment position created for headquarters, neither of which can exceed 10% of the taxpayer's total capital investment. The credit is apportioned and claimed in five equal annual installments in each of five consecutive tax years.
Carry forward:	Not applicable.

Although the ACA has issued one post-approval, no individual income tax returns have been filed claiming this credit.

ARIZONA INDIVIDUAL INCOME TAX

RENEWABLE ENERGY PRODUCTION FOR SELF-CONSUMPTION CREDIT

Statute:	A.R.S. § 43-1083.04
Effective Date:	For taxable years from and after December 31, 2013.
Repealed:	For taxable years beginning from and after January 1, 2026. Repeal date set when enacted. The portion related to manufacturing companies was repealed for taxable years beginning from and after January 1, 2018 in 2017 legislation. The portion related to International Operations Centers for an individual taxpayer was repealed for taxable years beginning from and after January 1, 2019.
Provisions:	This nonrefundable credit is for investment in new renewable energy facilities or for International Operations Centers (IOC) that produce energy for self-consumption using renewable energy resources. To qualify as an IOC, the taxpayer must invest at least \$100 million in one or more new renewable energy facilities in Arizona by December 31, 2018, invest \$1.25 billion in the IOC within 10 years after being certified by the ACA and use at least 51% of the energy produced for self-consumption by the fifth year the facility is in operation. Approval from the ADOR is required to take the credit. No more than \$10 million can be approved by the ADOR in a calendar year. No credits, other than carryovers may be claimed for any taxable year beginning after December 31, 2025.
Credit:	The amount of the credit is \$5 million per year for five years with the initial credit available in the year the facility becomes operational.
Carry forward:	Five years.

Although the ADOR has approved one renewable energy facility for this tax credit, no individual income tax returns have been filed claiming this credit.

ARIZONA INDIVIDUAL INCOME TAX

RENEWABLE ENERGY PRODUCTION TAX CREDIT

- Statute:** A.R.S. § 43-1083.02
- Effective Date:** For taxable years from and after December 31, 2010.
- Repealed:** For taxable years beginning from and after January 1, 2031. Repeal date set when enacted.
- Provisions:** This nonrefundable credit is for production of electricity by a qualified energy generator that produces energy using solar light, solar heat, wind or biomass. Qualified energy generator means a facility that has at least five megawatts generating capacity, that is located on land in Arizona owned or leased by the taxpayer that produces electricity using solar, wind or biomass and that sells electricity to an unrelated entity, unless the electricity is sold to a public service corporation. Approval from the ADOR is required to take the credit. No more than \$20 million can be approved by the ADOR in a calendar year.
- Credit:** The amount of the credit is based on electricity produced. The amount of the credit is certified by the ADOR before the credit can be claimed.
- Carry forward:** Five years.

The ADOR has approved income tax credits based on applications submitted in January following the production year as noted in the table below.

Production Year	# of Qualified Facilities	# of Facilities with Allowable Credit	Credit Approved
2011	5	5	\$1,276,521
2012	12	12	\$9,653,594
2013	16	16	\$18,421,782
2014	20	16	\$20,000,000
2015	22	17	\$20,000,000
2016	24	18	\$20,000,000
2017	24	19	\$20,000,000
2018	25	21	\$20,000,000
2019	24	24	\$20,000,000
2020	25	25	\$19,399,594

ARIZONA INDIVIDUAL INCOME TAX

The figures below show individual income tax credits claimed for these facilities.

Tax Year	# of Claimants	Total Credit	Credit Used	Carry Forward
2011	0	\$0	\$0	\$0
2012	0	\$0	\$0	\$0
2013	0	\$0	\$0	\$0
2014	5	\$320,171	\$309,243	\$10,928
2015	5	\$322,936	\$241,707	\$81,229
2016	5	\$386,388	\$376,221	\$10,167
2017	5	\$264,975	\$136,023	\$128,952
2018	5	\$392,247	\$262,695	\$129,552
2019	4	\$304,382	\$131,113	\$173,269
2020	4	\$343,577	\$127,723	\$215,846
2021	0	\$0	\$0	\$0
2022	5	\$89,064	\$89,064	\$0
2023	3	////////	////////	////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

RESEARCH AND DEVELOPMENT CREDIT

- Statute:** A.R.S. § 43-1074.01
- Effective Date:** For taxable years from and after December 31, 2000.
- Provisions:** This nonrefundable credit is for research and development expenses.
- Credit:** The credit is computed as follows:
1. Add the excess of qualified research expenses for the taxable year over the base amount, to the basic research payments determined.
 2. If the sum is less than or equal to \$2.5 million, the credit is 20% or a maximum of \$500,000.
 3. If the sum is greater than \$2.5 million, the credit is \$500,000 plus 11% of the amount exceeding \$2.5 million, except,
 - a. For taxable years beginning from and after December 31, 2000 through December 31, 2001, the credit shall not exceed \$1.5 million.
 - b. For taxable years beginning from and after December 31, 2001 through December 31, 2002, the credit shall not exceed \$2.5 million.
- The percentages in paragraphs 2 and 3 above are different for tax year 2010 through 2021. In tax year 2010, the percentages change to 22% and 13%. For tax years 2011 through 2030, the percentages are 24% and 15%.
- Credit carry forward from taxable years beginning before January 1, 2003 that can be used in a year may be limited. The carry forward amount from the specified tax years must be less than or equal to the lesser of tax liability less current year credit (thereby zeroing out liability) or the difference between \$500,000 and the current year credit. The amount of the credit carry forward from taxable years beginning after December 31, 2002 that may be used in a taxable year may not exceed tax liability after subtracting current year credit.
- Carry forward:** Fifteen years. For taxable years from and after December 31, 2021, ten years.

- Statute:** A.R.S. § 43-1074.01(C)
- Effective Date:** For taxable years from and after December 31, 2009.
- Provisions:** This refundable research and development credit is only available to a taxpayer who employs fewer than 150 persons and if the allowable credit established under the nonrefundable credit exceeds the taxes due. The taxpayer must be pre-approved by the ACA to take the credit. No more than \$5 million can be approved in a calendar year.
- Credit:** The refundable credit is limited to 75% of the amount by which the allowable nonrefundable research and development credit exceeds the taxpayer's tax liability in the taxable year. The remaining 25% of the unused credit is forfeited by the taxpayer.

ARIZONA INDIVIDUAL INCOME TAX

The following table presents statistics on both the refundable and nonrefundable portions of the research and development tax credit.

Tax Year	# of Claimants	New Credit	Total Credit Available	Credit Used	Limited Carry Forward	Unlimited Carry Forward	Amount Refunded	Forfeited Credit
2001	60	\$943,502	\$943,502	\$508,516	\$434,986			
2002	107	\$1,582,874	\$1,988,911	\$817,296	\$1,171,615			
2003	136	\$2,851,821	\$4,020,038	\$1,191,528	\$1,143,176	\$1,685,334		
2004	166	\$3,144,479	\$5,854,701	\$1,654,410	\$1,096,963	\$3,132,257		
2005	200	\$4,246,231	\$8,450,439	\$3,353,388	\$854,668	\$4,242,089		
2006	280	\$5,411,963	\$10,291,430	\$4,364,068	\$757,727	\$5,169,635		
2007	281	\$5,015,292	\$10,177,930	\$4,015,871	\$530,475	\$5,659,505		
2008	350	\$6,705,045	\$12,602,338	\$5,091,709	\$427,187	\$7,111,363		
2009	359	\$6,023,764	\$13,219,008	\$4,808,573	\$382,810	\$8,039,185		
2010	491	\$9,660,491	\$18,129,979	\$6,853,437	\$350,062	\$10,655,066	\$270,828	\$103,312
2011	535	\$10,192,437	\$21,055,403	\$7,063,204	\$273,583	\$13,100,730	\$423,709	\$193,788
2012	567	\$12,891,711	\$26,348,599	\$7,935,540	\$231,251	\$18,047,793	\$132,142	\$45,943
2013	638	\$14,345,536	\$32,293,485	\$8,521,967	\$156,419	\$23,469,265	\$152,013	\$50,671
2014	795	\$16,261,876	\$39,425,245	\$10,496,157	\$156,419	\$28,665,910	\$80,069	\$26,690
2015	736	\$17,574,362	\$42,101,417	\$11,419,988	\$156,254	\$30,324,363	\$121,369	\$40,455
2016	882	\$16,955,346	\$44,615,124	\$14,463,496	\$55,476	\$29,703,484	\$349,355	\$116,452
2017	972	\$20,829,188	\$53,804,582	\$17,107,786	---	\$36,186,866	\$387,419	\$129,140
2018	1,019	\$23,926,891	\$62,661,643	\$21,322,073	---	\$40,566,986	\$579,438	\$193,146
2019	1,067	\$25,026,641	\$67,724,542	\$21,528,245	---	\$45,521,354	\$506,205	\$168,738
2020	1,139	\$22,869,810	\$69,260,279	\$26,303,456	---	\$41,980,391	\$732,323	\$244,109
*2021	926	\$25,196,986	\$64,804,083	\$17,969,227	---	\$31,162,244	\$696,195	\$174,050
2022	990	\$20,580,137	\$71,388,538	\$21,144,648	---	\$34,577,998	\$468,188	\$117,046
2023	734	\$13,876,593	\$58,159,548	\$12,909,294	---	\$25,328,358	\$549,143	\$137,286

*Beginning in tax year 2021 taxpayers could claim the credit on the small business tax form 308SBI in addition to the form 308.

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

RESEARCH AND DEVELOPMENT CREDIT FOR UNIVERSITY RESEARCH

- Statute:** A.R.S. § 43-1074.01(A)(1)(c)
- Effective Date:** For taxable years from and after December 31, 2011.
- Provisions:** This research and development credit for university research is in addition to the regular nonrefundable research and development credit. The credit may be allowed if the taxpayer made basic research payments to a university under the jurisdiction of the Arizona Board of Regents. The taxpayer must be pre-approved by the ADOR to take the credit. No more than \$10 million can be approved in a calendar year.
- Credit:** The credit is 10% of the excess basic research expenses over the base amount.
- Carry forward:** Five years.

No individual income tax returns have been filed claiming this credit.

ARIZONA INDIVIDUAL INCOME TAX

SCHOOL SITE DONATION CREDIT

Statute: A.R.S. § 43-1089.02
Effective Date: For taxable years from and after December 31, 2000.
Provisions: A nonrefundable credit is allowed for donation of real property and improvements to a school district or a charter school for use as a school or as a site for the construction of a school. To qualify for the credit, the real property and improvements must be in Arizona, must be conveyed unencumbered and in fee simple, except that the property shall only be used as a school or construction site for a school.
Credit: The amount of the credit is 30% of the value of real property and improvements donated by the taxpayer to a school district or charter school.
Carry forward: Five years.

Tax Year	# of Claimants	Value of Donated Property ¹⁰	Total Credit	Credit Used	Carry Forward
2001	59	\$23,376,250	\$4,572,656	\$2,869,356	\$1,704,381
2002	66	\$11,176,500	\$3,711,546	\$2,380,444	\$1,331,022
2003	45	\$8,580,160	\$2,924,583	\$2,048,930	\$716,187
2004	100	\$30,130,700	\$5,671,414	\$3,513,793	\$2,157,621
2005	80	\$25,445,500	\$8,889,390	\$6,029,585	\$2,859,896
2006	89	\$35,051,850	\$10,553,076	\$7,812,958	\$2,534,946
2007	72	\$15,723,362	\$6,255,914	\$2,819,579	\$3,217,277
2008	55	\$1,966,838	\$2,089,663	\$321,623	\$1,718,697
2009	30	\$0	\$1,003,782	\$76,427	\$357,500
2010	30	\$1,128,000	\$1,109,133	\$223,949	\$759,483
2011	20	\$2,089,991	\$617,874	\$89,461	\$521,716
2012	11	\$0	\$608,953	\$38,578	\$156,776
2013	21	\$452,416	\$293,887	\$111,752	\$182,135
2014	20	\$842,461	\$508,350	\$303,735	\$204,615
2015	10	\$0	\$204,818	\$35,960	\$168,858
2016	18	\$0	\$214,307	\$18,679	\$195,628
2017	20	\$0	\$250,293	\$56,735	\$197,375
2018	21	\$0	\$1,136,373	\$772,093	\$366,226
2019	8	\$0	\$269,099	\$64,733	\$275,436
2020	15	\$0	\$499,541	\$158,399	\$341,609
2021	11	\$0	\$267,537	\$121,874	\$145,663
2022	11	\$0	\$161,869	\$15,135	\$146,734
2023	10	////////	////////	////////	////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

¹⁰ Represents the total value of the donated property for which a credit was originally claimed in the respective tax year.

ARIZONA INDIVIDUAL INCOME TAX

SOLAR ENERGY DEVICE CREDIT

- Statute:** A.R.S. § 43-1083
- Effective Date:** For taxable years from and after December 31, 1994.
- Provisions:** A nonrefundable credit is allowed for each resident who is not a dependent of another taxpayer for installing a solar energy device in the taxpayer's Arizona residence. Solar energy device means a system or series of mechanisms designed primarily to provide heating, to provide cooling, to produce electrical power, to produce mechanical power, to provide solar daylighting or to provide any combination thereof by means of collecting and transferring solar energy into such uses either by passive or active means.
- Credit:** The amount of the credit is 25% of the cost of the device, not to exceed \$1,000.
- Carry forward:** Five years.

Tax Year	# of Claimants	Total Credit	Credit Used	Carry Forward
1995	1,924	\$655,000	\$593,000	\$63,000
1996	1,651	\$591,611	\$517,750	\$73,876
1997	1,861	\$644,057	\$527,518	\$116,529
1998	2,144	\$783,799	\$673,892	\$109,420
1999	2,765	\$1,065,616	\$903,738	\$152,877
2000	2,560	\$1,032,948	\$889,508	\$143,012
2001	2,273	\$1,021,789	\$866,027	\$155,194
2002	2,336	\$1,131,895	\$920,767	\$210,656
2003	2,687	\$1,315,181	\$1,050,632	\$251,310
2004	3,049	\$1,485,693	\$1,211,632	\$274,061
2005	3,729	\$1,945,208	\$1,588,034	\$356,337
2006	4,172	\$2,709,957	\$2,090,315	\$595,777
2007	2,699	\$1,724,349	\$1,304,830	\$421,078
2008	5,255	\$3,357,696	\$2,579,148	\$777,204
2009	8,528	\$6,289,654	\$5,065,150	\$1,224,169
2010	9,147	\$7,188,710	\$5,763,107	\$1,463,817
2011	9,212	\$6,840,408	\$4,918,762	\$1,921,646
2012	7,754	\$5,626,964	\$3,874,538	\$1,713,779
2013	7,716	\$5,530,662	\$3,824,470	\$1,670,356
2014	7,931	\$5,872,740	\$4,142,240	\$1,640,412
2015	7,961	\$5,833,443	\$4,166,795	\$1,574,175
2016	7,798	\$5,997,206	\$4,596,644	\$1,345,036
2017	11,422	\$9,367,906	\$7,449,654	\$1,868,706
2018	12,772	\$10,369,192	\$7,896,075	\$2,393,485
2019	15,591	\$13,256,106	\$9,759,385	\$3,426,775
2020	17,019	\$14,432,044	\$10,434,778	\$3,979,722
2021	25,628	\$22,676,985	\$16,832,171	\$5,844,814
2022	32,993	\$29,326,137	\$21,678,368	\$7,647,769
2023	27,874	\$23,780,679	\$16,649,090	\$7,131,589

Italics indicate preliminary numbers.

ARIZONA INDIVIDUAL INCOME TAX

**SOLAR HOT WATER HEATER PLUMBING STUB OUTS AND ELECTRIC
VEHICLE RECHARGE OUTLETS**

Statute: A.R.S. § 43-1090

Effective Date: For taxable years from and after December 31, 1997.

Repeal: For taxable years beginning from and after January 1, 2018.

Provisions: A nonrefundable credit is allowed for costs incurred of installing or including in one or more houses or dwelling units in Arizona and constructed by the taxpayer, one or more:

1. Solar hot water plumbing stub outs. The stub out must include two insulated three-quarters of an inch copper pipes and at least two pairs of wire for monitoring or controlling purposes. The stub out must also be located and configured to allow sufficient solar access and exposure and to allow ready installation of solar water heating devices.
2. Electric vehicle recharge outlets. The outlet must be connected to the utility system by a dedicated line that is capable of operating at normal secondary voltages, meets applicable building codes and is commensurate and consistent with electric vehicle recharging needs and methods.

Credit: The credit cannot exceed \$75 for each installation for each separate house or dwelling unit. The credit may be transferred from the builder to the purchaser of the house or dwelling unit.

Carry forward: Five years.

Tax Year	# of Claimants	Total Credit Available	Credit Used	Carry Forward
1998	23	\$12,352	\$8,874	\$3,478
1999	35	\$16,859	\$7,944	\$8,915
2000	35	\$21,308	\$11,566	\$9,742
2001	18	\$16,951	\$7,804	\$9,147
2002	15	\$4,920	\$3,312	\$1,608
2003	2	////////////////	////////////////	////////////////
2004	17	\$15,220	\$5,677	\$9,543
2005	22	\$18,538	\$9,687	\$8,851
2006	6	\$525	\$525	\$0
2007	3	\$225	\$225	\$0
2008	11	\$1,053	\$930	\$123
2009	16	\$2,850	\$1,568	\$1,282
2010	15	\$2,119	\$1,662	\$457
2011	24	\$2,025	\$1,876	\$149
2012	13	\$1,125	\$1,125	\$0
2013	12	\$975	\$975	\$0
2014	93	\$13,761	\$9,384	\$4,375
2015	124	\$15,536	\$10,036	\$5,500
2016	174	\$15,550	\$13,350	\$2,200
2017	247	\$19,350	\$18,150	\$1,050
2018	28	\$2,850	\$1,645	\$1,205
2019	18	\$1,125	\$750	\$450
2020	6	\$450	\$46	\$404
2021	2	////////////////	////////////////	////////////////
2022	1	////////////////	////////////////	////////////////

ARIZONA INDIVIDUAL INCOME TAX

SOLAR LIQUID FUEL RESEARCH AND DEVELOPMENT CREDIT

Statute:	A.R.S. § 43-1085.01
Effective Date:	For taxable years from and after December 31, 2010 for research and development and for taxable years from and after December 31, 2015 for fuel production and conversion of service stations.
Repealed:	For taxable years beginning from and after January 1, 2018.
Provisions:	This nonrefundable credit is for increased research activities related to solar liquid fuel. Solar liquid fuel means liquid fuel that is generated through processes that use sunlight, carbon dioxide and water to produce infrastructure compatible liquid hydrocarbon fuels.
Credit:	The credit is 40% of the excess of Arizona qualified research expenses for the taxable year over a base amount. For the production of solar liquid fuel in Arizona, the credit is \$0.11 per 100,000 British Thermal Units (BTU's). For converting or modifying existing motor vehicle fuel stations for the retail sale of solar liquid fuel to customers, the credit is 30% of the cost of conversion or modification.
Carry forward:	None.

No individual income tax returns have been filed claiming this credit.

ARIZONA INDIVIDUAL INCOME TAX

WATER CONSERVATION SYSTEMS CREDIT

Statute: A.R.S. § 43-1090.01

Effective Date: For taxable years from and after December 31, 2006.

Repealed: For taxable years beginning from and after January 1, 2012. Repeal date set when credit enacted.

Provisions: A nonrefundable credit is allowed for each resident who is not a dependent of another taxpayer for installing a conservation system in the taxpayer's Arizona residence. A taxpayer wishing to take this credit must first be certified by the department.

Credit: The amount of the credit is 25% of the cost of the system, not to exceed \$1,000 for the same residence. The credit is issued on a first come first serve basis. No more than \$250,000 in total credits may be issued in a calendar year. Rainwater harvesting systems and graywater recycling systems qualify for this credit.

Carry forward: Five years

Taxpayers interested in the credit must be approved before they can take the credit. They must first install the system and then apply for credit approval. The credits approved are as follows:

Tax Year	# of Approvals	Cost of System	Credit Approved
2007	85	\$343,889	\$54,095
2008	237	\$650,340	\$130,207
2009	258	\$744,165	\$142,878
2010	272	\$697,816	\$136,807
2011	255	\$681,698	\$134,637

While there are 1,107 approvals shown above, this represents 782 individuals. Some individuals have their system installed in pieces, requesting approval as each piece is finished. These 782 individuals were located in 57 areas throughout Arizona. Tucson was the location for 503 of the individuals. Sierra Vista was the second most noted location, with 65 approvals.

Credits actually claimed on tax returns are shown below:

Tax Year	# of Claimants	Cost of System	New Credit	Total Credit	Credit Used	Carry Forward
2007	61	\$282,460	\$42,238	\$42,238	\$36,227	\$6,011
2008	214	\$571,758	\$115,720	\$121,593	\$108,710	\$12,833
2009	218	\$594,816	\$115,681	\$123,303	\$104,125	\$19,178
2010	240	\$586,991	\$112,999	\$123,354	\$102,325	\$21,029
2011	258	\$616,023	\$122,988	\$134,048	\$104,946	\$29,102
2012	38	-----	-----	\$24,587	\$7,287	\$14,161
2013	25	-----	-----	\$9,562	\$3,739	\$5,823
2014	9	-----	-----	\$3,345	\$374	\$2,971
2015	6	-----	-----	\$2,527	\$226	\$2,301
2016	4	-----	-----	//////////	//////////	//////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

ARIZONA CORPORATE INCOME TAX

AFFORDABLE HOUSING CREDIT

- Statute:** A.R.S. §§ 43-1075 and 43-1163
- Effective Date:** For taxable years from and after December 31, 2021.
- Provisions:** Beginning with tax year 2022, Arizona allows an individual taxpayer to claim a nonrefundable tax credit for projects in this state that qualify for the federal low-income housing tax credit under section 42 of the Internal Revenue Code that are placed in service from and after June 30, 2022 in an amount equal to at least 50% of the amount of the federal credit allowed in each taxable year during the federal credit.
- Credit:** The taxpayer must first apply for an eligibility statement from the Arizona Department of Housing certifying that the taxpayer has housing projects in this state that qualify for the federal low-income housing credit and that are placed in service from and after June 30, 2022.
- Carry forward:** Five years.

No corporate income tax returns have been filed claiming this credit.

ARIZONA CORPORATE INCOME TAX

AGRICULTURAL POLLUTION CONTROL EQUIPMENT CREDIT

Statute: A.R.S. § 43-1170.01

Effective Date: For taxable years from and after December 31, 1998.

Repealed: For taxable years beginning from and after January 1, 2020.

Provisions: A nonrefundable credit is allowed for expenses that a taxpayer (involved in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products) incurs to purchase tangible personal property that is primarily used in the taxpayer’s trade or business in Arizona to control or prevent pollution. Property that qualifies for this credit includes the portion of a structure, building, installation, excavation, machine, equipment or device and any attachment or addition or reconstruction, replacement or improvement of that property that is directly used, constructed or installed to prevent, monitor, control or reduce air, water or land pollution.

Credit: The credit is equal to 25% of the cost of the real or personal property, not to exceed \$25,000.

Carry forward: Five years.

Tax Year	# of Claimants	Total Credit	Credit Used	Carry Forward
1999	1	//////////	//////////	//////////
2000	1	//////////	//////////	//////////
2001	1	//////////	//////////	//////////
2002	1	//////////	//////////	//////////
2003	1	//////////	//////////	//////////
2004	1	//////////	//////////	//////////
2005	0	\$0	\$0	\$0
2006	1	//////////	//////////	//////////
2007	0	\$0	\$0	\$0
2008	0	\$0	\$0	\$0
2009	0	\$0	\$0	\$0
2010	0	\$0	\$0	\$0
2011	0	\$0	\$0	\$0
2012	0	\$0	\$0	\$0
2013	0	\$0	\$0	\$0
2014	0	\$0	\$0	\$0
2015	0	\$0	\$0	\$0
2016	0	\$0	\$0	\$0
2017	0	\$0	\$0	\$0
2018	0	\$0	\$0	\$0
2019	0	\$0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

ARIZONA CORPORATE INCOME TAX

CLEAN ELECTIONS CREDIT

Statute: A.R.S. § 16-954B

Effective Date: For donations made in taxable years beginning on or after January 1, 1998.

Repealed: For donations made from and after August 2, 2012.

Provisions: A nonrefundable credit is allowed for donations made directly to the Clean Elections Fund or a donation made on the tax return.

Credit: The credit is not to exceed 20% of the tax liability or \$610. The maximum credit amount is adjusted biennially (per A.R.S. § 16-959A).

Carry forward: None.

Tax Year	# of Claimants	Total Credit	Credit Used
1998	0	\$0	\$0
1999	0	\$0	\$0
2000	57	\$13,911	\$13,911
2001	97	\$2,913	\$2,913
2002	102	\$646	\$646
2003	111	\$1,778	\$1,778
2004	93	\$597	\$597
2005	102	\$2,019	\$2,019
2006	122	\$684	\$684
2007	227	\$2,615	\$2,615
2008	329	\$22,558	\$22,558
2009	228	\$1,292	\$1,292
2010	260	\$2,842	\$2,842
2011	255	\$1,635	\$1,635
2012	259	\$1,370	\$1,370

ARIZONA CORPORATE INCOME TAX

COMMERCIAL AND INDUSTRIAL SOLAR ENERGY CREDIT

- Statute:** A.R.S. § 43-1164
- Effective Date:** For installing devices in taxable years beginning on or after January 1, 2006.
- Repealed:** For taxable years beginning from and after January 1, 2019. Repeal date set when credit enacted.
- Provisions:** A nonrefundable credit is allowed for installing one or more solar energy devices for commercial or industrial purposes in the taxpayer’s trade or business.
- Credit:** A taxpayer wishing to take this credit must first be certified by the Arizona Department of Commerce. The credit is equal to 10% of the installed cost of the device. Total credits under this section may not exceed \$25,000 per taxpayer with respect to the same building in the same year or \$50,000 in total credits in any year.
- Carry forward:** Five years.

Tax Year	# of Claims	Cost of Device	New Credit	Total Credit	Credit Used	Carry Forward
2006	1	//////////	//////////	//////////	//////////	//////////
2007	1	//////////	//////////	//////////	//////////	//////////
2008	7	\$2,813,826	\$85,550	\$85,550	\$74,899	\$10,651
2009	10	\$4,381,395	\$200,405	\$206,102	\$87,163	\$118,939
2010	13	\$4,212,452	\$150,740	\$244,779	\$129,528	\$115,251
2011	11	\$3,911,619	\$171,945	\$274,620	\$181,978	\$92,642
2012	18	\$4,425,311	\$196,230	\$290,650	\$183,016	\$107,634
2013	16	\$6,244,158	\$150,450	\$262,893	\$164,752	\$98,141
2014	13	\$9,456,570	\$131,616	\$218,675	\$141,059	\$77,616
2015	14	\$5,812,653	\$236,236	\$301,662	\$200,140	\$101,522
2016	14	\$5,178,389	\$126,652	\$228,174	\$83,314	\$119,860
2017	15	\$866,661	\$81,477	\$201,337	\$26,121	\$154,010
2018	15	\$2,428,091	\$107,167	\$226,988	\$43,248	\$178,266
2019	7	---	---	\$153,193	\$23,112	\$130,081
2020	3	---	---	//////////	//////////	//////////
2021	3	---	---	//////////	//////////	//////////
2022	3	---	---	//////////	//////////	//////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

CONTRIBUTIONS TO SCHOOL TUITION ORGANIZATIONS

- Statute:** A.R.S. §§ 43-1183 and 43-1089.04
- Effective Date:** For taxable years from and after June 30, 2006.
- Repealed:** Original law had a repeal date of June 30, 2011. The repeal date was removed in the 2009 session.
- Provisions:** A nonrefundable corporate income tax or insurance premium tax credit is allowed to taxpayers for voluntary cash contributions made to a school tuition organization. S corporations may donate and pass a pro rata share of the credit onto their shareholders.
- Credit:** The aggregate amount of the credit for both the corporate income tax and the insurance premium tax is limited to \$10 million in the first year and 20% additional in each fiscal year thereafter. Due to the aggregate limitation, all corporations must be pre-approved for the credit. There is no limitation on the amount of contribution one corporation can give.
- Carry forward:** Five years.

For more information on the donations and scholarships reported by school tuition organizations, a report is available on the ADOR website under Reports, Statistics and Legal Research.

Donation amounts approved by the ADOR are as follows:

Fiscal Year	Credit Cap	Total Received	Corporations	Insurance Companies	S Corporations
2007	\$10,000,000	\$9,535,800	\$9,535,800	---	---
2008	\$12,000,000	\$11,996,000	\$11,996,000	---	---
2009	\$14,400,000	\$10,495,506	\$10,495,506	---	---
2010	\$17,280,000	\$8,100,008	\$7,550,008	\$550,000	---
2011	\$20,736,000	\$11,324,351	\$10,614,351	\$710,000	---
2012	\$24,883,200	\$19,035,987	\$17,647,987	\$1,388,000	---
2013	\$29,859,840	\$29,858,865	\$21,368,865	\$8,490,000	---
2014	\$35,831,808	\$35,831,808	\$20,753,296	\$15,078,512	---
2015	\$42,998,170	\$42,998,170	\$26,630,165	\$16,368,005	---
2016	\$51,597,804	\$51,597,804	\$22,661,113	\$23,786,691	\$5,150,000
2017	\$61,917,365	\$61,907,365	\$31,243,773	\$23,631,838	\$7,031,754
2018	\$74,300,838	\$74,300,838	\$28,184,721	\$31,819,986	\$14,296,131
2019	\$89,161,006	\$89,161,006	\$18,688,968	\$27,009,199	\$43,462,839
2020	\$106,993,207	\$106,983,528	\$31,912,875	\$45,927,400	\$29,143,253
2021	\$123,042,188	\$122,717,188	\$32,818,661	\$49,862,295	\$40,036,232
2022	\$135,346,407	\$135,346,407	\$49,664,989	\$43,446,772	\$42,234,646
2023	\$142,113,727	\$142,111,227	\$56,337,291	\$49,831,462	\$35,942,474
2024	\$158,476,605	\$120,218,112	\$53,891,926	\$47,389,500	\$18,936,686

The figures below show corporate income tax credits claimed for these donations thus far.¹¹

¹¹ The Department of Insurance reports on the value of the School Tuition Organization contribution credits in the ADOR *Tax Expenditure Report*.

ARIZONA CORPORATE INCOME TAX

Tax Year	# of Claims	Total Credit	Credit Used	Carry Forward
2005	5	//////////	//////////	//////////
2006	57	\$10,625,940	\$10,369,546	\$256,394
2007	62	\$11,625,278	\$10,823,475	\$801,803
2008	74	\$9,180,214	\$6,147,240	\$3,032,974
2009	70	\$10,805,124	\$8,872,212	\$1,932,912
2010	67	\$11,714,656	\$8,475,518	\$3,199,138
2011	84	\$15,368,862	\$12,900,592	\$2,460,215
2012	94	\$28,804,101	\$24,363,770	\$4,279,634
2013	99	\$32,216,112	\$26,777,303	\$4,768,192
2014	75	\$29,235,862	\$20,873,381	\$8,355,333
2015	76	\$32,535,421	\$23,462,751	\$9,072,670
2016	86	\$40,339,723	\$30,852,407	\$9,527,316
2017	105	\$36,355,358	\$18,774,114	\$14,268,842
2018	90	\$32,825,810	\$22,493,711	\$10,330,779
2019	110	\$38,029,845	\$22,589,535	\$15,332,001
2020	103	\$38,872,365	\$29,595,155	\$9,277,210
2021	102	\$58,304,860	\$44,396,466	\$13,908,394
2022	99	\$55,934,350	\$37,497,005	\$18,437,345

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

**CONTRIBUTIONS TO SCHOOL TUITION ORGANIZATIONS FOR DISABLED
OR DISPLACED STUDENTS**

- Statute:** A.R.S. §§ 43-1184 and 43-1089.04
- Effective Date:** For taxable years from and after June 30, 2009.
- Provisions:** A nonrefundable corporate income tax or insurance premium tax credit is allowed to each taxpayer for the amount of voluntary cash contributions made to a certified school tuition organization. S corporations may donate and pass a pro rata share of the credit onto their shareholders.
- Credit:** The aggregate amount of the credit for both the corporate income tax and insurance premium tax is limited to \$6 million each fiscal year beginning in FY2022. Due to the aggregate limitation, all corporations must be pre-approved for the credit. There is no limitation on the amount of contribution one corporation can give.
- Carry forward:** Five years.

For more information on the donations and scholarships reported by school tuition organizations, a report is available on the ADOR website under Reports, Statistics and Legal Research.

Donation amounts approved by the ADOR are as follows:

Fiscal Year	Credit Cap	Total Approved	Corporations	Insurance Companies	S Corporations
2010	\$5,000,000	\$1,478,880	//////////	//////////	----
2011	\$5,000,000	\$1,029,000	\$220,000	\$809,000	----
2012	\$5,000,000	\$283,000	//////////	//////////	----
2013	\$5,000,000	\$3,505,350	\$523,350	\$2,982,000	----
2014	\$5,000,000	\$2,957,765	\$1,871,765	\$1,086,000	----
2015	\$5,000,000	\$5,000,000	\$1,443,900	\$3,556,100	----
2016	\$5,000,000	\$5,000,000	\$1,832,000	\$3,065,000	\$103,000
2017	\$5,000,000	\$5,000,000	\$1,097,500	\$3,747,000	\$155,500
2018	\$5,000,000	\$5,000,000	\$2,515,000	\$2,364,500	\$120,500
2019	\$5,000,000	\$5,000,000	\$355,500	\$3,326,000	\$1,318,500
2020	\$5,000,000	\$5,000,000	\$395,000	\$3,591,100	\$1,013,900
2021	\$5,000,000	\$5,000,000	\$331,000	//////////	//////////
2022	\$6,000,000	\$6,000,000	\$75,000	\$5,589,500	\$335,500
2023	\$6,000,000	\$6,000,000	\$0	\$5,602,188	\$397,812
2024	\$6,000,000	\$6,000,000	\$190,000	\$5,486,000	\$324,000

The bars in the cells of the table above indicate that release of data would violate confidentiality laws.

ARIZONA CORPORATE INCOME TAX

The figures below show corporate income tax credits claimed for these donations thus far.¹²

Tax Year	# of Claims	Total Credit	Credit Used	Carry Forward
2009	1	//////////	//////////	//////////
2010	1	//////////	//////////	//////////
2011	3	\$170,000	\$170,000	\$0
2012	4	//////////	//////////	//////////
2013	14	\$506,595	\$368,627	\$137,968
2014	17	\$2,624,318	\$2,334,026	\$290,292
2015	12	\$2,916,042	\$2,319,840	\$596,202
2016	9	\$1,084,581	\$677,488	\$407,093
2017	7	//////////	//////////	//////////
2018	9	\$1,066,099	\$942,985	\$123,114
2019	9	\$493,114	\$330,819	\$162,295
2020	3	//////////	//////////	//////////
2021	4	\$608,787	\$605,050	\$3,737
2022	6	\$665,000	\$665,000	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws.

Italics indicate preliminary numbers.

¹² The Department of Insurance reports on the value of the School Tuition Organization contribution credits in the *ADOR Tax Expenditure Report*.

ARIZONA CORPORATE INCOME TAX

DEFENSE CONTRACTING CREDIT

Statute: A.R.S. § 43-1165 and 1166

Effective Date: For taxable years from and after September 30, 1992.

Repealed: Certification by the Arizona Department of Commerce was required by June 30, 2001, valid for five taxable years. No new credits could be claimed after tax year 2006.

Provisions: The nonrefundable credit is for a net increase in employment of qualified employees under a United States Department of Defense contract or for a net increase in private commercial employment by a qualified defense contractor due to full-time equivalent positions transferred during the taxable year from exclusively defense related activities to exclusively private commercial activities. A tax credit is also allowed for a portion of property taxes paid on class 3 (commercial or industrial) property.

Credit: For net increases in employment, the credit is \$2,500 for each first-year full-time equivalent position created, \$2,000 for the second year, \$1,500 for the third year, \$1,000 for the fourth year, and \$500 for the fifth year of full-time employment. The credit for property tax paid is determined first by calculating 40% of the property tax if more than 900 new full-time equivalent positions are created, 30% of property taxes for 601 to 900 positions, 20% for 301 to 600 positions, and 10% for up to 300 positions. This amount is then multiplied by the percentage determined by dividing the taxpayer's total gross income from USDOD contracts apportioned to Arizona by the taxpayer's total gross income from all sources apportioned to Arizona.

Carry forward: Five years.

	1993	1994	1995	1996	1997	1998	1999
# of claimants	2	2	4	4	4	4	4
1st year employment	/////	/////	/////	1,097	1,123	227	1,629
2nd year employment	/////	/////	/////	330	1,171	879	419
3rd year employment	/////	/////	/////	3,075	742	752	783
4th year employment	/////	/////	/////	634	56	886	695
5th year employment	/////	/////	/////			152	828
Employment credit	/////	/////	/////	\$8,002,731	\$10,517,213	\$4,268,246	\$7,022,562
Property tax credit	/////	/////	/////	\$1,537,532	\$355,411	\$225,167	\$927,393
New credit	/////	/////	/////	\$9,540,263	\$10,872,624	\$4,493,413	\$7,949,955
Total credit	/////	/////	/////	\$32,539,645	\$41,879,644	\$43,605,426	\$47,790,421
Credit used	/////	/////	/////	\$3,551,214	\$748,841	\$116,500	\$833,724
Carry forward	/////	/////	/////	\$28,988,431	\$39,112,016	\$39,840,466	\$36,297,743

ARIZONA CORPORATE INCOME TAX

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
# of claimants	3	2	2	2	2	2	2	2	2	1	0	0
1st year employment	1,447	////	////	////	////	////	////	////	////	////	0	0
2nd year employment	1,416	////	////	////	////	////	////	////	////	////	0	0
3rd year employment	283	////	////	////	////	////	////	////	////	////	0	0
4th year employment	642	////	////	////	////	////	////	////	////	////	0	0
5th year employment	46	////	////	////	////	////	////	////	////	////	0	0
Employment credit	\$7,539,000	////	////	////	////	////	////	////	////	////	\$0	\$0
Property tax credit	\$993,864	////	////	////	////	////	////	////	////	////	\$0	\$0
New credit	\$8,532,864	////	////	////	////	////	////	////	////	////	\$0	\$0
Total credit	\$43,361,299	////	////	////	////	////	////	////	////	////	\$0	\$0
Credit used	\$1,859,951	////	////	////	////	////	////	////	////	////	\$0	\$0
Carry forward	\$32,832,511	////	////	////	////	////	////	////	////	////	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Since the creation of this credit, six taxpayers have claimed it.

ARIZONA CORPORATE INCOME TAX

EMPLOYING NATIONAL GUARD MEMBERS CREDIT

Statute: A.R.S. § 43-1167.01

Effective Date: For taxable years from and after December 31, 2005.

Provisions: A nonrefundable credit is allowed to each taxpayer whose employee is a member of the Arizona National Guard if the employee is placed on active duty. The employee must be employed in a full-time equivalent position when the employee is placed on active duty. Each member of the Arizona National Guard who is employed must have served during the taxable year on active duty for training that exceeds the required annual training period, including any activation for federal or state contingencies or emergencies.

Credit: The credit is equal to \$1,000 for each employee who is placed on active duty by the Arizona National Guard.

Carry forward: Five years.

Tax Year	# of Claimants	# of Employees	Total Credit	Credit Used	Carry forward
2006	3	5	\$5,000	\$5,000	\$0
2007	2	/////	//////////	//////////	//////////
2008	5	9	\$9,000	\$3,100	\$5,900
2009	6	9	\$14,900	\$7,000	\$7,900
2010	8	10	\$17,900	\$17,900	\$0
2011	6	8	\$8,000	\$7,000	\$1,000
2012	6	7	\$8,000	\$6,000	\$2,000
2013	5	11	\$13,000	\$10,050	\$2,950
2014	5	4	\$6,950	\$6,000	\$950
2015	3	/////	//////////	//////////	//////////
2016	2	/////	//////////	//////////	//////////
2017	1	/////	//////////	//////////	//////////
2018	1	/////	//////////	//////////	//////////
2019	2	/////	//////////	//////////	//////////
2020	0	0	\$0	\$0	\$0
2021	1	/////	//////////	//////////	//////////
2022	0	0	\$0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

EMPLOYMENT OF TANF RECIPIENTS CREDIT

- Statute:** A.R.S. § 43-1175
- Effective Date:** For taxable years from and after December 31, 1997.
- Provisions:** A nonrefundable credit is allowed for net increases in qualified employment of recipients of temporary assistance for needy families who are Arizona residents. To qualify for a credit, several conditions must be met, including that all employees must reside in Arizona and be TANF recipients, must be employed full-time, must have insurance coverage if insurance coverage is offered to non-TANF employees, must be paid minimum wage or a wage comparable to that received by non-TANF employees, must have been employed for at least 90 days during the first year.
- Credit:** The credit is equal to one-fourth the taxable wages paid to a qualified employee, not to exceed \$500 in the first year of employment, one-third of taxable wages not to exceed \$1,000 in the second year of employment, and one-half of taxable wages not to exceed \$1,500 in the third year of continuous employment.
- Carry forward:** Five years.

Tax Year	# of Claimants	# of New Employees	New Credit	Total Credit	Credit Used	Carry Forward
1998	3	81	\$35,325	\$35,325	\$35,325	\$0
1999	5	121	\$49,653	\$49,653	\$47,189	\$2,464
2000	6	83	\$39,532	\$41,996	\$27,598	\$14,398
2001	6	72	\$69,956	\$84,354	\$57,851	\$26,503
2002	8	234	\$173,450	\$184,997	\$173,600	\$11,397
2003	9	408	\$466,292	\$472,478	\$466,392	\$6,086
2004	14	406	\$485,089	\$491,175	\$485,190	\$3,771
2005	13	173	\$118,411	\$122,183	\$99,575	\$22,608
2006	11	34	\$49,548	\$51,548	\$40,754	\$10,794
2007	12	39	\$44,514	\$51,014	\$45,014	\$6,000
2008	10	110	\$51,956	\$57,956	\$28,956	\$29,000
2009	12	88	\$100,448	\$129,448	\$43,128	\$86,320
2010	7	18	\$68,809	\$117,719	\$61,239	\$56,480
2011	8	41	\$75,000	\$131,480	\$64,500	\$66,980
2012	9	65	\$95,498	\$161,978	\$87,498	\$74,480
2013	8	93	\$148,780	\$221,260	\$121,998	\$90,762
2014	11	48	\$149,887	\$240,649	\$131,046	\$81,243
2015	6	41	\$74,619	\$155,862	\$64,619	\$72,173
2016	5	47	\$52,228	\$124,401	\$27,100	\$86,801
2017	4	30	\$68,187	\$154,988	\$88,915	\$58,073
2018	4	0	\$51,000	\$109,073	\$79,991	\$4,350
2019	2	///	////////	////////	////////	////////
2020	2	///	////////	////////	////////	////////
2021	1	///	////////	////////	////////	////////
2022	0	0	\$0	\$0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws.

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

ENTERPRISE ZONE CREDIT

Statute:	A.R.S. § 43-1161
Effective Date:	For taxable years from and after December 31, 1989.
Sunset Date:	June 30, 2011. First or second year credits for employees hired in a qualified employment position by June 30, 2011 are able to claim the second or third year credits for the same employees in tax years beginning after June 30, 2011.
Provisions:	A nonrefundable credit is allowed for net increases in qualified employment positions of Arizona residents by a business located in an enterprise zone, except where more than 10% of the business conducted at the location consists of selling tangible personal property at retail. (Originally, this credit had no restriction on retail businesses. Then for a few years, retail businesses were excluded.) To qualify for the credit there are a number of requirements, including an Arizona residency requirement, 35% of the employees with respect to whom a credit is claimed must reside in an enterprise zone on the date of employment, located in the same county as the business is located and the position must be at least 1,750 hours per year.
Credit:	The credit is equal to one-fourth the taxable wages paid to a qualified employee, not to exceed \$500 in the first year of employment, one-third of taxable wages not to exceed \$1,000 in the second year of employment, and one-half of taxable wages not to exceed \$1,500 in the third year of continuous employment.
Carry forward:	Five years.

Tax Year	# of Claims	# of locations	# of new hires	New credit	Dislocated Worker Credit	Carry Forward	Total Credit	Credit Used	Carry Forward
1990	6	10	347	\$188,210	\$0	----	\$188,210	\$169,653	\$18,557
1991	16	27	935	\$1,048,964	\$0	\$18,557	\$1,067,521	\$600,268	\$467,253
1992	14	26	363	\$1,707,563	\$17,573	\$465,803	\$2,190,939	\$951,515	\$1,239,424
1993	19	35	506	\$1,979,932	\$74,187	\$1,213,997	\$3,268,116	\$1,472,531	\$1,795,585
1994	30	46	719	\$1,074,955	\$220,002	\$53,338	\$1,348,295	\$1,082,283	\$266,012
1995	36	67	819	\$1,746,502	\$1,371,278	\$228,294	\$3,346,074	\$2,387,261	\$958,813
1996	86	126	3,768	\$3,898,913	\$1,878,712	\$906,269	\$6,683,894	\$4,102,955	\$2,580,939
1997	117	163	3,945	\$6,960,797	\$2,168,014	\$2,600,727	\$11,729,538	\$5,561,172	\$6,168,366
1998	133	200	4,862	\$11,585,549	\$0	\$4,970,044	\$16,555,593	\$8,734,030	\$7,821,563
1999	138	224	4,090	\$12,379,497	\$10	\$7,037,168	\$19,416,675	\$12,621,497	\$6,795,178
2000	139	215	4,368	\$12,774,565	\$0	\$7,036,053	\$19,810,618	\$10,779,733	\$9,030,885
2001	144	246	2,995	\$9,444,424	\$2,219	\$8,716,012	\$18,162,655	\$7,043,165	\$11,119,490
2002	131	191	1,853	\$7,098,087	\$0	\$8,275,057	\$15,373,144	\$6,509,295	\$8,863,849
2003	125	216	2,544	\$6,031,546	\$0	\$8,429,846	\$14,461,392	\$6,685,976	\$7,775,416
2004	119	244	4,072	\$5,413,347	\$0	\$7,234,453	\$12,647,800	\$7,647,392	\$4,999,408
2005	120	249	4,627	\$7,692,984	\$0	\$3,989,542	\$11,682,526	\$7,887,049	\$3,795,477
2006	105	241	4,078	\$8,986,855	\$0	\$2,396,803	\$11,383,658	\$9,112,271	\$2,271,387
2007	103	250	4,268	\$8,367,024	\$0	\$1,895,089	\$10,262,063	\$6,910,484	\$3,351,579
2008	103	263	4,080	\$8,713,193	\$0	\$3,165,969	\$11,879,162	\$7,081,503	\$4,797,659
2009	95	248	3,065	\$8,169,862	\$0	\$4,604,795	\$12,774,657	\$6,248,427	\$6,526,230
2010	90	238	2,921	\$6,921,801	\$0	\$5,088,584	\$12,010,385	\$6,233,916	\$5,776,469
2011	75	242	2,176	\$5,602,936	\$0	\$5,674,222	\$11,277,158	\$5,856,799	\$5,420,359
2012	59	174	---	\$3,940,832	\$0	\$4,839,436	\$8,780,268	\$3,120,546	\$5,659,722
2013	49	134	---	\$1,824,450	\$0	\$4,990,055	\$6,814,505	\$2,469,687	\$4,344,818
2014	19	70	---	--	--	\$3,282,845	\$3,282,845	\$50,215	\$2,732,630
2015	15	48	---	--	--	\$2,420,000	\$2,420,000	\$59,703	\$2,360,297

ARIZONA CORPORATE INCOME TAX

Tax Year	# of Claims	# of locations	# of new hires	New credit	Dislocated Worker Credit	Carry Forward	Total Credit	Credit Used	Carry Forward
2016	11	39	---	--	--	\$1,051,707	\$1,051,707	\$95,793	\$551,221
2017	8	11	---	--	--	\$551,221	\$551,221	\$32,130	\$75,951
2018	2	2	---	--	--	////////	////////	////////	////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws.

Since the creation of this credit, 428 taxpayers have claimed it. Since 1990, 61,401 jobs have been claimed under this credit, for a total credit amount of \$143.6 million.

ARIZONA CORPORATE INCOME TAX

ENVIRONMENTAL TECHNOLOGY FACILITY CREDIT

Statute: A.R.S. § 43-1169
Effective Date: For taxable years from and after December 31, 1992.
Repealed: For taxable years beginning from and after January 1, 2020.
Provisions: A nonrefundable credit is allowed for expenses incurred in constructing a qualified technology manufacturing, producing or processing facility. The facility must be either owned by the manufacturer, producer or processor, or leased for a term of five years or more. The facility must be used predominantly to do a variety of things (set out in statute) that involve recycled materials or renewable energy. The facility must cost an aggregate of at least \$20 million of new capital investment in Arizona within five years after construction begins or commencement of installation of improvements.
Credit: The credit is equal to 10% of the amount spent during the taxable year to construct the facility, including land acquisition, improvements, building improvements, machinery and equipment, but not exceeding 75% of the tax liability.
Carry forward: Fifteen years.

Tax Year	# of Claimants	Cost of Equipment or Property	New Credit	Total Credit	Credit Used	Carry Forward
1993	1	//////////	//////////	//////////	//////////	//////////
1994	4	\$112,903,166	\$11,290,316	\$16,245,878	\$2,329,787	\$13,916,091
1995	5	\$278,383,768	\$27,838,377	\$41,754,468	\$15,821,459	\$25,933,009
1996	6	//////////	//////////	//////////	//////////	//////////
1997	3	//////////	//////////	//////////	//////////	//////////
1998	4	\$15,537,470	\$1,553,749	\$36,520,479	\$365,267	\$36,155,212
1999	3	//////////	//////////	//////////	//////////	//////////
2000	3	//////////	//////////	//////////	//////////	//////////
2001	3	//////////	//////////	//////////	//////////	//////////
2002	2	//////////	//////////	//////////	//////////	//////////
2003	2	//////////	//////////	//////////	//////////	//////////
2004	2	//////////	//////////	//////////	//////////	//////////
2005	1	//////////	//////////	//////////	//////////	//////////
2006	2	//////////	//////////	//////////	//////////	//////////
2007	3	//////////	//////////	//////////	//////////	//////////
2008	3	\$90,616,274	\$9,061,627	\$22,373,917	\$1,108,346	\$21,265,571
2009	3	//////////	//////////	//////////	//////////	//////////
2010	3	//////////	//////////	//////////	//////////	//////////
2011	2	//////////	//////////	//////////	//////////	//////////
2012	3	//////////	//////////	//////////	//////////	//////////
2013	5	//////////	//////////	//////////	//////////	//////////
2014	2	//////////	//////////	//////////	//////////	//////////
2015	1	//////////	//////////	//////////	//////////	//////////
2016	1	//////////	//////////	//////////	//////////	//////////
2017	2	//////////	//////////	//////////	//////////	//////////
2018	0	\$0	\$0	\$0	\$0	\$0
2019	0	\$0	\$0	\$0	\$0	\$0
2020	0	\$0	\$0	\$0	\$0	\$0

ARIZONA CORPORATE INCOME TAX

HEALTHY FOREST ENTERPRISE EMPLOYMENT CREDIT

Statute:	A.R.S. § 43-1162
Effective Date:	For taxable years from and after December 31, 2004.
Repealed:	For taxable years beginning from and after January 1, 2020. Repeal date set when credit enacted, but extended for taxable years beginning from and after January 2, 2025 in 2012 legislation.
Provisions:	A business may qualify for a nonrefundable credit, if certified by the ACA as a healthy forest enterprise. The business must enhance or sustain forest health, sustains or recovers watershed or improves public safety. It must be engaged in the business of harvesting, transporting or initial processing of qualifying forest products for commercial use.
Credit:	The credit is based on the net increase in the number of qualified employment positions created and filled by businesses operating healthy forest enterprises. The credit amount per employee depends on the employee's year of employment; first year equal to the lesser of \$500 or one-fourth of the taxable wages paid to an employee in a qualified employment position; second year equal to the lesser of \$1,000 or one-third the wages paid to an employee in a qualified employment position; third year equal to the lesser of \$1,500 or one-half of the taxable wages paid to an employee in a qualified employment position.
Carry forward:	Five years.

One was claimed in tax years 2007, 2008, and 2009. However, no data can be released due to confidentiality laws.

ARIZONA CORPORATE INCOME TAX

HEALTHY FOREST ECOLOGICAL RESTORATION WORKFORCE TRAINING

Statute:	A.R.S. § 43-1162.01
Effective Date:	For taxable years from and after December 31, 2011.
Repealed:	For taxable years beginning from and after January 1, 2018. Repeal date of 1/1/2025 set when credit enacted but amended in 2017 legislation.
Provisions:	A business may qualify for a nonrefundable credit for training new employees in qualified employment positions, if certified by the ACA as a healthy forest enterprise.
Credit:	The credit is based on the net cost of training and certifying a new employee in a qualified employment position incurred during the period the taxpayer has been certified as a healthy forest enterprise. The credit amount per employee cannot exceed \$3,000 in each of the first three years of employment with no more than a total of 200 employees in a taxable year.
Carry forward:	Five years.

No corporate income tax returns have been filed claiming this credit.

ARIZONA CORPORATE INCOME TAX

HEALTHY FOREST PRODUCTION

- Statute:** A.R.S. § 43-1162
- Effective Date:** For taxable years beginning from and after December 31, 2020.
- Provisions:** A business may qualify for a nonrefundable credit, if certified by the ACA a healthy forest enterprise. The credit is available if the taxpayer processes qualifying forest products from a qualifying project within Arizona from and after December 31, 2020 and before January 1, 2031.
- Credit:** The credit is based on the number of tons of qualifying forest products that a taxpayer processes during a calendar year. The amount of the credit is \$10,000 for the first twenty thousand tons and \$5,000 for every ten thousand tons thereafter. The credit amount cannot exceed \$500,000 per taxpayer and cannot exceed in the aggregate a total of \$2 million for any calendar year.
- Carry forward:** Five years.

No corporate income tax returns have been filed claiming this credit.

ARIZONA CORPORATE INCOME TAX

MILITARY REUSE ZONE CREDIT

Statute:	A.R.S. § 43-1167
Effective Date:	For taxable years from and after December 31, 1992 (although no military reuse zones were designated until 1996).
Repealed:	For taxable years beginning from and after January 1, 2018.
Provisions:	A nonrefundable credit is allowed for net increases in employment of full-time employees working in a military reuse zone, and who are primarily engaged in providing aviation or aerospace services or in manufacturing, assembling or fabricating aviation or aerospace products. A credit is also allowed for dislocated military base employees, which are civilians who previously had permanent full-time civilian employment on the military facility as of the date the closure of the facility was determined under federal law.
Credit:	For each employee who is not a dislocated military base employee, the credit is \$500 in the first year of employment and increases in \$500 increments until it reaches \$2,500 in the fifth year of employment. For dislocated military base employees, the credit amount starts at \$1,000 in the first year of employment and increases in \$500 increments each year until it reaches \$3,000 in the fifth year of employment.
Carry forward:	Five years.

ARIZONA CORPORATE INCOME TAX

Tax Year	# of Claimants	# of Employees	New Credit	Total Credit	Credit Used	Carry Forward
1993	0	0	\$0	\$0	\$0	\$0
1994	0	0	\$0	\$0	\$0	\$0
1995	0	0	\$0	\$0	\$0	\$0
1996	3	20	\$18,000	\$18,000	\$4,731	\$13,269
1997	3	52	\$33,000	\$34,888	\$11,888	\$23,000
1998	3	29	\$67,000	\$90,000	\$13,164	\$76,836
1999	3	//////////	//////////	//////////	//////////	//////////
2000	3	//////////	//////////	//////////	//////////	//////////
2001	3	//////////	//////////	//////////	//////////	//////////
2002	3	//////////	//////////	//////////	//////////	//////////
2003	2	//////////	//////////	//////////	//////////	//////////
2004	2	//////////	//////////	//////////	//////////	//////////
2005	2	//////////	//////////	//////////	//////////	//////////
2006	1	//////////	//////////	//////////	//////////	//////////
2007	1	//////////	//////////	//////////	//////////	//////////
2008	1	//////////	//////////	//////////	//////////	//////////
2009	2	//////////	//////////	//////////	//////////	//////////
2010	3	//////////	//////////	//////////	//////////	//////////
2011	3	//////////	//////////	//////////	//////////	//////////
2012	3	3	\$20,500	\$152,170	\$100	\$143,120
2013	1	//////////	//////////	//////////	//////////	//////////
2014	0	0	\$0	\$0	\$0	\$0
2015	0	0	\$0	\$0	\$0	\$0
2016	0	0	\$0	\$0	\$0	\$0
2017	0	0	\$0	\$0	\$0	\$0
2018	0	---	---	\$0	\$0	\$0
2019	0	---	---	\$0	\$0	\$0
2020	0	---	---	\$0	\$0	\$0
2021	0	---	---	\$0	\$0	\$0
2022	0	---	---	\$0	\$0	\$0

Since the creation of this credit, seven taxpayers have claimed it.

The bars in the cells of the previous table indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

MOTION PICTURE PRODUCTION AND INFRASTRUCTURE CREDIT

Statutes:	A.R.S. §§ 43-1163 and 43-1163.01
Effective Date:	For taxable years from and after December 31, 2005 for Motion Picture Productions and for taxable years from and after December 31, 2007 for Motion Picture Infrastructure Projects.
Repealed:	For taxable year beginning from and after January 1, 2011. Repeal date set when enacted.
Provisions:	A nonrefundable, transferable credit is allowed for a motion picture production company that produces motion pictures completely or partially in Arizona and for the construction of an eligible infrastructure project. The taxpayer must receive pre-approval and post-approval from the ACA. For the motion picture production credit, the taxpayer must acknowledge that the production was filmed in Arizona, incur production costs of at least \$250,000, employ 50% of Arizona residents during production activities in Arizona (25% of full-time employees for 2006 and 35% for 2007), begin production within 90 days of pre-approval and submit a completion report to Commerce.
Credit:	The amount of the motion picture production credit is based on qualified production costs in Arizona equal to 20% of costs from \$250,000 to \$1 million and 30% of costs exceeding \$1 million (increased from 10%, 15% or 20% of costs for 2006 and 2007). The tax credit is limited to \$9 million per motion picture (\$5 million for 2006 and 2007, \$7 million for 2008, and \$8 million for 2009). The total corporate and individual income tax credit is limited to \$30 million for 2006, \$40 million for 2007, \$50 million for 2008, \$60 million for 2009, and \$70 million for 2010. Beginning in 2008, 5% of the calendar year cap is reserved for commercial advertisements or music videos. An infrastructure income tax credit is available, subject to the same calendar year limit, up to 15% of the base investment for the construction of a qualified infrastructure project in Arizona. The infrastructure tax credit cannot exceed \$5 million a year for soundstages or \$3 million for support and augmentation facilities. All or part of any unclaimed amount of credit may be sold or otherwise transferred. A single sale or transfer may involve one or more transferees, and a transferee may in turn resell or transfer the credit.
Carry forward:	Five years.

The ACA issued post-approval for 43 productions with an allowable credit of \$29,414,937.

Tax Year	# of Claimants	# of Productions	New credit	Total Credit	Credit Used	Carry Forward
2006	2	////	//////////	//////////	//////////	//////////
2007	7	6	//////////	\$6,802,746	\$1,189,442	\$5,613,304
2008	11	8	\$1,938,264	\$7,551,568	\$7,377,180	\$174,388
2009	5	11	\$1,933,056	\$2,107,372	\$1,639,943	\$467,429
2010	11	12	\$8,933,346	\$9,400,775	\$8,607,921	\$792,854
2011	6	9	\$3,668,713	\$4,458,661	\$3,831,174	\$627,487
2012	6	9	\$2,558,355	\$3,185,842	\$2,544,570	\$641,272
2013	3	3	\$804,258	\$835,946	\$833,889	\$2,057
2014	2	////	//////////	//////////	//////////	//////////
2015	0	0	\$0	\$0	\$0	\$0

Since the creation of this credit, 15 individual and 24 corporate taxpayers have claimed the credit.

ARIZONA CORPORATE INCOME TAX

MOTION PICTURE PRODUCTION COSTS CREDIT

- Statutes:** A.R.S. § 43-1165
- Effective Date:** For taxable years beginning from and after December 31, 2022, A.R.S. § 43-1165 provides that a corporate refundable tax credit is allowed against production costs.
- Provisions:** The credit is based on the percentage of motion picture production costs a production company has in Arizona that are directly attributable to the production of that motion picture in Arizona. The tax credit is in lieu of a deduction for the expenses for which the credit is claimed. An addition to Arizona gross income is required for the amount of the expenses included in the computation of federal taxable. To claim this credit, a motion picture production company must have received post-approval from the ACA prior to claiming the credit. The credit is claimed on the tax return for the taxable year in which the post-approval has been received.
- Credit:** The tax credit is in lieu of a deduction for the expenses for which the credit is claimed. An addition to Arizona gross income is required for the amount of the expenses included in the computation of federal taxable income for which the Arizona tax credit is claimed. An amount equal to a percentage of the total amount of the qualified production costs as approved by ACA pursuant to A.R.S. § 41-1517 as follows: A. For a motion picture production company that spends up to \$10,000,000, 15% of production costs. B. For a motion picture production company that spends more than \$10,000,000 but less than \$35,000,000, 17.5% of production costs. C. For a motion picture production company that spends more than \$35,000,000, 20% of production costs. 2. An additional 2.5% of the motion picture production company's production labor costs related to positions held by residents of this state as approved by the ACA. 3. If the motion picture production company either: a. Uses a qualified production facility in this state to produce the motion picture production, an additional 2.5% of the total amount of qualified production costs as approved by ACA; or, Arizona Form 334 2 B. Films primarily at a practical location, produces and films the motion picture production primarily in this state and performs all preproduction, postproduction and editing at a qualified production facility in this state, an additional 2.5% of production costs. 4. An additional 2.5% of the total amount of qualified production costs as approved by ACA if the motion picture production is produced and filmed in association with a long-term tenant of a qualified production facility

No corporate income tax returns have been filed claiming this credit.

ARIZONA CORPORATE INCOME TAX

NEW EMPLOYMENT CREDIT

- Statute:** A.R.S. § 43-1161
- Effective Date:** For taxable years from and after June 30, 2011. The ACA is authorized to approve credits through June 30, 2025.
- Provisions:** A nonrefundable credit is allowed for net increases in qualified employment positions in Arizona at an Arizona business location. To qualify for the credit, the taxpayer must either invest at least \$5 million of capital investment and create at least 25 new qualified positions in an Arizona city or town with a population of 50,000 or invest at least \$1 million of capital investment and create at least five new qualified positions in any other location in Arizona. The employer must also provide health insurance coverage for the employee (paying at least 65% of the cost) and pay a wage at least equal to the median wage for the county. Beginning in tax year 2018, the taxpayer can invest less than \$5 million for an urban location or \$1 million for a rural location if wages exceed 100% of the median wage for the county. The credit must be pre-approved by the ACA, which cannot approve more than 10,000 first-year positions for all taxpayers. For tax year 2013 and later, the maximum of 400 new jobs in the first year of credit use was eliminated.
- Credit:** The credit is equal to \$3,000 for each employee in the first year or partial year of employment, \$3,000 for each employee for the full taxable year in the second year of continuous employment, and \$3,000 for each employee for the full taxable year in the third year of continuous employment.
- Carry forward:** Five years.

Tax Year	# of Claimants	# of Employees	New Credit	Total Credit	Credit Used	Carry Forward
2011	2	///////	//////////	////////// /	//////////	//////////
2012	10	989	\$4,074,000	\$4,074,000	\$3,714,100	\$359,900
2013	19	1,129	\$6,603,000	\$6,962,900	\$5,910,034	\$1,052,866
2014	24	1,088	\$7,110,000	\$8,162,272	\$5,260,897	\$2,901,375
2015	26	1,428	\$8,414,253	\$11,315,628	\$5,917,220	\$5,397,958
2016	33	2,257	\$12,829,986	\$18,193,937	\$8,119,188	\$10,074,749
2017	34	3,122	\$18,038,535	\$27,978,323	\$11,264,416	\$16,713,907
2018	41	1,899	\$17,345,997	\$34,059,904	\$15,121,126	\$18,474,252
2019	43	2,022	\$15,855,651	\$34,329,903	\$14,014,633	\$20,171,370
2020	41	1,291	\$14,506,448	\$34,008,586	\$13,752,366	\$20,909,454
2021	38	---	\$12,293,690	\$28,034,981	\$11,009,458	\$17,025,523
2022	34	1,042	\$6,555,599	\$22,228,382	\$8,892,279	\$13,336,103

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

POLLUTION CONTROL DEVICE CREDIT

- Statute:** A.R.S. § 43-1170
- Effective Date:** For taxable years from and after December 31, 1994.
- Provisions:** A nonrefundable credit is allowed for expenses incurred to purchase real or personal property that is used in the taxpayer's trade or business in Arizona to control or prevent pollution. Property that qualifies includes that portion of a structure, building, installation, excavation, machine, equipment or device and any attachment or addition to or reconstruction, replacement or improvement of that property that is directly used, constructed or installed for the purposes of meeting rules or regulations adopted by the U.S. Environmental Protection Agency, the Department of Environmental Quality or a political subdivision to prevent, monitor, control or reduce air, water or land pollution.
- Credit:** The amount of the credit is equal to the lesser of 10% of the purchase price or \$500,000. In 1995 and 1996, the credit was capped at \$750,000.
- Carry forward:** Five years.

Tax Year	# of Claimants	Cost of Property	New Credit	Total Credit	Credit Used	Carry Forward
1995	21	\$79,797,815	\$5,200,628	\$5,205,329	\$3,110,818	\$2,094,511
1996	29	\$54,365,441	\$4,332,277	\$6,937,066	\$4,498,473	\$2,438,593
1997	29	\$45,276,655	\$2,138,611	\$3,989,361	\$2,202,316	\$2,046,170
1998	28	\$74,557,812	\$4,732,953	\$9,220,784	\$4,241,078	\$4,895,418
1999	37	\$110,110,242	\$6,897,324	\$13,785,777	\$6,591,096	\$7,194,681
2000	39	\$48,838,572	\$4,235,221	\$12,125,888	\$3,640,838	\$8,485,050
2001	36	\$60,027,185	\$3,498,839	\$8,896,699	\$2,626,254	\$6,270,445
2002	30	\$20,667,926	\$2,009,488	\$7,739,252	\$1,960,289	\$5,776,562
2003	30	\$26,324,780	\$2,349,212	\$8,333,150	\$1,997,178	\$5,835,972
2004	23	\$26,769,190	\$2,378,588	\$7,134,225	\$955,587	\$5,853,665
2005	23	\$41,457,614	\$2,410,018	\$8,216,510	\$1,853,549	\$5,730,493
2006	20	\$41,849,631	\$2,354,888	\$5,848,633	\$1,886,007	\$3,805,825
2007	16	\$57,182,596	\$2,180,522	\$4,235,359	\$1,859,267	\$2,279,572
2008	17	\$266,242,415	\$3,011,137	\$5,290,709	\$1,298,983	\$3,981,691
2009	16	\$77,088,505	\$2,871,786	\$6,513,125	\$1,839,674	\$4,260,463
2010	19	\$81,925,654	\$3,044,778	\$7,305,101	\$2,360,268	\$4,422,930
2011	16	\$28,965,512	\$2,102,921	\$6,449,940	\$1,229,441	\$4,685,641
2012	19	\$36,238,304	\$2,566,701	\$7,047,372	\$1,844,464	\$5,018,998
2013	19	\$29,094,243	\$2,192,965	\$7,211,963	\$1,544,915	\$5,167,287
2014	14	\$57,264,463	\$2,511,709	\$7,653,204	\$1,264,507	\$6,137,146
2015	13	\$30,671,737	\$1,588,381	\$7,725,527	\$1,295,928	\$5,876,596
2016	15	\$61,513,092	\$2,036,006	\$7,908,490	\$2,293,528	\$4,693,192
2017	10	\$29,400,835	\$1,225,011	\$5,192,592	\$1,856,162	\$2,724,292
2018	6	\$12,959,328	\$837,563	\$3,236,917	\$641,620	\$2,287,800
2019	7	\$17,798,747	\$1,537,959	\$3,825,759	\$1,041,983	\$2,339,497
2020	7	\$19,764,310	\$1,088,944	\$3,318,223	\$349,105	\$2,699,554
2021	8	\$16,670,846	\$1,667,084	\$4,258,462	\$1,234,687	\$2,857,515
2022	5	\$22,405,997	\$1,512,955	\$2,762,721	\$962,976	\$1,696,467

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

QUALIFIED FACILITIES CREDIT

- Statute:** A.R.S. § 43-1164.04
- Effective Date:** For taxable years from and after December 31, 2012.
- Repealed:** For taxable years beginning from and after January 1, 2031. Repeal date set when credit enacted but extended in 2016 and 2020 legislation.
- Provisions:** A *refundable* credit is allowed for expanding or locating a qualified facility in Arizona. A “qualified facility” is a facility that devotes at least 80% of the property and payroll at the facility to qualified manufacturing, qualified headquarters or qualified research. The credit must be approved by the ACA. There is a calendar year cap on approvals of \$125 million (increased from \$70 million in 2021) and a per taxpayer cap of \$30 million.
- Credit:** The amount of the credit is 10% of the lesser of the taxpayer’s total capital investment in the qualified facility or \$200,000 for each net new full-time employment position at the qualified facility (or \$300,000 for each net new full-time employment position if the total qualifying investment is \$2 billion or more). The credit is claimed in five equal annual installments.
- Carry forward:** Not applicable.

As of the date of this release on income tax credits, the ACA has pre-approved 68 companies for this credit and issued 34 post-approvals. Until the returns are filed based on past-approvals, how many will be claimed as corporate or individual income tax cannot be determined

	# of Claimants	Credit Available	Credit Refunded
2013	0	\$0	\$0
2014	0	\$0	\$0
2015	1	//////////	//////////
2016	3	//////////	//////////
2017	6	\$2,812,000	\$2,812,000
2018	13	\$3,432,000	\$3,432,000
2019	16	\$5,118,786	\$5,118,786
2020	34	\$27,802,607	\$27,725,956
2021	39	\$33,756,431	\$33,718,623
2022	48	\$52,274,990	\$52,227,656

The bars in the cells of the table above indicate that release of data would violate confidentiality laws.

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

QUALIFIED HEALTH INSURANCE PLANS CREDIT

Statute: A.R.S. § 43-1185

Effective Date: For taxable years from and after December 31, 2011.

Repealed: For taxable years beginning from and after January 1, 2015. Repeal date set when credit enacted.

Provisions: A nonrefundable credit is allowed for employers who provide qualified health plans or contributions to health savings accounts for its employees who are Arizona residents. The taxpayer must employ at least two and not more than 50 employees. The employer cannot have provided health insurance coverage to its employees for the 90 days immediately preceding the offer of health insurance plans in the taxable year in which the employer initially claims the credit. The health insurance plan must be provided to enrolled employees for at least 12 consecutive months and offered to all employees. The employer must pay at least \$360 during the taxable year for premiums or contributions to a health savings account.

Credit: The amount of the credit is \$360 for every employee who is enrolled in the qualified health insurance plan.

Carry forward: Three years.

Tax Year	# of claimants	# of employees	New credit	Total credit	Credit used	Carry forward
2012	2	////////	////////	////////	////////	////////
2013	2	////////	////////	////////	////////	////////
2014	2	////////	////////	////////	////////	////////
2015	0	0	\$0	\$0	\$0	\$0
2016	0	0	\$0	\$0	\$0	\$0
2017	0	0	\$0	\$0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

ARIZONA CORPORATE INCOME TAX

RENEWABLE ENERGY INDUSTRY CREDIT

Statute: A.R.S. § 43-1164.01

Effective Date: For taxable years from and after December 31, 2009.

Repealed: For taxable years beginning from and after January 1, 2018. Repeal date set when enacted but amended in 2016 and 2017 legislation.

Provisions: This **refundable** credit is for expanding or locating qualified renewable energy operations in Arizona. Renewable energy operations are limited to manufacturers of, and headquarters for, systems and components that are used, or useful in manufacturing renewable energy equipment for the generation, storage, testing and research and development, transmission or distribution of electricity from renewable resources, including specialized crates necessary to package the renewable energy equipment manufactured at the facility. Approval from the ACA is required to take the credit. No more than \$70 million can be approved by the ACA in a calendar year.

Credit: The credit is up to 10% of the taxpayer’s total capital investment in Arizona if 1.5 new full-time employment positions are created for each \$500,000 of capital investment for manufacturing operations or one new full-time employment position is created for each \$200,000 in capital investment for headquarters. For other qualifying renewable energy investment, the credit is 10% of \$500,000 for each 1.5 new full-time employment positions created in manufacturing operations or 10% of \$200,000 for each one full-time employment position created for headquarters, neither of which can exceed 10% of the taxpayer’s total capital investment. The credit is apportioned and claimed in five equal annual installments in each of five consecutive tax years.

Carry forward: Not applicable.

As of the date of this release on income tax credits, the ACA has issued one post-approval.

Tax Year	# of Claimants	Total Credit	Credit Refunded
2010	0	\$0	\$0
2011	0	\$0	\$0
2012	0	\$0	\$0
2013	1	////////////////////	////////////////////
2014	1	////////////////////	////////////////////
2015	1	////////////////////	////////////////////
2016	1	////////////////////	////////////////////
2017	0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws.

ARIZONA CORPORATE INCOME TAX

RENEWABLE ENERGY PRODUCTION FOR SELF-CONSUMPTION CREDIT

Statute: A.R.S. § 43-1164.05

Effective Date: For taxable years from and after December 31, 2013.

Repealed: For taxable years beginning from and after January 1, 2026. Repeal date set when enacted. The portion related to manufacturing companies was repealed for taxable years beginning from and after January 1, 2018 in 2017 legislation.

Provisions: This nonrefundable credit is for investment in new renewable energy facilities or for International Operations Centers (IOC) that produce energy for self-consumption using renewable energy resources. To qualify as an IOC, the taxpayer must invest at least \$100 million in one or more new renewable energy facilities in Arizona by December 31, 2030, invest \$1.25 billion in the IOC within 10 years after being certified by the ACA and use at least 51% of the energy produced for self-consumption by the fifth year the facility is in operation. Approval from the ADOR is required to take the credit. No more than \$10 million can be approved by the ADOR in a calendar year. No credits, other than carryovers may be claimed for any taxable year beginning after December 31, 2025. An IOC that is initially certified after December 31, 2018 may not claim the tax credit.

Credit: The amount of the credit is \$5 million per year for five years with the initial credit available in the year the facility becomes operational.

Carry forward: Five years.

The ADOR has approved one renewable energy facility for this tax credit.

Tax Year	# of Claimants	Total Credit	Credit Used	Carry Forward
2014	0	\$0	\$0	\$0
2015	0	\$0	\$0	\$0
2016	1	////////////////////	////////////////////	////////////////////
2017	1	////////////////////	////////////////////	////////////////////
2018	1	////////////////////	////////////////////	////////////////////
2019	1	////////////////////	////////////////////	////////////////////
2020	1	////////////////////	////////////////////	////////////////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws.

ARIZONA CORPORATE INCOME TAX

RENEWABLE ENERGY PRODUCTION TAX CREDIT

- Statute:** A.R.S. § 43-1164.03
- Effective Date:** For taxable years from and after December 31, 2010.
- Repealed:** For taxable years beginning from and after January 1, 2031. Repeal date set when enacted.
- Provisions:** This nonrefundable credit is for production of electricity by a qualified energy generator that produces energy using solar light, solar heat, wind or biomass. Qualified energy generator means a facility that has at least five megawatts generating capacity, that is located on land in Arizona owned or leased by the taxpayer, that produces electricity using solar, wind or biomass and that sells electricity to an unrelated entity, unless the electricity is sold to a public service corporation. Approval from the ADOR is required to take the credit. No more than \$20 million can be approved by the ADOR in a calendar year.
- Credit:** The amount of the credit is based on electricity produced. The amount of the credit is certified by the ADOR before the credit can be claimed.
- Carry forward:** Five years.

The ADOR has approved income tax credits based on applications submitted in January following the production year as noted in the table below. Until the returns are filed based on past-approvals, how many will be claimed as corporate or individual income tax cannot be determined.

Production Year	# of Qualified Facilities	# of Facilities with Allowable Credit	Credit Approved
2011	5	5	\$1,276,521
2012	12	12	\$9,653,594
2013	16	16	\$18,421,782
2014	20	16	\$20,000,000
2015	22	17	\$20,000,000
2016	24	18	\$20,000,000
2017	24	19	\$20,000,000
2018	25	21	\$20,000,000
2019	24	24	\$20,000,000
2020	25	25	\$19,399,594
2021	21	19	\$14,916,672
2022	13	13	\$9,112,853

ARIZONA CORPORATE INCOME TAX

The figures below show corporate income tax credits claimed for these facilities.

Tax Year	# of Claimants	Production (kwh)	New Credit	Total Credit	Credit Used	Carry Forward
2011	4	//////////	//////////	//////////	//////////	//////////
2012	7	//////////	//////////	//////////	//////////	//////////
2013	8	1,045,817,753	\$18,421,679	\$24,371,476	\$8,869,123	\$15,502,353
2014	9	730,603,730	\$18,679,830	\$34,182,183	\$9,658,821	\$24,523,362
2015	10	1,329,177,211	\$19,687,991	\$44,211,353	\$9,220,860	\$34,990,493
2016	10	1,359,938,794	\$19,694,841	\$54,685,334	\$8,742,119	\$45,823,716
2017	10	1,262,349,758	\$20,442,076	\$66,265,792	\$9,232,420	\$52,106,701
2018	9	1,540,142,755	\$19,687,304	\$71,794,005	\$6,821,644	\$57,070,300
2019	10	1,079,398,711	\$18,904,552	\$75,973,598	\$1,628,631	\$65,340,104
2020	9	970,950,511	\$15,657,672	\$77,874,080	\$5,777,391	\$63,467,189
2021	9	212,189,664	\$11,269,139	\$74,736,328	\$668,391	\$65,094,823
2022	8	\$78,075,462	\$4,269,289	\$62,158,726	\$330,927	\$55,970,143

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

RESEARCH AND DEVELOPMENT CREDIT

- Statute:** A.R.S. § 43-1168
- Effective Date:** For taxable years from and after December 31, 1992.
- Provisions:** This nonrefundable credit is for research and development expenses.
- Credit:** Through tax year 2000, this credit had a limit of \$500,000 in a tax year. Effective with taxable years beginning from and after January 1, 2001, the credit is computed as follows:
1. Add the excess of qualified research expenses for the taxable year over the base amount, to the basic research payments determined.
 2. If the sum is less than or equal to \$2.5 million, the credit is 20% or a maximum of \$500,000.
 3. If the sum is greater than \$2.5 million, the credit is \$500,000 plus 11% of the amount exceeding \$2.5 million, except,
 - a. For taxable years beginning from and after December 31, 2000 through December 31, 2001, the credit shall not exceed \$1.5 million.
 - b. For taxable years beginning from and after December 31, 2001 through December 31, 2002, the credit shall not exceed \$2.5 million.
- The percentages in paragraphs 2 and 3 above are different for tax year 2010 through 2021. In tax year 2010, the percentages change to 22% and 13%. For tax years 2011 through 2030, the percentages are 24% and 15%.
- Credit carry forward from taxable years beginning before January 1, 2003 that can be used in a year may be limited. The carry forward amount from the specified tax years must be less than or equal to the lesser of tax liability less current year credit (thereby zeroing out liability) or the difference between \$500,000 and the current year credit. The amount of the credit carry forward from taxable years beginning after December 31, 2002 that may be used in a taxable year may not exceed tax liability after subtracting current year credit.
- Carry forward:** Fifteen years. For taxable years from and after December 31, 2021, ten years.

- Statute:** A.R.S. § 43-1168(D)
- Effective Date:** For taxable years from and after December 31, 2009.
- Provisions:** This refundable research and development credit is only available to a taxpayer that employs fewer than 150 persons and if the allowable credit established under the nonrefundable credit exceeds the taxes due. The taxpayer must be pre-approved by the ACA to take the credit. No more than \$5 million can be approved in a calendar year.
- Credit:** The refundable credit is limited to 75% of the amount by which the allowable nonrefundable research and development credit exceeds the taxpayer's tax liability in the taxable year. The remaining 25% of the unused credit is forfeited by the taxpayer.

ARIZONA CORPORATE INCOME TAX

The ACA has approved the following refundable income tax credits:

Tax Year	#	Excess Over liability	Forfeited Credit	Refund
2010	48	\$7,051,305	\$1,762,826	\$5,000,002
2011	72	\$6,668,494	\$1,667,124	\$5,000,000
2012	47	\$6,992,721	\$1,748,180	\$4,999,998
2013	43	\$6,778,034	\$1,778,041	\$5,000,000
2014	45	\$6,666,672	\$1,666,672	\$5,000,000
2015	23	\$6,644,218	\$1,714,730	\$5,000,000
2016	36	\$6,709,567	\$1,709,567	\$5,000,000
2017	44	\$6,803,179	\$1,803,179	\$5,000,000
2018	73	\$9,409,394	\$4,429,111	\$4,980,283
2019	75	\$8,374,911	\$3,374,911	\$5,000,000
2020	75	\$8,024,899	\$3,024,902	\$4,999,997
2021	81	\$7,905,715	\$2,905,712	\$5,000,003
2022	68	<i>\$8,907,145</i>	<i>\$3,907,145</i>	<i>\$5,000,003</i>

The table on the following page presents statistics on both the refundable and nonrefundable portions of the research and development tax credit.

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

Tax Year	# of Claimants	Total R&D Expenses and Payments	New Credit	Total Credit ¹³	Credit Used	Credit Value of Limited Expense Carry Forward	Unlimited Carry Forward	Amount Refunded	Forfeited Credit
1993	23	\$5,558,699	\$617,709	\$617,709	\$403,663	\$494,032			
1994	89	\$156,284,525	\$5,206,158	\$5,445,055	\$3,062,056	\$26,466,029			
1995	85	\$161,933,770	\$8,595,822	\$9,559,521	\$6,149,046	\$49,679,229			
1996	111	\$332,189,906	\$13,461,458	\$15,758,856	\$9,881,387	\$100,481,239			
1997	133	\$275,026,626	\$17,352,202	\$19,483,124	\$11,089,063	\$82,117,051			
1998	129	\$482,316,974	\$17,873,965	\$19,369,112	\$8,963,229	\$191,337,518			
1999	140	\$649,466,689	\$18,989,822	\$20,552,034	\$10,457,350	\$295,171,620			
2000	129	\$954,184,305	\$22,933,366	\$24,867,021	\$9,513,397	\$426,417,845			
2001	155	\$599,557,926	\$39,197,993	\$43,615,872	\$11,173,383	\$483,382,825			
2002	171	\$512,773,060	\$40,550,586	\$54,572,068	\$12,561,453	\$529,742,479			
2003	192	\$592,446,979	\$77,267,901	\$95,854,303	\$32,530,836	\$540,641,483	\$46,862,805		
2004	219	\$738,185,705	\$95,266,863	\$136,226,498	\$37,564,377	\$537,779,321	\$106,124,164		
2005	228	\$831,775,937	\$106,832,183	\$221,871,152	\$49,151,017	\$533,793,348	\$163,566,267		
2006	253	\$912,443,493	\$116,887,831	\$285,616,103	\$56,597,026	\$518,174,192	\$224,011,148		
2007	256	\$874,590,774	\$113,276,862	\$339,450,273	\$58,058,182	\$507,262,566	\$277,174,522		
2008	268	\$817,738,634	\$105,850,824	\$382,835,851	\$49,922,335	\$500,132,739	\$329,859,533		
2009	281	\$937,463,123	\$121,457,949	\$456,562,495	\$32,811,148	\$483,964,510	\$420,726,270		
2010	318	\$985,430,142	\$147,001,480	\$566,371,487	\$59,893,231	\$470,060,499	\$498,624,880	\$4,015,985	\$1,413,136
2011	346	\$1,150,270,546	\$191,531,443	\$691,595,427	\$84,418,019	\$420,382,688	\$600,063,391	\$3,939,816	\$1,443,268
2012	364	\$1,214,048,705	\$201,793,834	\$804,194,882	\$83,873,410	\$384,419,027	\$712,283,751	\$4,184,353	\$1,969,342
2013	357	\$1,217,689,413	\$202,860,395	\$895,538,784	\$92,952,561	\$312,963,882	\$793,367,662	\$4,555,687	\$1,555,260
2014	363	\$1,260,799,672	\$209,926,589	\$1,051,692,081	\$91,997,666	\$229,898,885	\$953,533,459	\$4,081,323	\$1,640,793
2015	387	\$1,450,187,894	\$240,420,262	\$1,189,932,612	\$90,865,966	\$92,634,072	\$1,094,983,273	\$4,513,320	\$1,578,024
2016	400	\$1,668,711,573	\$274,125,366	\$1,304,160,507	\$66,945,706	\$39,012,285	\$1,229,600,091	\$4,094,460	\$1,407,781
2017	410	\$1,886,164,224	\$309,772,230	\$1,528,216,323	\$36,529,280	---	\$1,484,230,353	\$5,197,774	\$1,585,699
2018	454	\$2,032,067,718	\$332,614,433	\$1,782,804,382	\$75,585,942	---	\$1,670,678,742	\$3,710,434	\$4,005,772
2019	466	\$2,356,975,694	\$383,824,576	\$2,030,587,192	\$76,168,920	---	\$1,906,191,226	\$4,399,441	\$2,938,044
2020	475	\$1,583,523,802	\$394,756,731	\$2,241,267,509	\$91,348,667	---	\$2,110,515,779	\$4,573,487	\$2,748,016
2021	532	\$2,580,360,629	\$416,910,839	\$2,457,278,328	\$81,241,045	---	\$2,330,688,956	\$3,620,403	\$2,565,956
2022	523	\$2,522,676,923	\$405,925,245	\$2,301,994,233	\$160,361,125	---	\$2,034,935,729	\$3,339,161	\$5,846,215

Italics indicate preliminary numbers.

¹³ These numbers reflect the credit limits, depending on how many years the credit has been claimed.
Office of Economic Research and Analysis, Department of Revenue, 11/30/2024

ARIZONA CORPORATE INCOME TAX

RESEARCH AND DEVELOPMENT CREDIT FOR UNIVERSITY RESEARCH

Statute: A.R.S. § 43-1168(A)(1)(d)
Effective Date: For taxable years from and after December 31, 2011.
Provisions: This research and development credit for university research is in addition to the regular nonrefundable research and development credit. The credit may be allowed if the taxpayer made basic research payments to a university under the jurisdiction of the Arizona Board of Regents. The taxpayer must be pre-approved by the ADOR to take the credit. For taxable years beginning from and after December 31, 2014, the taxpayer must be pre-approved by the ACA. No more than \$10 million can be approved in a calendar year.
Credit: The credit is 10% of the excess basic research expenses over the base amount.
Carry forward: Five years.

Tax Year	# of Claimants	Research Payments	Credit Available	Credit Used	Carry Forward
2012	1	////////////////////	////////////////////	////////////////////	////////////////////
2013	1	////////////////////	////////////////////	////////////////////	////////////////////
2014	2	////////////////////	////////////////////	////////////////////	////////////////////
2015	3	////////////////////	////////////////////	////////////////////	////////////////////
2016	3	////////////////////	////////////////////	////////////////////	////////////////////
2017	3	////////////////////	////////////////////	////////////////////	////////////////////
2018	1	////////////////////	////////////////////	////////////////////	////////////////////
2019	1	////////////////////	////////////////////	////////////////////	////////////////////
2020	3	////////////////////	////////////////////	////////////////////	////////////////////
2021	0	\$0	\$0	\$0	\$0
2022	0	\$0	\$0	\$0	\$0

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

SCHOOL SITE DONATION CREDIT

Statute: A.R.S. § 43-1181
Effective Date: For taxable years from and after December 31, 2000.
Provisions: A nonrefundable credit is allowed for donation of real property and improvements to a school district or a charter school for use as a school or as a site for the construction of a school. To qualify for the credit, the real property and improvements must be in Arizona, must be conveyed unencumbered and in fee simple, except that the property shall only be used as a school or construction site for a school.
Credit: The amount of the credit is 30% of the value of real property and improvements donated by the taxpayer to a school district or charter school.
Carry forward: Five years.

Tax Year	# of Claimants	Cost of Property Donated	Total Credit	Credit Used	Carry Forward
2001	2	////////////////////	////////////////////	////////////////////	////////////////////
2002	4	////////////////////	////////////////////	////////////////////	////////////////////
2003	2	////////////////////	////////////////////	////////////////////	////////////////////
2004	3	\$2,054,910	\$616,473	\$616,473	\$0
2005	5	\$4,245,603	\$1,273,681	\$1,272,504	\$1,177
2006	6	\$9,184,675	\$2,756,579	\$2,755,447	\$1,132
2007	0	\$0	\$0	\$0	\$0
2008	2	////////////////////	////////////////////	////////////////////	////////////////////
2009	3	////////////////////	////////////////////	////////////////////	////////////////////
2010	3	////////////////////	////////////////////	////////////////////	////////////////////
2011	2	////////////////////	////////////////////	////////////////////	////////////////////
2012	2	////////////////////	////////////////////	////////////////////	////////////////////
2013	2	////////////////////	////////////////////	////////////////////	////////////////////
2014	0	\$0	\$0	\$0	\$0
2015	0	\$0	\$0	\$0	\$0
2016	0	\$0	\$0	\$0	\$0
2017	0	\$0	\$0	\$0	\$0
2018	0	\$0	\$0	\$0	\$0
2019	0	\$0	\$0	\$0	\$0
2020	1	////////////////////	////////////////////	////////////////////	////////////////////
2021	1	////////////////////	////////////////////	////////////////////	////////////////////
2022	0	\$0	\$0	\$0	\$0

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Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

**SOLAR HOT WATER HEATER PLUMBING STUB OUTS AND ELECTRIC
VEHICLE RECHARGE OUTLETS**

Statute:	A.R.S. § 43-1176
Effective Date:	For taxable years from and after December 31, 1997.
Repealed:	For taxable years from and after January 1, 2018.
Provisions:	<p>A nonrefundable credit is allowed for costs incurred of installing or including in one or more houses or dwelling units in Arizona and constructed by the taxpayer, one or more:</p> <ol style="list-style-type: none">1. Solar hot water plumbing stub outs. The stub out must include two insulated three quarters of an inch copper pipes and at least two pairs of wire for monitoring or controlling purposes. The stub out must also be located and configured to allow sufficient solar access and exposure and to allow ready installation of solar water heating devices.2. Electric vehicle recharge outlets. The outlet must be connected to the utility system by a dedicated line that is capable of operating at normal secondary voltages, meets applicable building codes and is commensurate and consistent with electric vehicle recharging needs and methods.
Credit:	The credit cannot exceed \$75 for each installation for each separate house or dwelling unit. The credit may be transferred from the builder to the purchaser of the house or dwelling unit.
Carry forward:	Five years.

Claims were recorded for this credit for tax year 2000, but there were too few to release information at this time. Since 2000, there have been no claims.

ARIZONA CORPORATE INCOME TAX

SOLAR LIQUID FUEL RESEARCH AND DEVELOPMENT CREDIT

Statute:	A.R.S. § 43-1164.02
Effective Date:	For taxable years from and after December 31, 2010 for research and development and for taxable years from and after December 31, 2015 for fuel production and conversion of service stations.
Repealed:	For taxable years beginning from and after January 1, 2018.
Provisions:	This nonrefundable credit is for increased research activities related to solar liquid fuel. Solar liquid fuel means liquid fuel that is generated through processes that use sunlight, carbon dioxide and water to produce infrastructure compatible liquid hydrocarbon fuels.
Credit:	The credit is 40% of the excess of Arizona qualified research expenses for the taxable year over a base amount. For the production of solar liquid fuel in Arizona, the credit is \$0.11 per 100,000 British Thermal Units (BTU's). For converting or modifying existing motor vehicle fuel service stations for the retail sale of solar liquid fuel to customers, the credit is 30% of the cost of conversion or modification.
Carry forward:	None.

No corporate income tax returns have been filed claiming this credit.

ARIZONA CORPORATE INCOME TAX

**TAXES PAID FOR COAL CONSUMED IN GENERATING
ELECTRICAL POWER CREDIT**

Statute: A.R.S. § 43-1178
Effective Date: For taxable years from and after December 31, 1997.
Provisions: A nonrefundable credit is allowed for purchases of coal consumed in generating electrical power in Arizona.
Credit: The credit is equal to 30% of the amount paid by the seller or purchaser as transaction privilege or use tax with respect to the coal sold to the taxpayer.
Carry forward: Five years.

Tax Year	# of Claimants	TPT or Use Tax Paid	New Credit	Total Credit	Credit Used	Carry Forward
1998	4	\$3,053,275	\$915,983	\$915,983	\$678,039	\$237,944
1999	4	\$3,607,134	\$1,067,569	\$1,305,513	\$803,476	\$502,037
2000	3	\$3,716,675	\$1,115,002	\$1,617,039	\$778,015	\$839,024
2001	3	\$6,388,155	\$1,916,447	\$2,755,471	\$1,556,016	\$1,199,455
2002	3	\$5,417,396	\$1,865,219	\$3,064,674	\$1,504,851	\$1,559,823
2003	3	\$5,285,068	\$1,585,520	\$3,145,343	\$1,229,020	\$1,744,443
2004	3	\$4,312,193	\$1,293,658	\$3,038,101	\$908,990	\$1,799,204
2005	3	\$4,175,437	\$1,252,631	\$3,051,835	\$843,909	\$1,870,939
2006	3	\$4,581,990	\$1,374,597	\$3,245,536	\$929,098	\$1,956,007
2007	4	\$6,639,107	\$1,991,733	\$3,947,740	\$1,052,556	\$2,534,816
2008	4	//////////	//////////	//////////	//////////	//////////
2009	4	\$6,474,053	\$1,943,116	\$6,301,508	\$658,252	\$5,286,784
2010	4	\$6,738,031	\$2,021,409	\$7,308,193	\$2,182,237	\$4,782,371
2011	4	//////////	//////////	//////////	//////////	//////////
2012	4	//////////	//////////	//////////	//////////	//////////
2013	4	//////////	//////////	//////////	//////////	//////////
2014	4	//////////	//////////	//////////	//////////	//////////
2015	4	\$6,112,730	\$1,833,819	\$9,022,346	\$642,803	\$7,494,682
2016	4	\$5,279,910	\$1,583,973	\$9,078,655	\$1,415,191	\$6,547,313
2017	4	//////////	//////////	//////////	//////////	//////////
2018	4	\$6,956,611	\$2,086,981	\$8,202,055	\$1,028,355	\$6,036,441
2019	4	\$7,408,925	\$2,222,677	\$8,259,118	\$1,094,641	\$6,104,334
2020	2	//////////	//////////	//////////	//////////	//////////
2021	2	//////////	//////////	//////////	//////////	//////////
2022	2	//////////	//////////	//////////	//////////	//////////

The bars in the cells of the table above indicate that release of data would violate confidentiality laws. Only the number of taxpayers claiming the credit is shown.

Italics indicate preliminary numbers.

ARIZONA CORPORATE INCOME TAX

WATER CONSERVATION PLUMBING STUB-OUT CREDIT

Statute:	A.R.S. § 43-1182
Effective Date:	For taxable years from and after December 31, 2006.
Repealed:	For taxable years beginning from and after January 1, 2012. Repeal date set when credit enacted.
Provisions:	A nonrefundable credit is allowed for costs incurred of installing or including in one or more houses or dwelling units in Arizona and constructed by the taxpayer, a water conservation system plumbing stub out that collects all graywater sources that end at a plumbing stub out that is separate and distinct from the regular plumbing system.
Credit:	The credit shall not exceed \$200 for each separate house or dwelling unit in which the water conservation system plumbing stub outs are installed. Credits are issued on a first come/first-served basis. No more than \$500,000 in total credits may be issued in a calendar year.
Carry forward:	Five years.

There were too few claims in 2007 to release information due to confidentiality laws. No claims have been found for other tax years.