



Arizona Department of Revenue Individual Income Update

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[January 2022](#)

Prepare and Get Ready for Tax Season

E-FILE

The IRS announced that the 2022 electronic tax filing season begins January 24. Tax returns are due April 18, 2022.

TAX BRACKETS

Individual income tax brackets were adjusted for 2021. See [Tax Table X and Y](#) for details.

FILING STATUS

The filing status that you use on your Arizona return may be different from that used on your federal return.

- If you qualify as married for federal purposes, you qualify as married for Arizona purposes and must file using the status of either married filing joint or married filing separate.
- If you are single, you must file as single or if qualified you may file as head of household.

FILING REQUIREMENTS

In the state of Arizona, full-year resident or part-year resident individuals must file a tax return if they are:

- Single or married filing separately and gross income (GI) is greater than \$12,550;
- Head of household and GI is greater than \$18,800; or
- Married and filing jointly and GI is greater than \$25,100.
- Note: For non-resident individuals the threshold numbers above are prorated based on the individual's Arizona gross income to their federal adjusted gross income.

STANDARD DEDUCTIONS

The Arizona standard deduction amounts are:

- \$12,550 for a single taxpayer or a married taxpayer filing a separate return;
- \$25,100 for a married couple filing a joint return; and
- \$18,800 for individuals filing a head of household return.
- An individual may claim itemized deductions on an Arizona return even if taking a standard deduction on a federal return.
- If filing Form 140EZ, the taxpayer cannot itemize deductions and must take the standard deduction.

EXCLUSION OF MILITARY INCOME

Beginning with tax year 2021, if you received benefits, annuities, and pensions as retired or retainer pay of the uniformed services of the United States, you may subtract 100% of the amount you received. If both you and your spouse each received such income, each spouse may subtract 100% of the amount received.

SMALL BUSINESS INCOME

The new small business income tax allows individual taxpayers to elect to have their "Arizona small business adjusted gross income" removed from their regular individual income tax return and taxed on a separate "Arizona small business



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income tax return.”

For taxable years beginning from and after December 31, 2020, a small business taxpayer may elect to file a return for the taxable year with ADOR to report that small business taxpayer’s share of Arizona small business gross income.

- The SBI tax return must be filed with the regular income tax return to be accepted. If the taxpayer does not file both returns together, the election may be denied and the adjustment to federal adjusted gross income may be disallowed.
- The same taxpayer information and address is required on both Form 140 and Form 140-SBI to be validated and processed.
- File the regular income tax return and the small business income return with the same filing status. If filing married filing separate returns, enter the name and social security number of the spouse. If filing married filing joint returns, include all income.

TIPS

- It’s important to gather documents and file a complete and accurate tax return.
- You must complete your federal return before you can start your Arizona return.
- Choose e-file and direct deposit for a faster refund.
- **Form 1009-G** are available at AZTaxes.gov by the end of January. You will need your last name, social security number/individual tax identification number, and ZIP code.
- **EZ Vehicle Fee Recap** is available mid-February from the Arizona Department of Transportation to quickly receive the previous calendar year vehicle fee and tax information recap. You can print out or electronically copy the information at <https://servicearizona.com/vehicleFeeRecap>.

