

Items of Interest for 2011

Extra Time for Filing 2011 Returns

You have extra time to file and pay for 2011 because April 15, 2012 falls on a Sunday and April 16, 2012 is a legal holiday in Washington DC. This means that your 2011 calendar year tax return is due no later than midnight, April 17, 2012.

2011 Standard Deduction Indexed for Inflation

For 2011, the standard deduction for a single taxpayer or a married taxpayer filing a separate return has increased from \$4,677 to \$4,703. The standard deduction for a head of household or a married couple filing a joint return has increased from \$9,354 to \$9,406.

New Line Added to Individual Income Tax Forms to Report Unpaid Use Tax

The individual income tax forms now include a line for reporting any use tax that an individual owes from out-of-state purchases that he or she made in 2011. An individual will use the individual income tax form to report unpaid use tax only if the individual bought the items for nonbusiness purposes and the individual is not a registered retailer. Some items are exempt from the use tax. To find out more about use tax and items exempt from use tax, see the department's brochure, *Pub 610, Use Tax*.

Arizona's use tax has been part of our tax laws since 1955. Every state with a sales tax also has a use tax. When Arizona shoppers buy from out-of-state sellers who do not collect tax, this puts in-state sellers at a disadvantage. The use tax puts all retailers on a level playing field.

Dollar Limit of Clean Elections Fund Tax Credit Increased

The Secretary of State adjusted the various Clean Elections Act dollar amounts. The maximum allowable amount for purposes of the Clean Elections Fund Tax Credit is now 20% of the tax liability or \$670 (\$1,340 for married couples filing jointly) whichever is greater.

Subtraction for Energy Efficient Homes Expired

For taxable years 2002 through 2010, Arizona law allowed a subtraction for selling one or more new energy efficient residences located in Arizona. Tax year 2010 was the last year for this subtraction. For taxable years 2011 and later, the subtraction is no longer allowed.

Form 140X Simplified

The department has simplified the Form 140X (individual amended return form). This form has a whole new look. The Form 140X now looks more like the Form 140, which should make the form easier to complete.

New Credit for Renewable Energy Production

You may qualify for this credit if you produced electricity using renewable energy resources. See Form 343 for information about this new credit.

New Solar Liquid Fuel Credit

You may qualify for this credit if you incurred expenses for research and development costs associated with solar liquid fuel. See Form 344 for information about this new credit.

New Credit for New Employment

You may qualify for this credit if your business had a net increase in full-time employees hired in qualified employment positions after June 30, 2011. See Form 345 for information about this new credit.

2011 Last Year to Claim Defense Contracting Credits

Tax year 2011 is the last year that you may use a carryover of the defense contracting credits claimed on Form 302. See Form 302 for more information.

Enterprise Zone Credit Repealed

The enterprise zone credit has been repealed effective June 30, 2011. Employment positions filled after June 30, 2011 do not qualify. Credits established in tax year 2011 will expire if not used by tax year 2016. See Form 304 for more information.

Motion Picture Credit Expired

The motion picture credit was effective from and after December 31, 2005 through December 31, 2010. However, if a motion picture production company submitted its application for pre-approval for motion picture production credits before December 31, 2010, the department will allow qualified expenses incurred after December 31, 2010, as long as the expenses are incurred during the required 24-month period provided in the pre-approval issued by the Arizona Commerce Authority (or its predecessor), and all other requirements have been met. See Form 334 for more information.

Credit for Investment in Qualified Small Business Extended

The period to establish a credit for investment in qualified small businesses was extended to December 31, 2019. Use Form 338 to claim this credit.

Credit for Solar Energy Device - Commercial and Industrial Extended

The period to establish a credit for solar energy devices for commercial and industrial applications has been extended to December 31, 2018. Use Form 336 to claim this credit.