

Tax Rate Changes - The corporate income tax rate is reduced as follows:

- 6.0% for taxable years beginning from and after December 31, 2014 through December 31, 2015
- 5.5% for taxable years beginning from and after December 31, 2015 through December 31, 2016
- 4.9% for taxable years beginning from and after December 31, 2016

Various Apportionment Changes – Several legislative changes became effective for tax year 2015:

- All non-air carrier taxpayers may select an enhanced apportionment ratio where the sales factor is weighted at 90% and the property and payroll factors are each weighted at 5.0%.
- A multistate service provider may make a binding election to determine Arizona sales of services for purposes of the sales factor using a calculation based on 90% of the market sales and 10% of income producing activity sales in Arizona. See Schedule MSP and the related instructions for more information including a definition of “multistate service provider”.

Disaster Recovery Relief

An out of state company in Arizona on a temporary basis solely for the purpose of performing disaster relief services during a declared disaster period is not required to file, remit, withhold or pay state or local (income) tax. See the Publication 720 for more information.

Credit for Renewable Energy Investment and Production for Self-Consumption by Manufacturers and International Operations Centers (Arizona Form 351)

The nonrefundable individual and corporate income tax credits for investment in new renewable energy facilities that product energy for self-consumption if the power will be used primarily was modified to allow the credit for International Operations Centers. Other changes include increasing the credit to \$5 M per year for one facility. Pre-approval and post-approval are required through the Arizona Department of Revenue and the Arizona Commerce Authority. See Form 351 and the related instructions for more information.

Credit for Qualified Health Insurance Plans (Arizona Form 347)

The laws providing for the qualified health insurance plans credit were repealed effective from and after December 31, 2014. Form 347 is now available only for claiming unused credits carried forward from prior years.