

# **ARIZONA INCOME TAX CREDITS**

**Arizona Department of Revenue  
Office of Economic Research and Analysis**

**November 2009**



**INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR**

		2008	2007	2006	2005	2004	2003	2002	2001
Agricultural Pollution Control Equipment	# of claims credit available credit used carry forward	Data Not Available	Data Not Releasable	Data Not Available	Data Not Releasable	Data Not Releasable	Data Not Releasable	\$47,706 \$32,542 \$15,164	\$54,870 \$17,500 \$37,370
Agricultural Preservation District	# of claims credit available credit refunded carry forward				\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0
<b>REFUNDABLE</b>									
Agricultural Water Conservation	# of claims credit available credit used carry forward	Data Not Available	130 \$8,585,901 \$1,746,925 \$6,057,981	138 \$8,880,517 \$1,873,967 \$6,202,634	137 \$8,868,257 \$1,905,338 \$6,409,360	141 \$10,366,257 \$2,784,783 \$6,855,589	154 \$9,170,688 \$1,611,457 \$7,273,813	133 \$7,984,544 \$1,256,346 \$6,157,459	136 \$8,442,943 \$1,484,014 \$6,160,791
Alternative Fuel Delivery System	# of claims credit available credit used carry forward					\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	Data Not Releasable
<b>NONREFUNDABLE</b>									
Alternative Fuel Delivery System	# of claims credit available credit used credit refunded carry forward								Data Not Releasable
<b>REFUNDABLE</b>									
Alternative Fuel Vehicles	# of claims credit available credit used carry forward					\$251,238 \$34,972 \$0	\$407,905 \$60,504 \$347,401	\$605,422 \$104,771 \$500,944	\$2,231,236 \$199,273 \$2,036,270
<b>NONREFUNDABLE</b>									
Alternative Fuel Vehicles	# of claims credit available credit used credit refunded carry forward								\$2,694,618 \$325,684 \$2,368,934 \$0
<b>REFUNDABLE</b>									
Clean Elections	# of claims credit available credit used carry forward	33,326 \$780,430 \$725,189	34,358 \$875,909 \$815,625	33,046 \$831,486 \$817,591	31,075 \$811,007 \$801,435	32,338 \$748,343 \$739,774	32,042 \$746,749 \$727,224	33,470 \$725,230 \$688,864	26,757 \$639,427 \$599,485
Commerical & Industrial Solar Energy Credit	# of claims credit available credit used carry forward	5 \$51,816 \$34,393 \$17,423	6 \$20,698 \$8,827 \$11,871	4 \$20,068 \$17,575 \$2,493					
Construction Materials	# of claims credit available credit used carry forward					Data Not Releasable	Data Not Releasable	\$0 \$0 \$0	Data Not Releasable

**INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR**

		2008	2007	2006	2005	2004	2003	2002	2001
Contributions To Charities Providing Help To Working Poor	# of claims credit available credit used carry forward	Data Not Available	Data Not Available	29,202 \$7,988,039 \$7,939,507 \$48,532	25,587 \$6,637,500 \$6,589,000 \$48,500	20,736 \$3,884,600 \$3,851,700 \$32,900	17,467 \$3,283,100 \$3,259,400 \$23,700	14,226 \$2,687,900 \$2,676,900 \$11,000	12,538 \$2,257,673 \$2,196,043 \$41,852
Defense Contracting	# of claims credit available credit used carry forward	Data Not Available	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
Donations to the Military Family Relief Fund	# of claims credit available credit used carry forward	2,361 \$778,300 \$778,300							
Donation of Motor Vehicles To Work Program	# of claims credit available credit used carry forward							41 \$54,025 \$40,261	163 \$213,200 \$173,319
Employing National Guard Members	# of claims credit available credit used carry forward	Data Not Available	0 \$0 \$0 \$0	Data Not Releasable					
Employment of TANF Recipients	# of claims credit available credit used carry forward	Data Not Available	Data Not Releasable	0 \$0 \$0 \$0	Data Not Releasable	0 \$0 \$0 \$0	Data Not Releasable	Data Not Releasable	0 \$0 \$0 \$0
Enterprise Zone	# of claims credit available credit used carry forward	Data Not Available	148 \$1,555,284 \$1,006,150 \$513,740	197 \$2,125,258 \$1,629,136 \$378,486	193 \$2,296,501 \$1,458,081 \$713,499	165 \$2,204,199 \$1,339,705 \$738,055	202 \$2,981,234 \$1,713,943 \$1,190,859	176 \$2,838,420 \$1,602,832 \$1,289,247	228 \$4,038,179 \$2,370,519 \$1,667,790
Environmental Technology	# of claims credit available credit used carry forward	Data Not Available	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
Family Tax Credit	# of claims credit available credit used carry forward	471,410 \$39,495,658 \$5,616,014	518,820 \$42,706,477 \$6,784,150	448,960 \$37,349,413 \$6,867,294	439,056 \$36,737,292 \$7,661,867	425,484 \$35,617,953 \$7,709,270	417,451 \$35,068,208 \$7,445,937	427,798 \$36,064,781 \$7,382,178	402,094 \$33,377,585 \$7,356,939

**INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR**

		2008	2007	2006	2005	2004	2003	2002	2001
Healthy Forest Enterprises	# of claims		0	0					
	credit available	Data Not Available	\$0	\$0					
	credit used		\$0	\$0					
	carry forward		\$0	\$0					
Income Taxes Paid To Other States or Countries	# of claims	26,509	27,706	34,880	34,664	29,956	25,722	24,909	29,007
	credit available	\$49,456,631	\$105,315,257	\$124,937,274	\$119,416,310	\$80,229,015	\$62,484,651	\$52,843,508	\$58,777,258
	credit used	\$49,456,631	\$105,315,257	\$124,937,274	\$119,416,310	\$80,229,015	\$62,484,651	\$52,843,508	\$58,777,258
	carry forward								
Increased Excise Taxes Paid	# of claims	574,693	579,464	536,940	546,678	555,762	548,831	529,265	428,189
	credit available	\$30,648,060	\$30,444,007	\$28,751,332	\$29,358,243	\$29,924,907	\$29,581,905	\$28,403,741	\$22,612,548
	credit used	\$30,648,060	\$30,444,007	\$28,751,332	\$29,358,243	\$29,924,907	\$29,581,905	\$28,403,741	\$22,612,548
	carry forward								
Investment in Qualified Small Business	# of claims	64	62						
	credit available	\$463,944	\$383,806						
	credit used	\$211,693	\$264,232						
	carry forward	\$252,251	\$107,597						
Military Reuse Zone	# of claims		0	0	0	0	0	0	0
	credit available	Data Not Available	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	credit used		\$0	\$0	\$0	\$0	\$0	\$0	\$0
	carry forward		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Motion Picture Production and Infrastructure	# of claims	5	4	0					
	credit available	\$139,458	\$153,184	\$0					
	credit used	\$108,643	\$128,165	\$0					
	carry forward	\$30,815	\$25,019	\$0					
Neighborhood Electric Vehicle	# of claims			80	395	832	1,279	1,785	2,634
	credit available			\$237,622	\$1,866,584	\$4,014,888	\$6,472,767	\$9,603,599	\$16,463,626
	credit used			\$67,977	\$809,199	\$1,184,437	\$1,593,351	\$2,478,629	\$5,720,094
	carry forward			\$0	\$1,057,385	\$2,831,527	\$4,879,416	\$7,124,970	\$10,743,532
Pollution Control Device	# of claims				23	28	9	13	18
	credit available	Data Not Available	Data Not Available	Data Not Available	\$79,082	\$40,676	\$32,062	\$18,562	\$31,624
	credit used				\$71,574	\$16,385	\$31,239	\$18,525	\$31,624
	carry forward				\$7,508	\$24,291	\$823	\$37	\$0
Private School Tuition Organization	# of claims	78,434	76,065	73,617	69,239	63,830	58,122	52,161	46,755
	credit available	\$55,286,975	\$54,303,282	\$51,011,815	\$42,194,898	\$31,871,474	\$29,445,494	\$26,482,993	\$24,924,656
	credit used	\$55,286,975	\$54,303,282	\$51,011,815	\$42,194,898	\$31,871,474	\$29,445,494	\$26,482,993	\$24,924,656
	carry forward								
Property Tax	# of claims	15,509	16,810	13,247	13,943	14,786	15,028	14,991	15,218
	credit available	\$5,659,233	\$5,979,296	\$4,776,863	\$4,977,070	\$5,242,685	\$5,301,879	\$5,106,544	\$5,015,318
	credit used	\$5,659,233	\$5,979,296	\$4,776,863	\$4,977,070	\$5,242,685	\$5,301,879	\$5,106,544	\$5,015,318
	carry forward								

**INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR**

		2008	2007	2006	2005	2004	2003	2002	2001
Public School	# of claims	233,517	214,356	218,664	215,369	213,987	201,407	143,697	166,468
Extra	credit available	\$45,143,078	\$44,069,896	\$43,230,433	\$35,416,279	\$30,958,872	\$27,753,764	\$22,455,129	\$20,004,715
Curricular	credit used	\$45,143,078	\$44,069,896	\$43,230,433	\$35,416,279	\$30,958,872	\$27,753,764	\$22,455,129	\$20,004,715
Activity	carry forward								
Recycling	# of claims		0	0	0		4	5	6
Equipment	credit available	Data Not Available	\$0	\$0	\$0	Data Not Releasable	\$3,891	\$7,945	\$9,309
	credit used		\$0	\$0	\$0		\$2,380	\$3,267	\$2,928
	carry forward		\$0	\$0	\$0		\$1,511	\$4,678	\$6,381
Research & Development	# of claims		161	236	185	152	129	103	58
	credit available	Data Not Available	\$7,454,768	\$8,511,368	\$7,537,327	\$5,243,320	\$3,682,028	\$1,824,281	\$925,516
	credit used		\$2,629,418	\$3,842,411	\$3,216,992	\$1,564,621	\$1,147,253	\$793,115	\$506,038
	carry forward		\$4,825,350	\$4,621,191	\$4,320,335	\$3,678,699	\$2,534,775	\$1,031,166	\$419,478
School Site Donation	# of claims		61	90	80	100	45	66	59
	credit available	Data Not Available	\$5,305,966	\$10,554,076	\$8,562,042	\$5,341,784	\$2,924,583	\$3,711,546	\$4,572,656
	credit used		\$2,326,763	\$7,813,331	\$6,029,585	\$3,511,441	\$2,048,930	\$2,380,444	\$2,869,356
	carry forward		\$2,979,224	\$2,535,573	\$2,532,548	\$1,830,343	\$716,187	\$1,331,022	\$1,704,381
Solar Energy	# of claims			4,104	3,699	3,042	2,685	2,335	2,273
	credit available	Data Not Available	Data Not Available	\$2,474,983	\$1,934,309	\$1,481,458	\$1,313,896	\$1,130,971	\$1,021,789
	credit used			\$2,050,173	\$1,575,965	\$1,210,146	\$1,050,582	\$920,767	\$866,027
	carry forward			\$423,929	\$357,507	\$271,312	\$250,263	\$209,732	\$155,194
Solar Hot Water Plumbing Stub Outs & Electric Vehicle Recharge	# of claims				23	17		15	18
	credit available	Data Not Available	Data Not Available	Data Not Available	\$16,488	\$15,220	Data Not Releasable	\$4,920	\$16,951
	credit used				\$10,437	\$5,677		\$3,312	\$7,804
	carry forward				\$4,551	\$9,543		\$1,608	\$9,147
Technology Training	# of claims				0	0	0		
REFUNDABLE	credit available				\$0	\$0	\$0	Data Not Releasable	Data Not Releasable
	credit refunded				\$0	\$0	\$0		
	carry forward								
Underground Storage Tanks	# of claims					0	0	0	0
	credit available					\$0	\$0	\$0	\$0
	credit used					\$0	\$0	\$0	\$0
	carry forward								

**INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR**

		2008	2007	2006	2005	2004	2003	2002	2001
Vehicle Refueling Apparatus & Infrastructure <b>NONREFUNDABLE</b>	# of claims credit available credit used carry forward					Data Not Releasable	5 \$13,872 \$8,960 \$4,912	9 \$20,519 \$3,531 \$16,988	22 \$39,953 \$16,440 \$23,513
Vehicle Refueling Apparatus & Infrastructure <b>REFUNDABLE</b>	# of claims credit available credit used credit refunded carry forward								12 \$33,750 \$25,456 \$8,294 \$0
Water Conservation Systems Credit	# of claims credit available credit used carry forward	182 \$104,251 \$95,073 \$9,178	52 \$35,164 \$30,245 \$4,919						
<b>TOTAL</b>	# of claims credit available credit used credit refunded carry forward	<i>1,436,015</i> \$228,007,834 \$193,763,282 \$309,667	<i>1,468,209</i> \$307,214,235 \$255,865,638 \$14,537,641	<i>1,393,405</i> \$331,680,547 \$285,626,679 \$14,212,838	1,380,353 \$306,710,841 \$261,510,008 \$15,499,482	1,361,388 \$247,621,956 \$202,189,148 \$16,326,677	1,320,641 \$220,812,017 \$175,282,673 \$17,353,181	1,245,283 \$202,626,760 \$155,682,673 \$17,694,015	1,132,938 \$209,790,060 \$156,148,007 \$2,384,317 \$24,344,301

Notes:

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

**CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR**

		2007	2006	2005	2004	2003	2002	2001	2000	1999
Agricultural	# of claims	0		0						
Pollution	credit available	\$0	Data Not	\$0	Data Not					
Control	credit used	\$0	Releasable	\$0	Releasable	Releasable	Releasable	Releasable	Releasable	Releasable
Equipment	carry forward	\$0		\$0						
Agricultural	# of claims			0	0	0	0	0		
Preservation	credit available			\$0	\$0	\$0	\$0	\$0		
District	credit used			\$0	\$0	\$0	\$0	\$0		
<b>REFUNDABLE</b>	credit refunded			\$0	\$0	\$0	\$0	\$0		
	carry forward									
Agricultural	# of claims			0						
Water	credit available			\$0	Data Not					
Conservation	credit used			\$0	Releasable	Releasable	Releasable	Releasable	Releasable	Releasable
	carry forward			\$0						
Alternative	# of claims						3	3	5	8
Fuel Delivery	credit available				Data Not	Data Not	\$457,906	\$642,337	\$1,998,651	\$2,441,075
System	credit used				Releasable	Releasable	\$1,039	\$184,431	\$1,167,282	\$1,377,215
<b>NONREFUNDABLE</b>	carry forward						\$456,867	\$457,906	\$831,369	\$1,063,860
Alternative	# of claims							0	5	
Fuel Delivery	credit available							\$0	\$679,992	
System	credit used							\$0	\$314,676	
<b>REFUNDABLE</b>	credit refunded							\$0	\$363,316	
	carry forward							\$0	\$0	
Alternative	# of claims				3	5	7	7	13	24
Fuel	credit available				\$659,570	\$645,555	\$678,479	\$740,566	\$1,116,853	\$1,402,495
Vehicles	credit used				\$2,837	\$1,726	\$32,924	\$2,882	\$342,351	\$283,160
<b>NONREFUNDABLE</b>	carry forward				\$0	\$643,829	\$645,555	\$737,674	\$774,502	\$1,119,335
Alternative	# of claims							12	182	
Fuel	credit available							\$218,560	\$15,666,027	
Vehicles	credit used							\$25,200	\$491,057	
<b>REFUNDABLE</b>	credit refunded							\$193,360	\$15,163,095	
	carry forward							\$0	\$11,875	
Clean	# of claims	227	132	102	93	111	102	97	57	0
Elections	credit available	\$2,615	\$1,778	\$2,019	\$597	\$1,778	\$646	\$2,913	\$13,911	\$0
	credit used	\$2,615	\$1,778	\$2,019	\$597	\$1,773	\$646	\$2,913	\$13,911	\$0
	carry forward									
Commerical &	# of claims									
Industrial Solar	credit available	Data Not	Data Not							
Energy Credit	credit used	Releasable	Releasable							
	carry forward									
Consolidated	# of claims		52	28	32	34	32	35	42	48
Filer	credit available		\$31,647,046	\$36,327,939	\$38,635,451	\$40,959,575	\$43,168,347	\$46,672,815	\$50,602,546	\$53,566,563
	credit used		\$0	\$4,680,893	\$2,307,512	\$2,299,299	\$2,208,772	\$3,504,468	\$3,430,269	\$2,964,017
<b>REFUNDABLE</b>	credit refunded		\$31,647,046							
	carry forward		\$0	\$31,647,046	\$36,327,939	\$38,660,276	\$40,959,575	\$43,168,347	\$47,172,277	\$50,602,546

**CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR**

		2007	2006	2005	2004	2003	2002	2001	2000	1999
Construction Materials	# of claims						3	3	4	7
	credit available				Data Not Releasable	Data Not Releasable	\$426,692	\$426,792	\$630,976	\$1,161,103
	credit used						\$100	\$100	\$204,184	\$414,824
	carry forward						\$426,592	\$426,692	\$426,792	\$746,279
Contributions to School Tuition Organizations	# of claims	59	57	5						
	credit available	\$11,095,307	\$9,925,990	\$530,000						
	credit used	\$10,542,791	\$9,653,598	\$526,260						
	carry forward	\$552,516	\$272,342	\$3,740						
Correctional Industries	# of claims									0
	credit available									\$0
	credit used									\$0
	carry forward									\$0
Defense Contracting	# of claims								3	4
	credit available	Data Not Releasable	\$43,361,299	\$47,790,421						
	credit used								\$1,859,951	\$833,724
	carry forward								\$32,832,511	\$36,297,743
Donation of Motor Vehicles To Work Program	# of claims						0	0	0	0
	credit available						\$0	\$0	\$0	\$0
	credit used						\$0	\$0	\$0	\$0
	carry forward						\$0	\$0	\$0	\$0
Employing National Guard Members	# of claims		3							
	credit available	Data Not Releasable	\$5,000							
	credit used		\$5,000							
	carry forward		\$0							
Employment of TANF Recipients	# of claims	11	10	13	14	9	8	7	7	5
	credit available	\$47,978	\$52,562	\$124,397	\$491,175	\$472,478	\$184,997	\$99,360	\$47,869	\$49,653
	credit used	\$45,064	\$40,804	\$99,575	\$485,190	\$466,392	\$173,600	\$57,901	\$27,648	\$47,189
	carry forward	\$2,914	\$11,758	\$24,822	\$5,985	\$6,086	\$11,397	\$41,459	\$20,221	\$2,464
Enterprise Zone	# of claims	72	102	119	119	125	132	143	138	138
	credit available	\$7,039,005	\$11,378,727	\$11,875,224	\$12,904,917	\$14,672,500	\$15,373,144	\$18,151,655	\$19,807,618	\$19,416,675
	credit used	\$3,550,115	\$8,526,788	\$7,887,054	\$7,647,347	\$6,685,931	\$6,509,295	\$7,038,170	\$10,776,733	\$12,621,497
	carry forward	\$3,156,258	\$2,546,829	\$3,495,562	\$4,603,005	\$7,930,637	\$8,863,849	\$11,113,485	\$9,030,885	\$6,795,178
Environmental Technology Facility	# of claims							3	3	3
	credit available	Data Not Releasable	\$37,088,205	\$36,766,914	\$36,836,791					
	credit used							\$1,084,588	\$26,658	\$69,877
	carry forward							\$36,003,617	\$36,740,256	\$36,766,914

**CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR**

		2007	2006	2005	2004	2003	2002	2001	2000	1999
Healthy Forest Enterprises	# of claims		0	0						
	credit available	Data Not	\$0	\$0						
	credit used	Releasable	\$0	\$0						
	carry forward		\$0	\$0						
Military Reuse Zone	# of claims						3	3	3	3
	credit available	Data Not	\$81,439	\$131,312	\$113,702	\$175,336				
	credit used	Releasable	Releasable	Releasable	Releasable	Releasable	\$41,050	\$109,373	\$97,440	\$170,634
	carry forward						\$13,939	\$21,939	\$16,262	\$4,702
Motion Picture Production and Infrastructure	# of claims	8								
	credit available	\$6,822,746	Data Not							
	credit used	\$1,209,442	Releasable							
	carry forward	\$5,613,304								
Neighborhood Electric Vehicles	# of claims			4	10	13	17	19	47	53
	credit available		Data Not	\$680,915	\$791,263	\$820,049	\$903,497	\$991,555	\$2,431,532	\$1,858,593
	credit used		Releasable	\$3,041	\$11,380	\$29,085	\$60,175	\$69,701	\$1,368,929	\$1,406,907
	carry forward			\$677,874	\$779,883	\$790,964	\$843,322	\$921,854	\$1,062,603	\$451,686
Pollution Control Device	# of claims	14	20	24	24	30	31	36	40	37
	credit available	\$4,275,709	\$5,746,154	\$8,288,494	\$7,191,423	\$8,461,236	\$8,239,252	\$8,234,644	\$12,345,490	\$13,785,777
	credit used	\$2,298,605	\$1,997,280	\$2,119,047	\$1,206,299	\$2,464,946	\$2,460,289	\$2,696,972	\$3,860,440	\$6,879,238
	carry forward	\$1,977,104	\$3,592,073	\$5,536,979	\$5,660,151	\$5,642,458	\$5,776,562	\$5,537,672	\$8,485,050	\$7,188,736
Recycling Equipment	# of claims					4	4	4	5	4
	credit available			Data Not	Data Not	\$192,332	\$197,477	\$218,919	\$238,422	\$250,210
	credit used			Releasable	Releasable	\$3,426	\$5,145	\$21,442	\$15,626	\$16,028
	carry forward					\$188,906	\$192,332	\$197,477	\$222,796	\$234,182
Research & Development	# of claims	185	210	201	206	185	165	150	128	140
	credit available	\$200,749,707	\$251,090,298	\$200,478,828	\$124,549,056	\$91,042,805	\$53,171,646	\$43,712,998	\$24,812,543	\$20,552,034
	credit used	\$43,837,468	\$53,866,055	\$48,060,471	\$36,914,720	\$31,822,581	\$11,857,223	\$11,088,820	\$9,458,919	\$10,457,350
	ltd carry forward.	\$309,634,908	\$504,330,977	\$520,039,352	\$533,881,465	\$536,799,505	\$530,231,849	\$483,797,945	\$427,234,696	\$295,172,070
	carry forward	\$155,926,914	\$202,032,550	\$148,533,995	\$95,105,068	\$42,424,262				
School Site Donation	# of claims	0	6	5	3					
	credit available	\$0	\$2,756,579	\$1,273,681	\$616,473	Data Not	Data Not	Data Not		
	credit used	\$0	\$2,755,447	\$1,272,504	\$616,473	Releasable	Releasable	Releasable		
	carry forward	\$0	\$1,132	\$1,177	\$0					
Solar Hot Water Plumbing Stub	# of claims	0	0	0	0	0	0	0		0
	credit available	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Data Not	\$0
	credit used	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Releasable	\$0
	carry forward	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Vehicle Recharge	# of claims	0	0	0	0	0	0	0		0
	credit available	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
	credit used	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
	carry forward	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0

**CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR**

		2007	2006	2005	2004	2003	2002	2001	2000	1999
Taxes Paid for	# of claims	4	3	3	3	3	3	3	3	4
Coal Consumed	credit available	\$3,947,803	\$3,245,536	\$3,051,885	\$3,038,101	\$3,145,343	\$3,064,674	\$2,755,471	\$1,617,039	\$1,305,513
In Generating	credit used	\$1,057,873	\$929,098	\$843,909	\$908,990	\$1,229,020	\$1,504,851	\$1,556,016	\$778,015	\$803,476
Electrical Power	carry forward	\$2,529,562	\$1,956,070	\$1,870,939	\$1,799,254	\$1,744,443	\$1,559,823	\$1,199,455	\$839,024	\$502,037
Technology	# of claims			3	3	3	4	11		
Training	credit available			\$46,356	\$39,963	\$33,426	\$41,083	\$46,286		
	credit used			\$46,356	\$36,268	\$33,006	\$30,000	\$35,010		
<b>REFUNDABLE</b>	credit refunded			\$0	\$3,695	\$420	\$11,083	\$11,276		
Underground	# of claims				0	0		0	0	0
Storage	credit available				\$0	\$0	Data Not Releasable	\$0	\$0	\$0
Tanks	credit used				\$0	\$0	Data Not Releasable	\$0	\$0	\$0
	carry forward									
Vehicle Refueling	# of claims								4	7
Apparatus &	credit available				Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	\$8,712	\$29,765
Infrastructure	credit used								\$2,180	\$13,630
<b>NONREFUNDABLE</b>	carry forward								\$6,532	\$16,135
Vehicle Refueling	# of claims							0	12	
Apparatus &	credit available							\$0	\$138,940	
Infrastructure	credit used							\$0	\$46,332	
<b>REFUNDABLE</b>	credit refunded							\$0	\$92,608	
	carry forward							\$0	\$0	
Water	# of claims	0								
Conservation	credit available	\$0								
Plumbing Stub	credit used	\$0								
Outs	carry forward	\$0								
<b>TOTAL</b>	# of claims	588	604	513	524	539	532	550	709	495
	credit available	\$260,611,903	\$348,991,781	\$302,978,838	\$255,938,836	\$230,279,200	\$203,010,851	\$204,589,480	\$218,067,961	\$206,658,130
	credit used	\$75,687,022	\$86,071,248	\$65,550,124	\$50,608,920	\$45,802,967	\$29,102,286	\$27,989,050	\$34,323,404	\$38,625,562
	credit refunded	\$0	\$31,647,046	\$0	\$3,695	\$420	\$11,083	\$204,636	\$15,619,019	
	carry forward	\$183,246,556	\$234,486,075	\$223,421,766	\$202,011,857	\$163,321,358	\$655,367,454	\$621,583,755	\$569,134,364	\$442,639,778
	ltd carry forward	\$309,634,908	\$504,330,977	\$520,039,352	\$533,881,465	\$536,799,505	\$0	\$0		

Notes:

1. Shaded areas indicate that the credit was not in effect during the tax year.
2. "Data Not Available" indicates that the credit data was not available at the time of publication.
3. "Data Not Releasable" indicates that the credit information cannot be released due to confidentiality restrictions.
4. "Total" includes credits for which information was "not releasable" individually.
5. DATA IN *ITALICS* ARE PRELIMINARY.
6. "ltd carry forward" refers to pre-2003 research & development carry forward, for which use is restricted.

INDIVIDUAL INCOME TAX

**AGRICULTURAL POLLUTION CONTROL EQUIPMENT CREDIT**

**Statute:** A.R.S. § 43-1081.01  
**Effective Date:** For taxable years from and after 12/31/98  
**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.

	# of claimants	Total credit	Used	Carry forward
<b>1999</b>	1	//////////	//////////	//////////
<b>2000</b>	9	\$77,096	\$15,218	\$61,878
<b>2001</b>	9	\$54,870	\$17,500	\$37,370
<b>2002</b>	6	\$47,706	\$32,542	\$15,164
<b>2003</b>	1	//////////	//////////	//////////
<b>2004</b>	1	//////////	//////////	//////////
<b>2005</b>	2	//////////	//////////	//////////
<b>2006</b>	Data not available			
<b>2007</b>	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.*

**AGRICULTURAL PRESERVATION DISTRICT CREDIT**

- Statute:** A.R.S. § 43-1081.02
- Effective Date:** For taxable years from and after 12/31/00 *and ending before 1/1/06*
- Repealed:** Repeal date set when credit enacted.
- Provisions:** A *refundable* credit is allowed for a taxpayer who owns property classified as Class Two property (agricultural) and who conveys ownership or development rights to an agricultural preservation district. No district can award credits exceeding \$10 million.
- Credit:** The amount of the credit is either the appraised value of the property if the taxpayer conveys ownership to the district or the difference between the appraised value of the undeveloped land and the appraised value of the land for development purposes if the taxpayer conveys the development rights of the property to the district. No credit in a calendar year can exceed \$33,000.

As of the date of this publication, no claim for the agricultural preservation district credit has been found.

INDIVIDUAL INCOME TAX

**AGRICULTURAL WATER CONSERVATION SYSTEM CREDIT**

**Statute:** A.R.S. § 43-1084

**Effective Date:** For taxable years from and after 12/31/93

**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.

	# of claimants	Total credit	Used	Carry forward
<b>1994</b>	35	\$1,800,000	\$382,000	\$1,400,000
<b>1995</b>	54	\$2,600,000	\$923,000	\$1,700,000
<b>1996</b>	75	\$4,247,392	\$721,093	\$3,524,790
<b>1997</b>	63	\$3,752,833	\$430,131	\$3,323,906
<b>1998</b>	94	\$4,567,632	\$625,676	\$3,941,314
<b>1999</b>	129	\$8,484,744	\$970,210	\$7,213,521
<b>2000</b>	130	\$8,157,000	\$1,578,411	\$6,527,281
<b>2001</b>	136	\$8,442,943	\$1,484,014	\$6,160,791
<b>2002</b>	133	\$7,984,544	\$1,256,346	\$6,157,459
<b>2003</b>	154	\$9,170,688	\$1,611,457	\$7,273,813
<b>2004</b>	141	\$10,366,257	\$2,784,783	\$6,855,589
<b>2005</b>	137	\$8,868,257	\$1,905,338	\$6,409,360
<b>2006</b>	138	\$8,880,517	\$1,873,967	\$6,202,634
<b>2007</b>	<i>130</i>	<i>\$8,585,901</i>	<i>\$1,746,925</i>	<i>\$6,057,981</i>

*Italics indicate preliminary numbers.*

**ALTERNATIVE FUEL DELIVERY SYSTEM CREDIT**

**Statute:** A.R.S. § 43-1086.02  
**Effective Date:** For taxable years from and after 12/31/97  
**Repealed:** To qualify for the credit, a contract for construction must have been entered into prior to 10/20/00 and construction must have begun before 11/9/00.  
**Provisions:** A credit is allowed for construction costs or operating costs for constructing or operating an alternative fuel delivery system in Arizona that is capable of dispensing an alternative fuel to an alternative fuel vehicle. Construction costs means costs directly associated with the construction of an alternative fuel delivery system and does not include any construction costs for gasoline or diesel fuel delivery systems or adjacent buildings, landscaping or paving for areas not directly connected to the alternative fuel delivery system. Operating costs means costs directly associated with the dispensing of alternative fuel through an alternative fuel delivery system plus a reasonable charge for overhead functions. *This credit was refundable for tax year 2000 only.*  
**Credit:** The amount of the credit is equal to 100% of the costs incurred up to a maximum of \$400,000 for an alternative fuel delivery system that is accessible to the general public or for an alternative fuel delivery system that is dispensing renewable fuel. For an alternative fuel delivery system that does not satisfy the qualifications in the previous system, the credit is 50% of the costs incurred up to a maximum of \$200,000.  
**Carry forward:** Five years.

**FOR NONREFUNDABLE CREDITS:**

	1998	1999	2000 <sup>1</sup>	2001	2002	2003	2004
# of claimants	//////////	13	7	2	0	0	0
# of stations	//////////	20	--	---			
Total credit	//////////	//////////	//////////	//////////			
Used	//////////	//////////	//////////	//////////			
Carry forward	//////////	//////////	//////////	//////////			

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

- The average Federal Adjusted Gross Income (FAGI) for taxpayers claiming the alternative fuel delivery system credit in 1999 was \$217,873.
- The average FAGI for taxpayers claiming the alternative fuel delivery system credit in 2000 was \$364,145.

**FOR REFUNDABLE CREDITS:**

	2000	2001
# of claimants	19	2
# of stations	20	//////////
Total credit	\$2,863,157	//////////
Credit refunded	\$2,863,157	//////////

- The average FAGI for taxpayers claiming the refundable alternative fuel delivery system credit in 2000 was \$523,998.

<sup>1</sup> All nonrefundable 2000 and 2001 claims are of carry forward from 1999

**ALTERNATIVE FUEL VEHICLES CREDIT**

**Statute:** A.R.S. § 43-1086

**Effective Date:** For taxable years from and after 12/31/93

**Repealed:** To qualify for the credit, a contract or purchase order for the vehicle must have been entered into prior to 10/21/00. No refundable credit is allowed for taxable years ending after 12/31/01. The nonrefundable credit was repealed with the passage of the refundable credit language; however, the carry forward for the nonrefundable credit can still be used after 12/31/01.

**Provisions:** A credit is allowed for (1) purchase or lease, for a period of at least 3 years, of one or more new original equipment manufactured alternative fuel vehicles or (2) expenses incurred for converting one or more conventionally fueled vehicles to operate on an alternative fuel. *This credit was refundable for tax years 2000 and 2001 only.*

**Credit:** The amount of the credit is equal to:

1. For low emission vehicles 12,000 pounds or less, the greater of 30% of cost or \$5,000 if new or the greater of 15% of the cost or \$2,500 if used.
2. For an ultralow or inherently low emission vehicle, the greater of 40% of cost or \$7,500 if new or the greater of 20% of the cost or \$3,750 if used.
3. For a zero or super ultralow emission vehicle, the greater of 50% of cost or \$10,000 if new or the greater of 25% of the cost or \$5,000 if used.
4. For a used zero emission vehicle that is leased, the greater of 25% of cost or \$2,500.
5. For a low emission vehicle over 12,000 pounds, the greater of 30% of cost or \$30,000 if new or the greater of 15% of the cost or \$15,000 if used.
6. For conversion of a vehicle over 12,000 pounds, the greater of 30% of vehicle purchase price plus conversion cost or 30% of the original manufacturer's base retail price or \$30,000.
7. For purchase of converted vehicles over 12,000 pounds, the greater of 15% of cost or \$15,000.
8. For conversion of any other vehicle, the greater of 30% of vehicle purchase price plus conversion cost or 30% of the original manufacturer's base retail price of the vehicle or \$5,000.
9. For purchase of any other converted vehicle, the greater of 15% of cost or \$2,500.

This language replaced another alternative fuel vehicle credit that allowed much less credit; the previous credit was for a maximum amount of \$1,000 per vehicle

**Carry forward:** Five years for the nonrefundable alternative fuel vehicle and 10 years for the nonrefundable neighborhood electric vehicle credit.

**FOR ALTERNATIVE FUEL VEHICLES NONREFUNDABLE CREDIT EXCEPT NEIGHBORHOOD ELECTRIC VEHICLES:**

	# of claimants	# of vehicles	Total credit	Used	Carry forward
1995	24	14	\$14,000	\$11,000	\$3,000
1996	35		\$33,050	\$23,773	\$9,277
1997	33		\$32,703	\$23,409	\$9,294
1998	72	61	\$78,272	\$56,864	\$21,408
1999	241	167	\$2,227,522	\$727,117	\$1,500,405
2000	162	-----	\$2,770,835	\$364,450	\$2,412,885
2001	111	-----	\$2,231,236	\$199,273	\$2,036,270
2002	74	-----	\$605,422	\$104,771	\$500,944
2003	50	-----	\$407,905	\$60,504	\$347,401
2004	26	-----	\$251,238	\$34,972	\$0

The carry forward in 2004 is zeroed out because 2004 is the last year in which any carry forward for this credit can be claimed.

- The average Federal Adjusted Gross Income (FAGI) for the taxpayers claiming the nonrefundable credit in 1998 was \$92,409.

INDIVIDUAL INCOME TAX

- The average FAGI for taxpayers claiming the nonrefundable credit in 1999 was \$181,288.
- The average FAGI for taxpayers claiming the nonrefundable credit in 2000 was \$134,789.
- The average FAGI for taxpayers claiming the nonrefundable credit in 2001 was \$123,460.
- The average FAGI for taxpayers claiming the nonrefundable credit in 2002 was \$91,643.

**FOR THE REFUNDABLE CREDIT:**

	2000	2001
<b># of claimants</b>	4,905	158
<b># of vehicles</b>	5,458	177
<b>Total credit</b>	\$94,544,474	\$2,694,618
<b>Used</b>	\$13,251,856	\$325,684
<b>Refunded</b>	\$81,240,048	\$2,368,934
<b>Carry forward</b>	\$52,570	\$0

- The average FAGI for taxpayers claiming the refundable credit in 2000 was \$144,169.
- The average FAGI for taxpayers claiming the refundable credit in 2001 was \$130,348.

**FOR NEIGHBORHOOD ELECTRIC VEHICLES:**

	1999	2000	2001 <sup>2</sup>	2002	2003
<b># of claimants</b>	1,207	4,198	2,634	1,785	1,279
<b># of vehicles</b>	1,470	4,285	----	----	---
<b>Cost of vehicles</b>	\$13,767,275	\$37,898,442	----	----	----
<b>Credit</b>	\$13,968,334	\$34,451,311	----	----	----
<b>Carry forward from prior year</b>	-----	\$5,687,956	\$16,463,626	\$9,603,599	\$6,472,767
<b>Total Credit</b>	\$13,968,334	\$40,139,267	\$16,463,626	\$9,603,599	\$6,472,767
<b>Used</b>	\$7,868,830	\$22,254,044	\$5,720,094	\$2,478,629	\$1,593,351
<b>Carry forward</b>	\$6,099,504	\$17,885,862	\$10,743,532	\$7,124,970	\$4,879,416

	2004	2005	2006
<b># of claimants</b>	832	395	80
<b># of vehicles</b>	----	----	----
<b>Cost of vehicles</b>	----	----	----
<b>Credit</b>	\$4,014,888	\$1,866,584	\$237,622
<b>Used</b>	\$1,184,437	\$809,199	\$67,977
<b>Carry forward</b>	\$2,831,527	\$1,057,385	----

- The average FAGI for taxpayers claiming the credit for neighborhood electric vehicles in 1999 was \$442,341.
- The average FAGI for taxpayers claiming the credit for neighborhood electric vehicles in 2000 was \$484,419.

<sup>2</sup> All 2001 claims for nonrefundable vehicles are carry forward from 2000.

INDIVIDUAL INCOME TAX

**CLEAN ELECTIONS CREDIT**

**Statute:** A.R.S. § 16-954B

**Effective Date:** For donations made in taxable years beginning on or after 1/1/98

**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 year 2005 and 2006 the maximum credit amount was \$580 for single filers (\$1160 for married filing jointly).

**Carry forward:** None.

	<b># of claimants</b>	<b>Total credit</b>	<b>Used</b>
<b>1999</b>	8,585	\$546,255	\$502,151
<b>2000</b>	23,717	\$564,312	\$537,345
<b>2001</b>	26,757	\$639,427	\$599,485
<b>2002</b>	33,470	\$725,230	\$688,864
<b>2003</b>	32,042	\$746,749	\$727,224
<b>2004</b>	32,338	\$748,343	\$739,774
<b>2005</b>	31,075	\$811,007	\$801,435
<b>2006</b>	33,046	\$831,486	\$817,591
<b>2007</b>	34,358	\$875,909	\$815,625
<b>2008</b>	33,326	\$780,430	\$725,189

*Italics indicate preliminary numbers.*

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 1/1/06 through 12/31/12

**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.

The Arizona Department of Commerce has reported the following certifications. Until the returns are filed, there is no way to determine how many will be claimed as corporate income tax credits and how many will be claimed as individual income tax credits.

Tax Year	# of approvals	Cost of installation	Credit allowed
2006	16	\$1,639,428	\$144,977
2007	14	\$2,240,463	\$126,999
2008	30	\$7,170,324	\$407,954
2009	7	\$1,387,619	\$63,859

Fewer returns have actually been filed by taxpayers than the number of Commerce certifications.

	2006	2007	2008
# of claimants	4	6	5
# of devices	4	4	4
Cost of devices	\$201,583	\$182,054	\$636,726
Credit	\$20,068	\$18,205	\$50,504
Carry forward	-----	\$2,493	\$1,312
Total credit	\$20,068	\$20,698	\$51,816
Credit used	\$17,575	\$8,827	\$34,393
Carry forward	\$2,493	\$11,871	\$17,423

**CONSTRUCTION MATERIALS CREDIT**

- Statute:** A.R.S. § 43-1082  
**Effective Date:** For taxable years from and after 12/31/94 *and ending before 1/1/00*  
**Repealed:** Repeal date set when credit enacted.  
**Provisions:** A nonrefundable credit is allowed for new construction materials incorporated into a qualifying facility located entirely within Arizona, construction of which is begun on or after 1/1/94 and completed on or before 12/31/99. A qualifying facility means a new building or structure, or expansion of an existing building or structure predominantly used for manufacturing, fabricating, mining, refining, metallurgical operations, direct broadcast satellite television or data transmission services or research and development and which has a total cost of construction in excess of \$5 million.  
**Credit:** The credit is 5% of the purchase price of the materials.  
**Carry forward:** Five years.

Claims have been recorded for this credit for tax year 1999 (4 claims), 2000 (2 claims), 2001 (1 claim), 2003 (1 claim) and 2004 (1 claim) but there are too few to release additional information.

INDIVIDUAL INCOME TAX

**CONTRIBUTIONS TO CHARITIES THAT PROVIDE ASSISTANCE TO THE WORKING POOR CREDIT**

**Statute:** A.R.S. § 43-1088

**Effective Date:** For taxable years from and after 12/31/97

**Provisions:** A nonrefundable credit is allowed for voluntary cash contributions to a qualifying charitable organization. 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 means persons whose household income is less than 150% of the federal poverty level. 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.

**Credit:** The credit is the amount of the voluntary cash contribution, up to \$200.

**Carry forward:** Five years.

	<b># of claimants</b>	<b>Total contributions</b>	<b>Total credit</b>	<b>Used</b>	<b>Carry forward</b>
<b>1998</b>	2,894	\$523,501	\$481,037	\$476,691	\$4,346
<b>1999</b>	6,725	\$1,237,519	\$1,168,515	\$1,154,768	\$13,747
<b>2000</b>	10,654	\$1,897,876	\$1,829,205	\$1,792,123	\$35,581
<b>2001</b>	12,538	\$2,332,832	\$2,257,673	\$2,196,043	\$41,852
<b>2002</b>	14,226	NA	\$2,687,900	\$2,676,900	\$11,000
<b>2003</b>	17,467	NA	\$3,286,100	\$3,259,400	\$23,700
<b>2004</b>	20,736	NA	\$3,884,600	\$3,851,700	\$32,900
<b>2005</b>	25,587	NA	\$6,637,500	\$6,589,000	\$48,500
<b>2006</b>	29,202	N/A	\$7,988,039	\$7,939,507	\$48,532

*Italics indicate preliminary numbers.*

**Reported contribution amounts for credits claimed:<sup>3</sup>**

<b>1998 Charities</b>		<b>1999 Charities</b>	
United Way	\$132,977	United Way	\$262,172
Salvation Army	\$35,877	Salvation Army	\$84,949
Habitat for Humanity	\$26,008	St. Vincent de Paul	\$64,176
St. Vincent de Paul	\$23,825	Habitat for Humanity	\$48,870
Primavera	\$15,440	St. Mary's Food Bank	\$37,302
Westside Food Bank	\$15,045	Neighborhood Clinic	\$31,675
St. Mary's Food Bank	\$13,963	Gospel Rescue Mission	\$28,143
Gospel Rescue Mission	\$10,263	Community Food Bank	\$27,229
Community Food Bank	\$7,712	Jewish Family & Children Services	\$25,870

<sup>3</sup> Contribution amounts shown represent those attributable to calculating the credit and do not represent total contributions made by the taxpayers. "Other" includes those amounts where the charities were not identified.

INDIVIDUAL INCOME TAX

1998 Charities cont.		1999 Charities cont.	
Red Cross	\$6,776	Westside Food Bank	\$24,749
United Methodist Outreach Ministries	\$6,680	Primavera	\$19,406
Goodwill	\$6,654	Phoenix Rescue Mission	\$16,733
Other	\$222,281	Other	\$566,245
<b>Total reported contributions</b>	<b>\$523,501</b>	<b>Total reported contributions</b>	<b>\$1,237,519</b>

2000 Charities		2001 Charities	
United Way	\$386,109	United Way	\$417,316
Salvation Army	\$120,387	Habitat for Humanity	\$135,336
St. Vincent de Paul	\$106,762	Salvation Army	\$128,444
Habitat for Humanity	\$97,624	St. Vincent de Paul	\$100,112
St. Mary's Food Bank	\$64,329	St. Mary's Food Bank	\$95,702
Jewish Family & Children Services	\$59,503	Jewish Family & Children Services	\$70,507
Neighborhood Clinic	\$48,585	Phoenix Rescue Mission	\$58,053
Community Food Bank	\$42,246	Community Food Bank	\$54,294
Westside Food Bank	\$39,939	Westside Food Bank	\$49,158
Gospel Rescue Mission	\$34,647	Neighborhood Clinic	\$46,810
Catholic Community Service	\$31,525	Catholic Community Service	\$36,673
Phoenix Rescue Mission	\$27,427	Gospel Rescue Mission	\$34,316
Other	\$838,783	Other	\$1,106,111
<b>Total reported contributions</b>	<b>\$1,897,876</b>	<b>Total reported contributions</b>	<b>\$2,332,832</b>

**DEFENSE CONTRACTING CREDIT**

**Statute:** A.R.S. § 43-1077 and 1078

**Effective Date:** For taxable years from and after 9/30/92

**Provisions:** This credit is limited to companies that have been certified by the Arizona Department of Commerce as qualified defense contractors by June 30, 2001. Certification is valid for five consecutive taxable years, so no new credits can be claimed after tax year 2006. 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 \$2500 for each first year full-time equivalent position created, \$2000 for the second year, \$1500 for the third year, \$1000 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.

As of the date of this publication, no claim for the defense contracting credit has been found.

INDIVIDUAL INCOME TAX

**DONATIONS TO THE MILITARY FAMILY RELIEF FUND**

**Statute:** A.R.S. § 43-1086  
**Effective Date:** For taxable years from and after 12/31/08 *and ending before 12/31/12*  
**Repealed:** Repeal date was set when credit enacted.  
**Provisions:** A credit is allowed 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 one million dollars. Donations made to the fund after the one million cap 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/\$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. Note that the "# of donations" represents the total count of donations and therefore contains duplicates as there are individuals who made more than one donation during the year. The total amount of donations does not account for the tax credit limitation that will be applied when the tax return is filed.

	<b># of donations</b>	<b>Total donations</b>
<b>2008</b>	3,130	\$993,132

Credits actually claimed on tax returns are shown below:

	<b># of claimants</b>	<b>Credit</b>	<b>Credit Used</b>
<b>2008</b>	2,361	\$778,300	\$778,330

*Italics indicate preliminary numbers.*

INDIVIDUAL INCOME TAX

**DONATION OF MOTOR VEHICLES TO WHEELS TO WORK PROGRAM CREDIT**

**Statute:** A.R.S. § 43-1090.01  
**Effective Date:** For taxable years from and after 12/31/98  
**Repealed:** For donations made from and after 7/1/02  
**Provisions:** A nonrefundable credit is allowed for the fair market value of any vehicle that is donated to the wheels to work program. The value of the vehicle is determined by the private entity.  
**Credit:** The maximum credit is \$1,500 per vehicle.  
**Carry forward:** None.

	1999	2000	2001	2002
<b># of claimants</b>	92	464	163	41
<b># of vehicles</b>	92	473	169	44
<b>Average vehicle value</b>	\$2,207	\$2,214	\$2,408	\$2,420
<b>Total credit</b>	\$121,698	\$615,576	\$213,200	\$54,025
<b>Used</b>	\$102,327	\$549,223	\$173,319	\$40,261

INDIVIDUAL INCOME TAX

**EMPLOYING NATIONAL GUARD MEMBERS CREDIT**

**Statute:** A.R.S. § 43-1079.01

**Effective Date:** For taxable years from and after 12/31/05

**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.

	# of claimants	Credit	Credit Used	Carry Forward
<b>2006</b>	1	//////////	//////////	//////////
<b>2007</b>	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.*

INDIVIDUAL INCOME TAX

<b>EMPLOYMENT OF TANF RECEIPIENTS CREDIT</b>
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**Statute:** A.R.S. § 43-1087

**Effective Date:** For taxable years from and after 12/31/97

**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 1/4 the taxable wages paid to a qualified employee, not to exceed \$500 in the 1<sup>st</sup> year of employment, 1/3 of taxable wages not to exceed \$1,000 in the 2<sup>nd</sup> year of employment and 1/2 of taxable wages not to exceed \$1,500 in the 3<sup>rd</sup> year of continuous employment.

**Carry forward:** Five years.

	# of claimants	Total credit	Used	Carry forward
<b>1998</b>	1	////////	////////	////////
<b>1999</b>	1	////////	////////	////////
<b>2000</b>	0	\$0	\$0	\$0
<b>2001</b>	0	\$0	\$0	\$0
<b>2002</b>	4	////////	////////	////////
<b>2003</b>	5	////////	////////	////////
<b>2004</b>	0	\$0	\$0	\$0
<b>2005</b>	5	////////	////////	////////
<b>2006</b>	0	\$0	\$0	\$0
<b>2007</b>	5	////////	////////	////////

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.*

INDIVIDUAL INCOME TAX

**ENTERPRISE ZONE CREDIT**

**Statute:** A.R.S. § 43-1074

**Effective Date:** For taxable years from and after 12/31/89

**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, there was complete exclusion of retail businesses.) 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, the position must be at least 1,750 hours per year, etc.

**Credit:** The credit is equal to 1/4 the taxable wages paid to a qualified employee, not to exceed \$500 in the 1<sup>st</sup> year of employment, 1/3 of taxable wages not to exceed \$1,000 in the 2<sup>nd</sup> year of employment and 1/2 of taxable wages not to exceed \$1,500 in the 3<sup>rd</sup> year of continuous employment.

**Carry forward:** Five years.

	<b># of claimants</b>	<b>Total credit</b>	<b>Used</b>	<b>Carry forward</b>
<b>1991</b>	30	\$67,000	\$60,000	\$7,000
<b>1992</b>	46	\$145,000	\$112,000	\$33,000
<b>1993</b>	21	\$221,000	\$134,000	\$87,000
<b>1994</b>	25	\$595,894	\$337,581	\$258,313
<b>1995</b>	32	\$835,696	\$667,005	\$168,691
<b>1996</b>	80	\$796,678	\$325,542	\$468,135
<b>1997</b>	119	\$1,348,636	\$717,178	\$631,458
<b>1998</b>	134	\$1,932,606	\$1,196,708	\$735,928
<b>1999</b>	184	\$2,704,548	\$1,573,538	\$1,133,681
<b>2000</b>	200	\$3,669,226	\$2,123,440	\$1,553,807
<b>2001</b>	228	\$4,038,179	\$2,370,519	\$1,667,790
<b>2002</b>	176	\$2,838,420	\$1,602,832	\$1,289,247
<b>2003</b>	202	\$2,981,234	\$1,713,943	\$1,190,859
<b>2004</b>	165	\$2,204,199	\$1,339,705	\$738,055
<b>2005</b>	193	\$2,296,501	\$1,458,081	\$713,499
<b>2006</b>	197	\$2,125,258	\$1,628,136	\$378,486
<b>2007</b>	<i>148</i>	<i>\$1,555,284</i>	<i>\$1,006,150</i>	<i>\$513,740</i>

*Italics indicate preliminary numbers.*

**ENVIRONMENTAL TECHNOLOGY FACILITY CREDIT**

**Statute:** A.R.S. § 43-1080

**Effective Date:** For taxable years from and after 12/31/92

**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.

As of the date of this publication, no claim for the environmental technology facility credit has been found.

INDIVIDUAL INCOME TAX

<b>FAMILY INCOME TAX CREDIT</b>
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**Statute:** A.R.S. § 43-1073

**Effective Date:** For taxable years from and after 12/31/95

**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. For taxpayers filing single or married filing separately, income must be less than or equal to \$10,000 to take the credit.

1. For taxpayers filing single or married filing separately, income<sup>4</sup> must be less than or equal to \$10,000 to take the credit.
2. For married taxpayers filing joint
  - a. with one dependent, the income threshold is \$20,000.
  - b. with two dependents, the income threshold is \$23,600.
  - c. with three dependents, the income threshold is \$27,300.
  - d. with four or more dependents, the income threshold is \$31,000.
3. For taxpayers filing as unmarried head of household,
  - a. with one dependent, the income threshold is \$20,000.
  - b. with two dependents, the income threshold is \$20,135.
  - c. with three dependents, the income threshold is \$23,800.
  - d. with four dependents, the income threshold is \$25,200.
  - e. with five or more dependents, the income threshold is \$26,575.

**Carry forward:** None.

	<b># of claimants</b>	<b>Total credit</b>	<b>Used</b>
<b>1995</b>	340,844	\$20,600,000	\$5,150,000
<b>1996</b>	340,790	\$20,526,564	\$5,071,340
<b>1997</b>	345,223	\$20,483,252	\$4,637,593
<b>1998</b>	312,768	\$27,669,951	\$7,390,406
<b>1999</b>	327,974	\$28,374,663	\$7,925,721
<b>2000</b>	335,253	\$28,924,670	\$7,799,840
<b>2001</b>	402,094	\$33,377,585	\$7,356,939
<b>2002</b>	427,798	\$36,064,781	\$7,382,178
<b>2003</b>	417,451	\$35,068,208	\$7,445,937
<b>2004</b>	425,484	\$35,617,953	\$7,709,270
<b>2005</b>	439,056	\$36,737,292	\$7,661,867
<b>2006</b>	448,960	\$37,349,413	\$6,867,294
<b>2007</b>	518,820	\$42,706,477	\$6,784,150
<b>2008</b>	<i>471,410</i>	<i>\$39,495,658</i>	<i>\$5,616,014</i>

*Italics indicate preliminary numbers.*

<sup>4</sup> Income is defined as Arizona adjusted gross income plus any subtractions taken which reduced Federal Adjusted Gross Income.

**HEALTHY FOREST ENTERPRISE**

**Statute:** A.R.S. § 43-1076

**Effective Date:** For taxable years from and after 12/31/04 through 12/31/14

**Repealed:** Repeal date set when credit enacted.

**Provisions:** A business may qualify for a nonrefundable credit, if certified by the Department of Commerce 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

As of the date of this publication, data is not available for this credit.

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 1/01/35

**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.

	<b># of claimants</b>	<b>Total credit</b>	<b>Used</b>
<b>1995</b>	22,496	\$29,203,587	\$29,203,587
<b>1996</b>	23,379	\$40,570,806	\$40,570,806
<b>1997</b>	25,325	\$42,910,138	\$42,910,138
<b>1998</b>	25,794	\$53,091,928	\$53,091,928
<b>1999</b>	26,317	\$51,433,659	\$51,433,659
<b>2000</b>	27,831	\$57,403,404	\$57,403,404
<b>2001</b>	29,007	\$58,777,258	\$58,777,258
<b>2002</b>	24,909	\$52,843,508	\$52,843,508
<b>2003</b>	25,722	\$62,484,651	\$62,484,651
<b>2004</b>	29,956	\$80,229,015	\$80,229,015
<b>2005</b>	34,664	\$119,416,310	\$119,416,310
<b>2006</b>	34,880	\$124,937,274	\$124,937,274
<b>2007</b>	27,706	\$105,315,257	\$105,315,257
<b>2008</b>	26,509	\$49,456,631	\$49,456,631

*Italics indicate preliminary numbers.*

INDIVIDUAL INCOME TAX

**INCREASED EXCISE TAXES PAID CREDIT**

**Statute:** A.R.S. § 43-1072.01

**Effective Date:** For taxable years from and after 12/31/00

**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.

	<b># of claimants</b>	<b>Total credit</b>	<b>Used</b>
<b>2001</b>	428,189	\$22,612,548	\$22,612,548
<b>2002</b>	529,265	\$28,403,741	\$28,403,741
<b>2003</b>	548,831	\$29,581,905	\$29,581,905
<b>2004</b>	555,762	\$29,924,907	\$29,924,907
<b>2005</b>	546,678	\$29,358,243	\$29,358,243
<b>2006</b>	536,940	\$28,751,332	\$28,751,332
<b>2007</b>	579,464	\$30,444,007	\$30,444,007
<b>2008</b>	<i>574,693</i>	<i>\$30,648,060</i>	<i>\$30,648,060</i>

*Italics indicate preliminary numbers.*

**INVESTMENT IN QUALIFIED SMALL BUSINESSES**

**Statute:** A.R.S. § 43-1074.02  
**Effective Date:** For taxable years from and after 12/31/06 *through* 12/31/14.  
**Repealed:** Repeal date set when credit enacted.  
**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 Department of Commerce (A.R.S. § 41-1518.)  
**Credit:** If the qualified investment is made in a qualified small business located in a rural county or is a bioscience enterprise, the credit is 12% of the investment amount per year for the 1<sup>st</sup> and 2<sup>nd</sup> taxable years after the investment is made and 11% of the investment amount for the 3<sup>rd</sup> 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 Department of Commerce may not authorize tax credits after 6/30/11. The Department of Commerce cannot certify more than \$20,000,000 in credits for investment in qualified small businesses.  
**Carry forward:** Three years.

The Department of Commerce has notified the Department of Revenue of the certification of 94 qualified small businesses. The Department of Commerce has also notified the Department of Revenue that 279 tax credits have been approved. These 279 income tax credits represent investment of \$16 million in 43 of the qualified small businesses. This \$16 million translates to \$5.3 million in credit, available over 6 tax years.

Activity on tax returns filed in terms of credit actually claimed is shown below.

Tax Year	#	Average Federal Adj. Gross Income	New Credit Claimed	Carry Forward Claimed	Total Credit Claimed	Credit Taken	Credit Carry Forward
2007	62	\$763,606	\$383,806	-----	\$383,806	\$264,232	\$107,597
2008	64	\$348,481	\$395,647	\$68,297	\$463,944	\$211,693	\$252,251

**MILITARY REUSE ZONE CREDIT**

**Statute:** A.R.S. § 43-1079

**Effective Date:** For taxable years from and after 12/31/92 (although no military reuse zones were designated until 1996)

**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 that is not a dislocated military base employee, the credit is \$500 in the 1<sup>st</sup> year of employment and increases in \$500 increments until it reaches \$2500 in the 5<sup>th</sup> year of employment. For dislocated military base employees, the credit amount starts at \$1,000 in the 1<sup>st</sup> year of employment and increases in \$500 increments each year until it reaches \$3,000 in the 5<sup>th</sup> year of employment.

**Carry forward:** Five years.

One claim has been recorded for this credit in both tax years 1996 and 1997 therefore additional information cannot be released.

**MOTION PICTURE PRODUCTION AND INFRASTRUCTURE CREDIT**

**Statute:** A.R.S. §§ 43-1075 and 43-1075.01

**Effective Date:** For taxable years from and after 12/31/05 through 12/31/10 for Motion Picture Productions (§ 43-1075) and for taxable years from and after 12/31/07 through 12/31/10 for Motion Picture Infrastructure Projects (§ 43-1075.01)

**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 Department of Commerce. For the motion picture production credit, the taxpayer must acknowledge that the production was filmed in Arizona (except for commercial advertisements); incur production costs of at least \$250,000 on each motion picture, employ the statutorily required percentage of Arizona residents during production activities in Arizona (25% of full-time employees in 2006, 35% in 2007, and 50% in 2008 and thereafter). To maintain eligibility, the taxpayer must begin a production or begin construction of an infrastructure project within 90 days of the pre-approval date and submit a Completion Report to the Department of Commerce. 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.

**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 for an individual motion picture will not exceed \$5 million in 2006 and 2007, \$7 million in 2008, \$8 million in 2009 and \$9 million thereafter. The total corporate and individual tax credit (reference A.R.S. §§ 43-1163 and 43-1163.01) will not exceed \$30 million for 2006, \$40 million for 2007, \$50 million for 2008, \$60 million for 2009, and \$70 million for 2010. Beginning in 2008, a credit up to 15% of the base investment that is directly attributable to the construction of a qualified infrastructure projection in Arizona is available subject to the same cap limits as the individual and corporate motion picture production credits referenced above. Beginning in 2008, 5% of the calendar year cap is reserved for commercial advertisements or music videos. The infrastructure project tax credit cannot exceed \$5 million in any year for soundstages or \$3 million for an individual support and augmentation facilities project. The total tax credit for associated support and augmentation facilities cannot exceed \$7 million in 2009 if at least one soundstage was certified in 2008 and \$9 million in 2010 if one or more soundstage projects were certified in 2008 or 2009.

**Carry forward:** Five years.

<b>Tax Year</b>	<b># of claims</b>	<b>Credit Available</b>	<b>Credit Used</b>	<b>Carry Forward</b>
<b>2006</b>	0	\$0	\$0	\$0
<b>2007</b>	4	\$153,184	\$128,165	\$25,019
<b>2008</b>	5	\$139,458	\$108,645	\$30,815

Fourteen motion picture tax credits have been sold or transferred to other taxpayers. Furthermore, eight of the fourteen tax credits were then resold to twenty-four individual or corporate taxpayers.

*Italics indicate preliminary numbers.*

**POLLUTION CONTROL DEVICE CREDIT**

**Statute:** A.R.S. § 43-1081

**Effective Date:** For taxable years from and after 12/31/94

**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.

	# of claimants	Total 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

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.

INDIVIDUAL INCOME TAX

<b>PRIVATE SCHOOL TUITION ORGANIZATION CREDIT</b>
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**Statute:** A.R.S. § 43-1089

**Effective Date:** For taxable years from and after 12/31/97

**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.

**Carry forward:** Five years.

	# of STOs <sup>5</sup> reporting donations	# of donors reported	Donations reported	# of STOs reporting scholarships	# of scholarships reported	Scholarships reported
<b>1998</b>	16	4,248	\$1,815,798	4	128	\$103,790
<b>1999</b>	33	32,023	\$13,781,341	17	3,365	\$2,196,734
<b>2000</b>	36	38,249	\$17,701,284	30	15,081	\$13,561,981
<b>2001</b>	43	46,755	\$24,924,656	32	18,049	\$16,484,958
<b>2002</b>	43	52,161	\$26,482,993	36	19,582	\$22,826,746
<b>2003</b>	51	58,122	\$29,445,494	49	20,134	\$24,437,877
<b>2004</b>	53	63,830	\$31,871,474	51	21,146	\$28,201,770
<b>2005</b>	53	69,239	\$42,194,898	54	22,529	\$30,863,153
<b>2006</b>	56	73,617	\$51,011,815	56	24,678	\$40,557,643
<b>2007</b>	55	76,065	\$54,303,282	55	27,153	\$48,561,687
<b>2008</b>	55	78,434	\$55,286,975	55	28,327	\$54,090,903

<sup>5</sup> School Tuition Organizations

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 \$3,750, 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 \$5,001.

**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).

	<b># of claimants</b>	<b>Total credit</b>	<b>Used</b>
<b>1995</b>	22,091	\$6,342,285	\$6,342,285
<b>1996</b>	19,983	\$5,819,917	\$5,819,917
<b>1997</b>	18,644	\$5,581,477	\$5,581,477
<b>1998</b>	17,237	\$5,290,628	\$5,290,628
<b>1999</b>	15,862	\$4,987,796	\$4,987,796
<b>2000</b>	14,593	\$4,653,837	\$4,653,837
<b>2001</b>	15,218	\$5,015,318	\$5,015,318
<b>2002</b>	14,991	\$5,106,544	\$5,106,544
<b>2003</b>	15,028	\$5,301,879	\$5,301,879
<b>2004</b>	14,786	\$5,242,685	\$5,242,685
<b>2005</b>	13,943	\$4,977,070	\$4,977,070
<b>2006</b>	13,247	\$4,776,863	\$4,776,863
<b>2007</b>	16,810	\$5,979,296	\$5,979,296
<b>2008</b>	<i>15,509</i>	<i>\$5,659,233</i>	<i>\$5,659,233</i>

*Italics indicate preliminary numbers.*

INDIVIDUAL INCOME TAX

**PUBLIC SCHOOL EXTRACURRICULAR ACTIVITY FEE CREDIT**

**Statute:** A.R.S. § 43-1089.01

**Effective Date:** For taxable years from and after 12/31/97

**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. Extracurricular activities are school sponsored activities that require students to pay a fee in order to participate.

**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.

	<b># of claimants</b>	<b>Total credit</b>	<b>Used</b>
<b>1998</b>	74,242	\$8,990,042	\$8,990,042
<b>1999</b>	109,748	\$14,775,353	\$14,775,353
<b>2000</b>	149,215	\$17,526,299	\$17,526,299
<b>2001</b>	166,468	\$20,004,715	\$20,004,715
<b>2002</b>	143,697	\$22,455,129	\$22,455,129
<b>2003</b>	201,407	\$27,753,764	\$27,753,764
<b>2004</b>	213,987	\$30,958,872	\$30,958,872
<b>2005</b>	215,369	\$35,416,279	\$35,416,279
<b>2006</b>	218,664	\$43,230,433	\$43,230,433
<b>2007</b>	214,356	\$44,069,896	\$44,069,896
<b>2008</b>	233,517	\$45,143,078	\$45,143,078

INDIVIDUAL INCOME TAX

**RECYCLING EQUIPMENT CREDIT**

**Statute:** A.R.S. § 43-1076  
**Effective Date:** For taxable years from and after 12/31/92  
**Repealed:** For taxable years beginning on or after 1/1/03 but does not affect any tax credit carry forward that had already accrued.  
**Provisions:** A nonrefundable credit is allowed to a taxpayer that 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.

	# of claimants	Total 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

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.*

INDIVIDUAL INCOME TAX

**RESEARCH & DEVELOPMENT CREDIT**

- Statute:** A.R.S. § 43-1074.01  
**Effective Date:** For taxable years from and after 12/31/00  
**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 12/31/00 through 12/31/01, the credit shall not exceed \$1.5 million
    - b. For taxable years beginning from and after 12/31/01 through 12/31/02, the credit shall not exceed \$2.5 million.

The amount of credit carry forward that may be used in a taxable year may not exceed tax liability after subtracting the current year credit. Credit carry forward from taxable years beginning from and after 12/31/00 through 12/31/02 that may be used in a taxable year is further 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 from and after 12/31/02 is limited only by the amount used in any taxable year may not exceed the tax liability after subtracting for the current taxable year's credit for increased research expenses.

**Carry forward:** Fifteen years.

	<b># of Claimants</b>	<b>New Credit</b>	<b>Total Credit Available</b>	<b>Credit Used</b>	<b>Limited Carry Forward</b>	<b>Unlimited Carry Forward</b>
<b>2001</b>	58	\$925,516	\$925,516	\$506,038	\$419,478	
<b>2002</b>	103	\$1,433,752	\$1,824,281	\$793,115	\$1,031,166	
<b>2003</b>	129	\$2,654,260	\$3,682,028	\$1,147,253	\$1,002,727	\$1,532,048
<b>2004</b>	152	\$2,797,904	\$5,243,320	\$1,564,621	\$956,514	\$2,722,185
<b>2005</b>	185	\$3,883,640	\$7,537,327	\$3,216,992	\$714,219	\$3,606,116
<b>2006</b>	236	\$4,418,299	\$8,511,368	\$3,842,411	\$564,381	\$4,056,810
<b>2007</b>	161	\$2,944,965	\$7,454,768	\$2,629,418	\$531,134	\$4,294,216

*Italics indicate preliminary numbers.*

- Since the creation of this credit, 363 taxpayers have claimed it.

INDIVIDUAL INCOME TAX

**SCHOOL SITE DONATION CREDIT**

**Statute:** A.R.S. § 43-1089.02

**Effective Date:** For taxable years from and after 12/31/00

**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.

	# of claimants	Value of donated property <sup>6</sup>	Total credit	Used	Carry forward
<b>2001</b>	59	\$23,376,250	\$4,572,656	\$2,869,356	\$1,704,381
<b>2002</b>	66	\$11,176,500	\$3,711,546	\$2,380,444	\$1,331,022
<b>2003</b>	45	\$8,580,160	\$2,924,583	\$2,048,930	\$716,187
<b>2004</b>	100	\$30,130,700	\$5,341,784	\$3,511,441	\$1,830,343
<b>2005</b>	80	\$25,445,500	\$8,562,042	\$6,029,585	\$2,521,548
<b>2006</b>	90	\$35,051,900	\$10,554,076	\$7,813,331	\$2,535,573
<b>2007</b>	61	\$15,723,400	\$5,305,966	\$2,326,763	\$2,979,224

*Italics indicate preliminary numbers.*

<sup>6</sup> Represents the total value of the donated property for which a credit was originally claimed in the respective tax year.

INDIVIDUAL INCOME TAX

**SOLAR ENERGY DEVICE CREDIT**

**Statute:** A.R.S. § 43-1083

**Effective Date:** For taxable years from and after 12/31/94

**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 \$1000.

**Carry forward:** Five years.

	1995	1996	1997	1998	1999	2000
<b># of claimants</b>	1,924	1,651	1,861	2,144	2,765	2,560
<b>Total credit</b>	\$655,000	\$591,611	\$644,057	\$783,799	\$1,065,616	\$1,032,948
<b>Used</b>	\$593,000	\$517,750	\$527,518	\$673,892	\$903,738	\$889,508
<b>Carry forward</b>	\$63,000	\$73,876	\$116,529	\$109,420	\$152,877	\$143,012

	2001	2002	2003	2004	2005	2006
<b># of claimants</b>	2,273	2,335	2,685	3,042	3,699	4,104
<b>Total credit</b>	\$1,021,789	\$1,130,971	\$1,313,896	\$1,481,458	\$1,934,309	\$2,474,983
<b>Used</b>	\$866,027	\$920,767	\$1,050,582	\$1,210,146	\$1,575,965	\$2,050,173
<b>Carry forward</b>	\$155,194	\$209,732	\$250,263	\$271,312	\$357,507	\$423,929

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

**Statute:** A.R.S. § 43-1090

**Effective Date:** For taxable years from and after 12/31/97

**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 3/4 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.

	1998	1999	2000	2001	2002
<b># of claimants</b>	23	35	35	18	15
<b>Total credit</b>	\$12,352	\$16,859	\$21,308	\$16,951	\$4,920
<b>Used</b>	\$8,874	\$7,944	\$11,566	\$7,804	\$3,312
<b>Carry forward</b>	\$3,478	\$8,915	\$9,742	\$9,147	\$1,608

	2003	2004	2005
<b># of claimants</b>	2	17	23
<b>Total credit</b>	//////////	\$15,220	\$16,488
<b>Used</b>	//////////	\$5,677	\$10,437
<b>Carry forward</b>	//////////	\$9,543	\$4,551

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

**TECHNOLOGY TRAINING CREDIT**

**Statute:** A.R.S. § 43-1088.01  
**Effective Date:** For taxable years from and after 12/31/00 *and ending before 1/1/06*  
**Repealed:** Repeal date set when credit enacted.  
**Provisions:** A *refundable* credit is allowed for providing technological skills training to not more than 20 of the taxpayer's employees.  
**Credit:** The credit is equal to 50% of the amount actually spent during the taxable year for the cost of the training, but not more than \$1500 per employee. The total amount of credits that can be granted (through a Department of Commerce certification program) is \$2.5 million.

Claims have been recorded for this credit for tax year 2001 (2 claims) and 2002 (1 claim), but there are too few to release additional information.

**UNDERGROUND STORAGE TANKS CREDIT**

- Statute:** A.R.S. § 43-1085
- Effective Date:** For taxable years from and after 12/31/93
- Repealed:** The legislation repealing this credit had a general effective date of August 25, 2004.
- Provisions:** A nonrefundable credit is allowed for expenses incurred by an individual or taxpayer who is not liable or responsible for a corrective action as an owner or operator of an underground storage tank, for corrective actions taken with respect to the release of a regulated substance from an underground storage tank.
- Credit:** The credit is equal to 10% of the amount spent to take any corrective action certified by the Arizona Department of Environmental Quality.
- Carry forward:** None.

Three claims have been recorded for this credit for tax year 1994, but there are too few to release additional information.

**VEHICLE REFUELING APPARATUS CREDIT**

**Statute:** A.R.S. § 43-1086.01  
**Effective Date:** For taxable years from and after 12/31/98  
**Provisions:** A refundable credit is allowed for the purchase of a vehicle refueling apparatus, including storage tanks, for installation on one or more properties in Arizona for the taxpayer's use. Vehicle refueling apparatus means either a maximum 10 to 15 standard cubic feet per minute natural gas compression appliance used for slow fill, on-site refueling or equipment necessary to provide an electric charge for an electric vehicle. Prior to 1/01/00, this credit was not refundable.  
**Repealed:** To qualify for the credit, the vehicle refueling apparatus must be installed on or before 12/31/00 or the taxpayer has paid in full for the vehicle refueling apparatus before 11/9/00.  
**Credit:** The credit is the cost of the vehicle refueling apparatus. The nonrefundable credit was equal to the greater of \$2000 or the cost of the vehicle refueling apparatus.  
**Carry forward:** Five years.

<b>NONREFUNDABLE</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b># of claimants</b>	77	127	21	9	5	2
<b># of apparatuses</b>	82	---	---	---	---	---
<b>Total credit</b>	\$205,568	\$297,382	\$39,953	\$20,519	\$13,872	////////
<b>Used</b>	\$101,753	\$238,339	\$16,440	\$3,531	\$8,960	////////
<b>Carry forward</b>	\$103,815	\$59,243	\$23,513	\$16,988	\$4,912	////////

The 2000 claims should be only carry forward from 1999 claims. However, at least 75 of these taxpayers filed the credit on the nonrefundable form rather than the refundable credit form. Since they had sufficient liability to offset the credit, they were not contacted to file an amended return.

- The average Federal Adjusted Gross Income (FAGI) for taxpayers claiming the vehicle refueling apparatus credit in 1999 was \$269,409.
- The average FAGI for taxpayers claiming the vehicle refueling apparatus credit in 2000 was \$555,372.

<b>REFUNDABLE</b>	<b>2000</b>	<b>2001</b>
<b># of claimants</b>	676	12
<b># of apparatuses</b>	749	4
<b>Total credit</b>	\$3,204,789	\$33,750
<b>Used</b>	\$364,288	\$25,456
<b>Refunded</b>	\$2,840,501	\$8,294
<b>Carry forward</b>	\$0	\$0

- The average FAGI for taxpayers claiming the refundable vehicle refueling apparatus credit in 2000 was \$337,236
- The average FAGI for taxpayers claiming the refundable vehicle refueling apparatus credit in 2001 was \$297,572.

**WATER CONSERVATION SYSTEMS CREDIT**

**Statute:** A.R.S. § 43-1090.01  
**Effective Date:** For taxable years from and after 12/31/06 through 12/31/11  
**Repealed:** 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. This means they must first install the system and then apply for credit approval. The credits approved are as follows:

	#	Cost of System	Credit Approved
<b>2007</b>	81	\$289,755	\$51,019
<b>2008</b>	213	\$601,223	\$119,228
<b>2009</b>	79	\$162,573	\$34,991

Credits actually claimed on tax returns are shown below:

	2007	2008
<b>Number of Returns</b>	52	182
<b>Cost of System</b>	\$208,792	\$483,352
<b>New Credit</b>	\$35,164	\$99,344
<b>Credit Carry Forward</b>	-----	\$4,907
<b>Total Credit Claimed</b>	\$35,164	\$104,251
<b>Credit Used</b>	\$30,245	\$95,073
<b>Credit Carry Forward</b>	\$4.919	\$9.178

**AGRICULTURAL POLLUTION CONTROL EQUIPMENT CREDIT**

**Statute:** A.R.S. § 43-1170.01

**Effective Date:** For taxable years from and after 12/31/98

**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.

	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b># of claims</b>	////////	////////	////////	////////	////////	////////	0	////////	0
<b>Credit available</b>	////////	////////	////////	////////	////////	////////		////////	
<b>Credit used</b>	////////	////////	////////	////////	////////	////////		////////	
<b>Carry forward</b>	////////	////////	////////	////////	////////	////////		////////	

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

**AGRICULTURAL PRESERVATION DISTRICT CREDIT**

**Statute:** A.R.S. § 43-1180  
**Effective Date:** For taxable years from and after 12/31/00 *and ending before 1/1/06*  
**Repealed:** Repeal date set when credit enacted.  
**Provisions:** A *refundable* credit is allowed for a taxpayer who owns property classified as Class Two property (agricultural) and who conveys ownership or development rights to an agricultural preservation district. No district can award credits exceeding \$10 million.  
**Credit:** The amount of the credit is either the appraised value of the property if the taxpayer conveys ownership to the district or the difference between the appraised value of the undeveloped land and the appraised value of the land for development purposes if the taxpayer conveys the development rights of the property to the district. No credit in a calendar year can exceed \$33,000.

No claims for this credit have been found.

**AGRICULTURAL WATER CONSERVATION SYSTEM CREDIT**

**Statute:** A.R.S. § 43-1172  
**Effective Date:** For taxable years from and after 12/31/93  
**Repealed:** Effective 1/1/00  
**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	Qualifying expenses	New Credit	Carry forward	Used	New Carry forward
1994	5	\$209,504	\$147,276	-----	\$35,531	\$111,745
1995	5	//////////	//////////	//////////	//////////	//////////
1996	4	//////////	//////////	//////////	//////////	//////////
1997	3	//////////	//////////	//////////	//////////	//////////
1998	6	//////////	//////////	//////////	//////////	//////////
1999	9	//////////	//////////	//////////	//////////	//////////
2000	6	//////////	//////////	//////////	//////////	//////////
2001	5	//////////	//////////	//////////	//////////	//////////
2002	5	-----	-----	//////////	//////////	//////////
2003	3	-----	-----	//////////	//////////	//////////
2004	2	-----	-----	//////////	//////////	//////////
2005	0					

The only year for which dollar amounts can be released is 1994. In the remaining years, noted by the bars in the table cells, there is a dominant taxpayer which keeps any information, other than claimant count, from being released.

- Since the creation of this credit, 17 taxpayers have claimed it.

<b>ALTERNATIVE FUEL DELIVERY SYSTEM CREDIT</b>
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**Statute:** A.R.S. § 43-1174.02

**Effective Date:** For taxable years from and after 12/31/97

**Repealed:** To qualify for the credit, a contract for construction must have been entered into prior to 10/20/00 and construction must have begun before 11/9/00.

**Provisions:** A credit is allowed for construction costs or operating costs for constructing or operating an alternative fuel delivery system in Arizona that is capable of dispensing an alternative fuel to an alternative fuel vehicle. Construction costs means costs directly associated with the construction of an alternative fuel delivery system and does not include any construction costs for gasoline or diesel fuel delivery systems or adjacent buildings, landscaping or paving for areas not directly connected to the alternative fuel delivery system. Operating costs means costs directly associated with the dispensing of alternative fuel through an alternative fuel delivery system plus a reasonable charge for overhead functions. *This credit was refundable for tax year 2000 only.*

**Credit:** The amount of the credit is equal to 100% of the costs incurred up to a maximum of \$400,000 for an alternative fuel delivery system that is accessible to the general public or for an alternative fuel delivery system that is dispensing renewable fuel. For an alternative fuel delivery system that does not satisfy the qualifications in the previous system, the credit is 50% of the costs incurred up to a maximum of \$200,000.

**Carry forward:** Five years.

<b>NONREFUNDABLE</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b># of claimants</b>	3	8	5 <sup>7</sup>	3	3	2	1
<b>Construction cost</b>	\$887,709	\$2,318,941	---	---	---	---	---
<b>Operating cost</b>	\$400,285	\$894,067	---	---	---	---	---
<b>Credit</b>	\$1,287,994	\$2,186,788	---	---	---	---	---
<b>Total credit</b>	\$1,287,994	\$2,441,075	\$1,998,651	\$642,337	\$457,906	//////////	//////////
<b>Used against liability</b>	\$1,083,345	\$1,377,215	\$1,167,282	\$184,431	\$1,039	//////////	//////////
<b>Carry forward</b>	\$204,649	\$1,063,860	\$831,369	\$457,906	\$456,867	//////////	//////////

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

<b>REFUNDABLE</b>	<b>2000</b>	<b>2001</b>
<b># of claimants</b>	5	0
<b># of stations</b>	27	
<b>Construction cost</b>	\$679,992	
<b>Operating cost</b>	\$0	
<b>Credit</b>	\$679,992	
<b>Total credit</b>	\$679,992	
<b>Used against liability</b>	\$314,676	
<b>Refunded</b>	\$363,316	
<b>Carry forward</b>	\$0	

<sup>7</sup> All claims after 1999 are for carry forward.

**ALTERNATIVE FUEL VEHICLES CREDIT**

**Statute:** A.R.S. § 43-1174  
**Effective Date:** For taxable years from and after 12/31/93  
**Repealed:** To qualify for the credit, a contract or purchase order for the vehicle must have been entered into prior to 10/21/00. No refundable credit is allowed for taxable years ending after 12/31/01. The nonrefundable credit was repealed with the passage of the refundable credit language; however, the carry forward for the nonrefundable credit can still be used after 12/31/01.  
**Provisions:** A credit is allowed for (1) purchase or lease, for a period of at least 3 years, of one or more new original equipment manufactured alternative fuel vehicles or (2) expenses incurred for converting one or more conventionally fueled vehicles to operate on an alternative fuel *This credit was refundable for tax years 2000 and 2001 only.*  
**Credit:** The amount of the credit is equal to:  
 1. For low emission vehicles 12,000 pounds or less, the greater of 30% of cost or \$5,000 if new or the greater of 15% of the cost or \$2,500 if used.  
 2. For an ultralow or inherently low emission vehicle, the greater of 40% of cost or \$7,500 if new or the greater of 20% of the cost or \$3,750 if used.  
 3. For a zero or super ultralow emission vehicle, the greater of 50% of cost or \$10,000 if new or the greater of 25% of the cost or \$5,000 if used.  
 4. For a used zero emission vehicle that is leased, the greater of 25% of cost or \$2,500.  
 5. For a low emission vehicle over 12,000 pounds, the greater of 30% of cost or \$30,000 if new or the greater of 15% of the cost or \$15,000 if used.  
 6. For conversion of a vehicle over 12,000 pounds, the greater of 30% of vehicle purchase price plus conversion cost or 30% of the original manufacturer's base retail price or \$30,000.  
 7. For purchase of converted vehicles over 12,000 pounds, the greater of 15% of cost or \$15,000.  
 8. For conversion of any other vehicle, the greater of 30% of vehicle purchase price plus conversion cost or 30% of the original manufacturer's base retail price of the vehicle or \$5,000 .  
 9. For purchase of any other converted vehicle, the greater of 15% of cost or \$2,500.  
 This language replaced another alternative fuel vehicle credit that allowed much less credit; the previous credit was for a maximum amount of \$1,000 per vehicle  
**Carry forward:** Five years for the nonrefundable alternative fuel vehicle and 10 years for the nonrefundable neighborhood electric vehicle credit.

**FOR NONREFUNDABLE ALTERNATIVE FUEL VEHICLES EXCEPT NEIGHBORHOOD ELECTRIC VEHICLES:**

Tax Year	# of claimants	# of vehicles	New credit	Total credit	Used	Carry forward
1994	2	//////////	//////////	//////////	//////////	//////////
1995	4	61	\$61,000	\$61,000	\$61,000	\$0
1996	1	//////////	//////////	//////////	//////////	//////////
1997	4	6	\$6,200	\$11,150	\$4,805	\$6,345
1998	12	93	\$114,713	\$190,258	\$36,231	\$154,027
1999	24	103	\$1,324,268	\$1,402,495	\$283,160	\$1,119,335
2000	13	6	\$146,188	\$1,116,853	\$342,351	\$774,502
2001	7	-----	-----	\$740,566	\$2,882	\$737,674
2002	7	-----	-----	\$678,479	\$32,924	\$645,555
2003	5	-----	-----	\$645,555	\$1,726	\$643,829
2004	3	-----	-----	\$659,570	\$2,837	\$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.

CORPORATE INCOME TAX

- Since the creation of this credit, 36 taxpayers have claimed it.

REFUNDABLE	2000	2001
# of claimants	182	12
# of vehicles	670	17
New credit	\$15,666,027	\$218,560
Total credit	\$15,666,027	\$218,560
Used	\$491,057	\$25,200
Refunded	\$15,163,095	\$193,360
Carry forward	\$11,875	\$0

**FOR NEIGHBORHOOD ELECTRIC VEHICLES:**

	# of claimants	# of vehicles	Purchase price	New credit	Total credit	used	Carry forward
1999	53	189	\$1,792,850	\$1,858,593	\$1,858,593	\$1,406,907	\$451,686
2000	47	267	\$2,287,352	\$2,103,061	\$2,431,532	\$1,368,929	\$1,062,603
2001	19	-----	-----	-----	\$991,555	\$69,701	\$921,854
2002	17	-----	-----	-----	\$903,497	\$60,175	\$843,322
2003	13	-----	-----	-----	\$820,049	\$29,085	\$790,964
2004	10	-----	-----	-----	\$791,263	\$11,380	\$779,883
2005	4	-----	-----	-----	\$680,915	\$3,041	\$677,874
2006	1	-----	-----	-----	////////////////	////////////////	////////////////

- For this period, 82 taxpayers have claimed the credit for neighborhood electric vehicles.
- For these 82 taxpayers, an average of five vehicles per taxpayer have been claimed, although nine of the taxpayers each claimed ten or more neighborhood electric vehicles.

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

CORPORATE INCOME TAX

<b>CLEAN ELECTIONS CREDIT</b>
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**Statute:** A.R.S. § 16-954B  
**Effective Date:** For donations made in taxable years beginning on or after 1/1/98  
**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 \$550. The maximum credit amount is adjusted biennially (per A.R.S. § 16-959A).  
**Carry forward:** None.

	# of Claimants	Total 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	\$1,773	\$1,563
2004	93	\$594	\$597
2005	102	\$2,019	\$2,019
2006	132	\$1,778	\$1,778
2007	227	\$2,615	\$2,615

*Italics indicate preliminary numbers.*

**COMMERCIAL AND INDUSTRIAL SOLAR ENERGY CREDIT**

**Statute:** A.R.S. § 43-1164

**Effective Date:** For installing devices in taxable years beginning on or after 1/1/06 through 12/31/12

**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.

The Arizona Department of Commerce has reported the following certifications. Until the returns are filed, there is no way to determine how many will be claimed as corporate income tax credits and how many will be claimed as individual income tax credits.

Tax Year	# of Approvals	Cost of Installation	Credit Allowed
2006	16	\$1,639,428	\$144,977
2007	14	\$2,240,463	\$126,999
2008	30	\$7,170,324	\$407,954
2009	7	\$1,387,619	\$63,859

Claims have been made on corporate income tax returns for 2006 and 2007 but there are so few that release of information would result in a violation of confidentiality laws.

**CONSOLIDATED FILER CREDIT**

**Statute:** SB1120 in the 1994 legislative session  
**Effective Date:** For taxable years from and after 12/31/95  
**Repealed:** Final payments to occur in tax year 2006  
**Provisions:** SB1120 allowed a corporation to elect to file the same consolidated group of corporations on the Arizona return that was filed on the federal return. Corporations that made this election could file consolidated returns from tax year 1994 forward. Amended returns could be filed for tax year 1986 through 1993; these returns had to have been filed by 1/1/95. The filing of amended returns could result in a credit for previous tax payments as well as interest accrued through 12/31/94. The credit could be taken beginning in the 1996 tax year.  
**Credit:** Total credit established was \$66 million for 69 corporations. Corporations could take 1/10 of their credit, nonrefundable, each year for ten years. Any credit remaining at the end of ten years (perhaps credit amount exceeded liability during the ten year period) is to be refunded.  
**Carry forward:** Not applicable.

The following table presents the corporate consolidated credits taken by tax year.

Tax Year	# of claims	Credit Available	Credit Used	Remaining Credit
1996	40	\$65,603,071	\$4,096,658	\$61,506,413
1997	44	\$61,506,413	\$4,566,240	\$56,940,173
1998	46	\$56,940,173	\$3,373,610	\$53,566,563
1999	48	\$53,566,563	\$2,964,017	\$50,602,546
2000	42	\$50,602,546	\$3,430,269	\$47,172,277
2001	35	\$46,672,815	\$3,504,468	\$43,168,347
2002	32	\$43,168,347	\$2,208,772	\$40,959,575
2003	34	\$40,959,575	\$2,299,299	\$38,660,276
2004	32	\$38,635,451	\$2,307,512	\$36,327,939
2005	28	\$36,327,939	\$4,680,893	\$31,647,046
2006	52	\$31,647,046	\$31,647,046	\$0

CORPORATE INCOME TAX

**CONSTRUCTION MATERIALS CREDIT**

**Statute:** A.R.S. § 43-1171  
**Effective Date:** For taxable years from and after 12/31/94  
**Repealed:** Effective 1/1/00.  
**Provisions:** A nonrefundable credit is allowed for new construction materials incorporated into a qualifying facility located entirely within Arizona, construction of which is begun on or after 1/1/94 and completed on or before 12/31/99. A qualifying facility means a new building or structure, or expansion of an existing building or structure predominantly used for manufacturing, fabricating, mining, refining, metallurgical operations, direct broadcast satellite television or data transmission services or research and development and which has a total cost of construction in excess of \$5 million.  
**Credit:** The credit is 5% of the purchase price of the materials.  
**Carry forward:** Five years.

Tax Year	# of claimants	Cost of qualifying materials	New credit	Total credit	Used	Carry forward
1994	1	//////////	//////////	//////////	//////////	//////////
1995	8	\$117,613,449	\$5,880,673	\$5,880,673	\$4,868,089	\$1,012,584
1996	11	\$23,000,122	\$2,162,591	\$2,162,591	\$944,392	\$1,218,199
1997	10	\$23,547,095	\$2,018,694	\$2,018,694	\$878,822	\$1,139,872
1998	5	\$16,540,741	\$1,567,984	\$1,567,984	\$1,041,619	\$579,484
1999	7	\$17,454,198	\$1,161,103	\$1,161,103	\$414,824	\$746,279
2000	4	----	----	\$630,976	\$204,184	\$426,792
2001	3	----	----	\$426,792	\$100	\$426,692
2002	3	----	----	\$426,692	\$100	\$426,592
2003	2	----	----	//////////	//////////	//////////
2004	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.

➤ Since the creation of this credit, 17 taxpayers have claimed it.

<b>CONTRIBUTIONS TO SCHOOL TUITION ORGANIZATIONS</b>
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**Statute:** A.R.S. § 43-1183

**Effective Date:** For taxable years from and after 6/30/06

**Repealed:** Original law had a repeal date of 6/30/11. **The repeal date was removed in legislation in the 2009 session.**

**Provisions:** A nonrefundable credit is allowed to each taxpayer for the amount of voluntary cash contributions made to a school tuition organization.

**Credit:** The aggregate amount of the credit 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.

In fiscal year 2007, when the credit cap was \$10,000,000, \$9.54 million in donations was approved by the Department of Revenue and received by the school tuition organizations. In fiscal year 2008, \$11.996 of the credit cap was approved and received by the school tuition organizations. In fiscal year 2009, \$10.49 million of the \$14.4 million credit cap was approved and received by the school tuition organizations. For fiscal year 2010, the credit cap is \$17.28 million. The figures below show credits claimed for these donations thus far.

<b>Tax Year</b>	<b># of claims</b>	<b>Credit claimed</b>	<b>Credit used</b>	<b>Carry forward</b>
<b>2005</b>	5	\$530,000	\$526,260	\$3,740
<b>2006</b>	57	\$9,925,940	\$9,653,598	\$272,342
<b>2007</b>	59	\$11,095,307	\$10,542,791	\$552,516

CORPORATE INCOME TAX

**DEFENSE CONTRACTING CREDIT**

**Statute:** A.R.S. § 43-1165 and 1166  
**Effective Date:** For taxable years from and after 9/30/92  
**Provisions:** The credit is limited to companies certified by the Arizona Department of Commerce as qualified defense contractors by June 30, 2001. Certification is valid for five consecutive taxable years; no new credits can be claimed after tax year 2006. 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 \$2500 for each first year full-time equivalent position created, \$2000 for the second year, \$1500 for the third year, \$1000 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
1 <sup>st</sup> year employment	///////	///////	///////	1,097	1,123	227	1,629
2 <sup>nd</sup> year employment	///////	///////	///////	330	1,171	879	419
3 <sup>rd</sup> year employment	///////	///////	///////	3,075	742	752	783
4 <sup>th</sup> year employment	///////	///////	///////	634	56	886	695
5 <sup>th</sup> 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
Used	///////	///////	///////	\$3,551,214	\$748,841	\$116,500	\$833,724
Carry forward	///////	///////	///////	\$28,988,431	\$39,112,016	\$39,840,466	\$36,297,743

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

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.

**DONATION OF MOTOR VEHICLES TO WHEELS TO WORK PROGRAM CREDIT**

- Statute:** A.R.S. § 43-1177  
**Effective Date:** For taxable years from and after 12/31/98  
**Repealed:** For donations made from and after 7/1/02  
**Provisions:** A nonrefundable credit is allowed for the fair market value of any vehicle that is donated to the wheels to work program. The value of the vehicle is determined by the private entity.  
**Credit:** The maximum credit is \$1500 per vehicle.  
**Carry forward:** Five years.

As of the date of this publication, no claim for the donation of motor vehicles to wheels to work program credit has been found.

**EMPLOYING NATIONAL GUARD MEMBERS CREDIT**

**Statute:** A.R.S. § 43-1167.01  
**Effective Date:** For taxable years from and after 12/31/05  
**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	Credit	Credit Used	Carry Forward
2006	3	5	\$5,000	\$5,000	\$0
2007	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.

<b>EMPLOYMENT OF TANF RECIPIENTS CREDIT</b>
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**Statute:** A.R.S. § 43-1175

**Effective Date:** For taxable years from and after 12/31/97

**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 1/4 the taxable wages paid to a qualified employee, not to exceed \$500 in the 1<sup>st</sup> year of employment, 1/3 of taxable wages not to exceed \$1,000 in the 2<sup>nd</sup> year of employment and 1/2 of taxable wages not to exceed \$1,500 in the 3<sup>rd</sup> year of continuous employment.

**Carry forward:** Five years.

	# of claimants	# of new employees	New Credit	Total Credit	Used	Carry Forward
<b>1998</b>	3	81	\$35,325	\$35,325	\$35,325	\$0
<b>1999</b>	5	121	\$49,653	\$49,653	\$47,189	\$2,464
<b>2000</b>	7	95	\$45,405	\$47,869	\$27,648	\$20,221
<b>2001</b>	7	72	\$79,139	\$99,360	\$57,901	\$41,459
<b>2002</b>	8	234	\$173,450	\$184,997	\$173,600	\$11,397
<b>2003</b>	9	408	\$466,292	\$472,478	\$466,392	\$6,086
<b>2004</b>	14	406	\$485,090	\$491,175	\$485,190	\$5,985
<b>2005</b>	13	173	\$118,411	\$124,397	\$99,575	\$24,822
<b>2006</b>	10	30	\$47,548	\$52,562	\$40,804	\$11,758
<b>2007</b>	11	39	\$40,514	\$47,978	\$45,064	\$2,914

- Since the creation of this credit, 30 taxpayers have claimed it.
- From 1998 through 2007, taxpayers reported 1,659 positions eligible for the credit, for a total credit of \$1.5 million. This is a \$929 credit per job.

*Italics indicate preliminary numbers.*

<b>ENTERPRISE ZONE CREDIT</b>
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**Statute:** A.R.S. § 43-1161

**Effective Date:** For taxable years from and after 12/31/89

**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, there was complete exclusion of retail businesses.) 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, the position must be at least 1,750 hours per year, etc.

**Credit:** The credit is equal to 1/4 the taxable wages paid to a qualified employee, not to exceed \$500 in the 1<sup>st</sup> year of employment, 1/3 of taxable wages not to exceed \$1,000 in the 2<sup>nd</sup> year of employment and 1/2 of taxable wages not to exceed \$1,500 in the 3<sup>rd</sup> year of continuous employment.

**Carry forward:** Five years.

	# of claims	# of locations	# of new hires	New credit	Dislocated worker credit	Carry forward	Total 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	138	215	4,362	\$12,771,565	\$0	\$7,036,053	\$19,807,618	\$10,776,733	\$9,030,885
2001	143	245	2,985	\$9,433,424	\$2,219	\$8,716,012	\$18,151,655	\$7,038,170	\$11,113,485
2002	132	204	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	\$8,640,954	\$14,672,500	\$6,685,931	\$7,930,637
2004	119	244	4,072	\$5,413,347	\$0	\$7,491,570	\$12,904,917	\$7,647,347	\$4,603,005
2005	119	248	4,590	\$7,674,484	\$0	\$4,200,740	\$11,875,224	\$7,887,054	\$3,495,562
2006	102	228	3,809	\$8,801,686	\$0	\$2,577,041	\$11,378,727	\$8,526,788	\$2,546,829
2007	72	184	2,184	\$4,799,389	\$0	\$2,239,616	\$7,039,005	\$3,550,115	\$3,156,258

- Since the creation of this credit, 381 taxpayers have claimed it.
- Since 1990, 46,753 jobs have been claimed under this credit, for a total credit amount of \$104.6 million. This is an average credit of \$2,237 per job.

*Italics indicate preliminary numbers.*

**ENVIRONMENTAL TECHNOLOGY FACILITY CREDIT**

**Statute:** A.R.S. § 43-1169

**Effective Date:** For taxable years from and after 12/31/92

**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.

	# of claimants	Cost of equipment or property	New credit	Total 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	\$97,162,732	\$9,716,273	\$35,649,281	\$2,556,477	\$33,092,804
1997	3	\$18,739,637	\$1,873,964	\$34,966,768	\$38	\$34,966,730
1998	4	\$15,537,470	\$1,553,749	\$36,520,479	\$365,267	\$36,155,212
1999	3	\$6,815,794	\$681,579	\$36,836,791	\$69,877	\$36,766,914
2000	3	\$0	\$0	\$36,766,914	\$26,658	\$36,740,256
2001	3	\$0	\$0	\$37,088,205	\$1,084,588	\$36,003,617
2002	2	\$0	\$0	//////////	//////////	//////////
2003	2	\$0	\$0	//////////	//////////	//////////
2004	2	\$0	\$0	//////////	//////////	//////////
2005	1	\$0	\$0	//////////	//////////	//////////
2006	1	\$0	\$0	//////////	//////////	//////////
2007	1	\$0	\$0	//////////	//////////	//////////

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

- Since the creation of this credit, 7 taxpayers have claimed it.
- Nearly \$58 million in credit has been created, an average of \$8.3 million in credit per taxpayer participating.

**HEALTHY FOREST ENTERPRISE**

**Statute:** A.R.S. § 43-1162

**Effective Date:** For taxable years from and after 12/31/04 through 12/31/14

**Repealed:** Repeal date set when credit enacted.

**Provisions:** A business may qualify for a nonrefundable credit, if certified by the Department of Commerce 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; third year equal to the lesser of \$1,500 or one-half of the taxable wages paid.

**Carry forward:** Five years

Tax year 2007 is the first tax year for which a healthy forest credit has been claimed. However, no data can be released due to confidentiality laws.

**MILITARY REUSE ZONE CREDIT**

**Statute:** A.R.S. § 43-1167

**Effective Date:** For taxable years from and after 12/31/92 (although no military reuse zones were designated until 1996)

**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 that is not a dislocated military base employee, the credit is \$500 in the 1<sup>st</sup> year of employment and increases in \$500 increments until it reaches \$2500 in the 5<sup>th</sup> year of employment. For dislocated military base employees, the credit amount starts at \$1,000 in the 1<sup>st</sup> year of employment and increases in \$500 increments each year until it reaches \$3,000 in the 5<sup>th</sup> year of employment.

**Carry forward:** Five years.

	# of claimants	# of employees	New credit	Total credit	Used	Carry forward
1993	0					
1994	0					
1995	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	//////////	//////////	//////////	//////////	//////////
1999	3	3	\$98,500	\$175,336	\$170,634	\$4,702
2000	3	8	\$109,000	\$113,702	\$97,440	\$16,262
2001	3	29	\$122,500	\$131,312	\$109,373	\$21,939
2002	3	2	\$42,000	\$81,439	\$41,050	\$13,939
2003	2	//////////	//////////	//////////	//////////	//////////
2004	2	//////////	//////////	//////////	//////////	//////////
2005	2	//////////	//////////	//////////	//////////	//////////
2006	1	//////////	//////////	//////////	//////////	//////////
2007	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.

- Since the creation of this credit, five taxpayers have claimed it.
- Slightly more than 201 jobs have been claimed under this credit, for about \$710,000. This is \$3,532 in credit per employee.

**MOTION PICTURE PRODUCTION AND INFRASTRUCTURE CREDIT**

**Statute:** A.R.S. §§ 43-1163 and 43-1163.01

**Effective Date:** For taxable years from and after 12/31/05 through 12/31/10 for Motion Picture Productions (§ 43-1163) and for taxable years from and after 12/31/07 through 12/31/10 for Motion Picture Infrastructure Projects (§ 43-1163.01)

**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 Department of Commerce. For the motion picture production credit, the taxpayer must acknowledge that the production was filmed in Arizona (except for commercial advertisements); incur production costs of at least \$250,000 on each motion picture, employ the statutorily required percentage of Arizona residents during production activities in Arizona (25% of full-time employees in 2006, 35% in 2007, and 50% in 2008 and thereafter). To maintain eligibility, the taxpayer must begin a production or begin construction of an infrastructure project within 90 days of the pre-approval date and submit a Completion Report to the Department of Commerce. 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.

**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 for an individual motion picture will not exceed \$5 million in 2006 and 2007, \$7 million in 2008, \$8 million in 2009 and \$9 million thereafter. The total corporate and individual tax credit (reference A.R.S. §§ 43-1075 and 43-1075.01) will not exceed \$30 million for 2006, \$40 million for 2007, \$50 million for 2008, \$60 million for 2009, and \$70 million for 2010. Beginning in 2008, a credit up to 15% of the base investment that is directly attributable to the construction of a qualified infrastructure projection in Arizona is available subject to the same cap limits as the individual and corporate motion picture production credits referenced above. Beginning in 2008, 5% of the calendar year cap is reserved for commercial advertisements or music videos. The infrastructure project tax credit cannot exceed \$5 million in any year for soundstages or \$3 million for an individual support and augmentation facilities project. The total tax credit for associated support and augmentation facilities cannot exceed \$7 million in 2009 if at least one soundstage was certified in 2008 and \$9 million in 2010 if one or more soundstage projects were certified in 2008 or 2009.

**Carry forward:** Five years.

Tax Year	# of claims	Credit Available	Credit Used	Carry Forward
2006	2	////////////////////	////////////////////	////////////////////
2007	8	\$6,822,746	\$1,209,442	\$5,613,304

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.

Fourteen motion picture tax credits have been sold or transferred to other taxpayers. Furthermore, eight of the fourteen tax credits were then resold to twenty-four individual or corporate taxpayers.

*Italics indicate preliminary numbers.*

<b>POLLUTION CONTROL DEVICE CREDIT</b>
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**Statute:** A.R.S. § 43-1170

**Effective Date:** For taxable years from and after 12/31/94

**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.

	# of claimants	Cost of property	New credit	Total credit	Used	Carry forward
1995	21	\$79,797,815	\$5,205,329	\$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	\$6,879,238	\$7,188,736
2000	40	\$51,034,592	\$4,454,823	\$12,345,490	\$3,860,440	\$8,485,050
2001	36	\$55,140,325	\$3,192,416	\$8,234,644	\$2,696,972	\$5,537,672
2002	31	\$27,276,116	\$2,509,488	\$8,239,252	\$2,460,289	\$5,776,562
2003	30	\$24,422,700	\$2,659,004	\$8,461,236	\$2,464,944	\$5,642,458
2004	24	\$29,276,308	\$2,629,300	\$7,191,423	\$1,206,299	\$5,660,151
2005	24	\$44,112,593	\$2,675,516	\$8,288,494	\$2,119,047	\$5,536,979
2006	20	\$40,942,923	\$2,264,217	\$5,746,154	\$1,997,280	\$3,592,073
2007	14	\$59,723,616	\$2,434,624	\$4,275,709	\$2,298,605	\$1,977.104

- Since the creation of this credit, 94 taxpayers have claimed it.
- The total cost of pollution control property over 13 years is \$696.0 million. Divided by 94 corporations, the average cost of the equipment has been \$7.4 million.
- Based on a total \$46.0 million in credit created, the average credit claimed per taxpayer for the 13-year period is \$490,701.

*Italics indicate preliminary numbers.*

**RECYCLING EQUIPMENT CREDIT**

**Statute:** A.R.S. § 43-1164  
**Effective Date:** For taxable years from and after 12/31/92  
**Repealed:** Effective 1/1/00.  
**Provisions:** A nonrefundable credit is allowed to a taxpayer that 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, but limited to use through 12/31/05.

	# of claimants	Cost of equipment	New credit	Total credit	Used	Carry forward
1993	0					
1994	3	\$859,542	\$85,919	\$85,919	\$14,920	\$70,999
1995	5	\$516,776	\$51,678	\$122,676	\$14,851	\$107,825
1996	4	\$350,132	\$35,013	\$142,144	\$11,167	\$130,977
1997	4	\$312,030	\$31,203	\$161,315	\$10,672	\$150,643
1998	4	\$1,237,090	\$123,709	\$274,352	\$12,660	\$261,692
1999	4	\$291,586	\$29,158	\$250,210	\$16,028	\$234,182
2000	5	\$42,400	\$4,240	\$238,422	\$15,626	\$222,796
2001	4	----	----	\$218,919	\$21,442	\$197,477
2002	4	----	----	\$197,477	\$5,145	\$192,332
2003	4	----	----	\$192,332	\$3,426	\$188,906
2004	2	----	----	//////////	//////////	//////////
2005	1	----	----	//////////	//////////	//////////

- Since the creation of this credit, ten taxpayers have claimed it.
- The average cost of recycling equipment over the seven-year period for the ten taxpayers is \$360,956.

CORPORATE INCOME TAX

**RESEARCH & DEVELOPMENT CREDIT**

**Statute:** A.R.S. § 43-1168  
**Effective Date:** For taxable years from and after 12/31/92  
**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 1/1/01, 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 12/31/00 through 12/31/01, the credit shall not exceed \$1.5 million
  - b. For taxable years beginning from and after 12/31/01 through 12/31/02, the credit shall not exceed \$2.5 million.

If the taxpayer has qualified research expense carry forward from taxable years beginning before 1/1/01, the expenses convert to credit by multiplying expense carry forward by 20%. The amount of the credit carry forward from taxable years beginning from and after 12/31/02 that may be used in a taxable year may not exceed tax liability after subtracting current year credit. Credit carry forward from taxable years beginning before 1/1/03 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.

**Carry forward:** Fifteen years.

	# of claimants	Total r&d expenses and payments	New credit <sup>8</sup>	Total credit	Used	Credit value of limited expense carry forward	Unlimited carryforward
1993	23	\$5,558,659	\$617,710	\$617,710	\$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	\$295,172,070	
2000	128	\$953,911,915	\$22,878,888	\$24,812,543	\$9,458,919	\$427,134,696	
2001	150	\$597,214,628	\$38,935,261	\$43,712,998	\$11,088,820	\$483,797,945	
2002	165	\$504,306,779	\$39,165,361	\$53,171,646	\$11,857,223	\$530,231,849	
2003	185	\$559,066,102	\$72,297,507	\$91,042,805	\$31,822,581	\$536,799,505	\$42,424,262
2004	206	\$688,586,355	\$88,419,995	\$124,549,056	\$36,914,720	\$533,881,465	\$95,105,068
2005	201	\$773,031,635	\$97,952,726	\$200,478,828	\$48,060,471	\$520,039,352	\$148,533,995
2006	210	\$849,780,884	\$107,377,804	\$251,090,298	\$53,866,055	\$504,330,977	\$202,032,550
2007	185	\$547,885,050	\$72,075,547	\$200,749,707	\$43,837,468	\$309,634,908	\$155,926,914

- Since the creation of this credit, 454 taxpayers have claimed it.
- Over \$6.9 billion in research & development expenses and payments have been claimed by taxpayers since 1993, for an average expense of \$15.5 million over the twelve-year period.
- The average "New Credit" per taxpayer increased from \$178,741 in 2000 to \$261,663 in 2001, which coincides with the increase in the credit cap from \$500,000 to \$1,500,000. In 2003, with the removal of the credit cap, the average credit was \$424,387. Preliminary 2006 numbers reflect an average of \$654,445.

<sup>8</sup> These numbers reflect the credit limits, depending on how many years the credit has been claimed.

CORPORATE INCOME TAX

<b>SCHOOL SITE DONATION CREDIT</b>
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**Statute:** A.R.S. § 43-1181

**Effective Date:** For taxable years from and after 12/31/00

**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.

	# of taxpayers	Cost of property donated	Credit Available	Credit Used	Credit 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

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.*

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

**Statute:** A.R.S. § 43-1176

**Effective Date:** For taxable years from and after 12/31/97

**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 3/4 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 have been recorded for this credit for tax year 2000, but there are too few to release information at this time.

CORPORATE INCOME TAX

<b>TAXES PAID FOR COAL CONSUMED IN GENERATING ELECTRICAL POWER CREDIT</b>
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**Statute:** A.R.S. § 43-1178  
**Effective Date:** For taxable years from and after 12/31/97  
**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.

	# of claimants	TPT or use tax paid	New Credit	Total Credit	Used	Carry Forward
<b>1998</b>	4	\$3,053,275	\$915,983	\$915,983	\$678,039	\$237,044
<b>1999</b>	4	\$3,607,134	\$1,067,569	\$1,305,513	\$803,476	\$502,037
<b>2000</b>	3	\$3,716,675	\$1,115,002	\$1,617,039	\$778,015	\$839,024
<b>2001</b>	3	\$6,388,155	\$1,916,447	\$2,755,471	\$1,556,016	\$1,199,455
<b>2002</b>	3	\$5,417,396	\$1,865,219	\$3,064,674	\$1,504,851	\$1,559,823
<b>2003</b>	3	\$5,285,088	\$1,585,520	\$3,145,343	\$1,229,020	\$1,744,443
<b>2004</b>	3	\$4,312,183	\$1,293,658	\$3,038,101	\$908,990	\$1,799,254
<b>2005</b>	3	\$4,175,437	\$1,252,631	\$3,051,885	\$843,909	\$1,870,939
<b>2006</b>	3	\$4,581,990	\$1,374,597	\$3,245,536	\$929,098	\$1,956,070
<b>2007</b>	4	\$6,639,107	\$1,991,070	\$3,947,803	\$1,057,873	\$2,529,562

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

- Since the creation of this credit, six taxpayers have claimed it.
- Over the 10 year period, \$47.2 million in transaction privilege or use tax has been paid on coal consumed in generating electrical power.

*Italics indicate preliminary numbers.*

CORPORATE INCOME TAX

**TECHNOLOGY TRAINING CREDIT**

**Statute:** A.R.S. § 43-1179

**Effective Date:** For taxable years from and after 12/31/00 and ending before 1/1/06

**Provisions:** A *refundable* credit is allowed for providing technological skills training to not more than 20 of the taxpayer's employees.

**Credit:** The credit is equal to 50% of the amount actually spent during the taxable year for the cost of the training, but not more than \$1500 per employee. The total amount of credits that can be granted (through a Department of Commerce certification program) is \$2.5 million.

	<b># of Claimants</b>	<b>Credit</b>	<b>Credit Used Against Liability</b>	<b>Credit Refunded</b>
2001	11	\$46,286	\$35,010	\$11,276
2002	4	\$41,083	\$30,000	\$11,083
2003	3	\$33,426	\$33,006	\$420
2004	3	\$39,963	\$36,268	\$3,695
2005	3	\$46,356	\$46,356	\$0

Twelve different taxpayers have claimed this credit in the five years.

**UNDERGROUND STORAGE TANKS CREDIT**

**Statute:** A.R.S. § 43-1173

**Effective Date:** For taxable years from and after 12/31/93

**Repealed:** The legislation repealing this credit had a general effective date of August 25, 2004.

**Provisions:** A nonrefundable credit is allowed for expenses incurred by an individual or taxpayer who is not liable or responsible for a corrective action as an owner or operator of an underground storage tank, for corrective actions taken with respect to the release of a regulated substance from an underground storage tank.

**Credit:** The credit is equal to 10% of the amount spent to take any corrective action certified by the Arizona Department of Environmental Quality.

**Carry forward:** None.

- Since the creation of this credit, four taxpayers have claimed the credit but too few of them have claimed it in any given year to allow the reporting of the amounts.
- Over the eight-year period, less than \$50,000 in expenses incurred has been reported.

<b>VEHICLE REFUELING APPARATUS CREDIT</b>
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**Statute:** A.R.S. § 43-1174.01

**Effective Date:** For taxable years from and after 12/31/98

**Provisions:** A refundable credit is allowed for the purchase of a vehicle refueling apparatus, including storage tanks, for installation on one or more properties in Arizona for the taxpayer's use. Vehicle refueling apparatus means either a maximum 10 to 15 standard cubic feet per minute natural gas compression appliance used for slow fill, on-site refueling or equipment necessary to provide an electric charge for an electric vehicle. Prior to 1/01/00, this credit was not refundable.

**Repealed:** To qualify for the credit, the vehicle refueling apparatus must be installed on or before 12/31/00 or the taxpayer has paid in full for the vehicle refueling apparatus before 11/9/00.

**Credit:** The credit is the cost of the vehicle refueling apparatus. The nonrefundable credit was equal to the greater of \$2000 or the cost of the vehicle refueling apparatus.

**Carry forward:** Five years.

<b>NONREFUNDABLE</b>	<b>1999</b>	<b>2000<sup>9</sup></b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b># of claimants</b>	7	4	4	3	1	1
<b># of apparatus</b>	9	--	//////////	//////////	//////////	//////////
<b>Apparatus cost</b>	\$26,172	--	//////////	//////////	//////////	//////////
<b>Credit</b>	\$29,765	--	//////////	//////////	//////////	//////////
<b>Total credit</b>	\$29,765	\$8,712	//////////	//////////	//////////	//////////
<b>Used against liability</b>	\$13,630	\$2,180	//////////	//////////	//////////	//////////
<b>Carry forward</b>	\$16,135	\$6,532	//////////	//////////	//////////	//////////

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, nine taxpayers have claimed it.

<b>REFUNDABLE</b>	<b>2000</b>	<b>2001</b>
<b># of claimants</b>	12	0
<b># of refueling apparatus</b>	21	
<b>Refueling apparatus credit</b>	\$123,104	
<b># of apparatus installations</b>	4	
<b>Apparatus installation credit</b>	\$15,836	
<b>Credit</b>	\$138,940	
<b>Used against liability</b>	\$46,332	
<b>Refunded</b>	\$92,608	

<sup>9</sup> All nonrefundable 2000 claims are claims of carry forward from 1999.

**WATER CONSERVATION PLUMBING STUB-OUT CREDIT**

**Statute:** A.R.S. § 43-1182

**Effective Date:** For taxable years from and after 12/31/06 through 12/31/11

**Repealed:** 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 two hundred dollars 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

As of the date of this publication, no credit claim has been found or certified by the department.