

ARIZONA INCOME TAX CREDITS

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

November 2010

INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2009	2008	2007	2006	2005	2004	2003	2002
Agricultural Pollution Control Equipment	# of claims credit available credit used carry forward	Data Not Available	4 \$13,524 \$13,524 \$0	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	6 \$47,706 \$32,542 \$15,164
Agricultural Preservation District	# of claims credit available credit refunded carry forward					0 \$0 \$0	0 \$0 \$0	0 \$0 \$0	0 \$0 \$0
REFUNDABLE									
Agricultural Water Conservation	# of claims credit available credit used carry forward	Data Not Available	105 \$7,719,160 \$1,322,254 \$5,926,725	134 \$8,893,168 \$1,851,865 \$6,315,774	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
Alternative Fuel Delivery System	# of claims credit available credit used carry forward						0 \$0 \$0	0 \$0 \$0	0 \$0 \$0
NONREFUNDABLE									
Alternative Fuel Vehicles	# of claims credit available credit used carry forward						26 \$251,238 \$34,972 \$0	50 \$407,905 \$60,504 \$347,401	74 \$605,422 \$104,771 \$500,944
NONREFUNDABLE									
Clean Elections	# of claims credit available credit used carry forward	24,778 \$632,861 \$578,068	33,966 \$830,123 \$773,000	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
Commerical & Industrial Solar Energy Credit	# of claims credit available credit used carry forward	6 \$25,731 \$7,099 \$18,632	46 \$379,929 \$244,663 \$135,266	8 \$27,588 \$13,216 \$14,372	5 \$27,417 \$18,997 \$8,420				
Construction Materials	# of claims credit available credit used carry forward						Data Not Releasable	Data Not Releasable	0 \$0 \$0 \$0
Contributions To Charities Providing Help To Working Poor	# of claims credit available credit used carry forward	45,438 \$12,950,388 \$12,915,531	36,568 \$11,077,991 \$11,059,408	18,280 \$5,877,831 \$5,860,953	29,202 \$7,988,039 \$7,939,507	25,587 \$6,637,500 \$6,589,000	20,736 \$3,884,600 \$3,851,700	17,467 \$3,283,100 \$3,259,400	14,226 \$2,687,900 \$2,676,900

INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2009	2008	2007	2006	2005	2004	2003	2002
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	3,185 \$998,331 \$998,331	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
Employing National Guard Members	# of claims credit available credit used carry forward	Data Not Available	Data Not Releasable	Data Not Releasable	Data Not Releasable				
Employment of TANF Recipients	# of claims credit available credit used carry forward	Data Not Available	0 \$0 \$0 \$0	5 \$24,606 \$12,666 \$11,940	0 \$0 \$0 \$0	Data Not Releasable	0 \$0 \$0 \$0	Data Not Releasable	Data Not Releasable
Enterprise Zone	# of claims credit available credit used carry forward	Data Not Available	119 \$1,305,676 \$716,157 \$584,767	149 \$1,555,869 \$1,006,150 \$514,325	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
Environmental Technology	# of claims credit available credit used carry forward	Data Not Available	Data Not Releasable	Data Not Releasable	Data Not Releasable	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	474,245 \$41,165,320 \$4,951,982	501,013 \$42,060,538 \$5,811,534	518,820 \$42,706,477 \$6,784,150	472,266 \$39,733,177 \$7,166,327	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
Healthy Forest Enterprises	# of claims credit available credit used carry forward	Data Not Available	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0				

INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2009	2008	2007	2006	2005	2004	2003	2002
Income Taxes Paid To Other States or Countries	# of claims	22,906	31,103	27,706	34,880	34,664	29,956	25,722	24,909
	credit available	\$30,083,865	\$78,837,292	\$105,315,257	\$124,937,274	\$119,416,310	\$80,229,015	\$62,484,651	\$52,843,508
	credit used carry forward	\$30,083,865	\$78,837,292	\$105,315,257	\$124,937,274	\$119,416,310	\$80,229,015	\$62,484,651	\$52,843,508
Increased Excise Taxes Paid	# of claims	609,695	605,599	579,464	536,940	546,678	555,762	548,831	529,265
	credit available	\$33,025,580	\$32,308,185	\$30,444,007	\$28,751,332	\$29,358,243	\$29,924,907	\$29,581,905	\$28,403,741
	credit used carry forward	\$33,025,580	\$32,308,185	\$30,444,007	\$28,751,332	\$29,358,243	\$29,924,907	\$29,581,905	\$28,403,741
Investment in Qualified Small Business	# of claims	68	111	73					
	credit available	\$559,249	\$796,219	\$395,916					
	credit used carry forward	\$251,310 \$307,939	\$395,014 \$401,205	\$276,742 \$119,174					
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 carry forward		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Motion Picture Production and Infrastructure	# of claims	5	9	4	0				
	credit available	\$81,932	\$273,567	\$153,184	\$0				
	credit used carry forward	\$77,267 \$4,665	\$267,771 \$5,796	\$128,165 \$25,019	\$0				
Neighborhood Electric Vehicle	# of claims				80	395	832	1,279	1,785
	credit available				\$237,622	\$1,866,584	\$4,014,888	\$6,472,767	\$9,603,599
	credit used carry forward				\$67,977 \$0	\$809,199 \$1,057,385	\$1,184,437 \$2,831,527	\$1,593,351 \$4,879,416	\$2,478,629 \$7,124,970
Pollution Control Device	# of claims		4	10	14	23	28	9	13
	credit available	Data Not Available	\$2,781	\$30,247	\$31,327	\$79,082	\$40,676	\$32,062	\$18,562
	credit used carry forward		\$2,399 \$382	\$7,962 \$22,767	\$14,412 \$16,860	\$71,574 \$7,508	\$16,385 \$24,291	\$31,239 \$823	\$18,525 \$37
Private School Tuition Organization	# of claims	73,391	78,434	76,065	73,617	69,239	63,830	58,122	52,161
	credit available	\$50,853,086	\$55,261,284	\$54,303,282	\$51,011,815	\$42,194,898	\$31,871,474	\$29,445,494	\$26,482,993
	credit used carry forward	\$50,853,086	\$55,261,284	\$54,303,282	\$51,011,815	\$42,194,898	\$31,871,474	\$29,445,494	\$26,482,993
Property Tax	# of claims	16,893	15,675	16,810	13,247	13,943	14,786	15,028	14,991
	credit available	\$6,420,787	\$5,722,697	\$5,979,296	\$4,776,863	\$4,977,070	\$5,242,685	\$5,301,879	\$5,106,544
	credit used carry forward	\$6,420,787	\$5,722,697	\$5,979,296	\$4,776,863	\$4,977,070	\$5,242,685	\$5,301,879	\$5,106,544

INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2009	2008	2007	2006	2005	2004	2003	2002
Public School	# of claims	239,018	233,450	214,356	218,664	215,369	213,987	201,407	143,697
Extra	credit available	\$42,653,387	\$45,164,366	\$44,069,896	\$43,230,433	\$35,416,279	\$30,958,872	\$27,753,764	\$22,455,129
Curricular	credit used	\$42,653,387	\$45,164,366	\$44,069,896	\$43,230,433	\$35,416,279	\$30,958,872	\$27,753,764	\$22,455,129
Activity	carry forward								
Recycling	# of claims		0	0	0	0		4	5
Equipment	credit available	Data Not Available	\$0	\$0	\$0	\$0	Data Not Releasable	\$3,891	\$7,945
	credit used		\$0	\$0	\$0	\$0		\$2,380	\$3,267
	carry forward		\$0	\$0	\$0	\$0		\$1,511	\$4,678
Research & Development	# of claims		160	209	254	194	162	134	107
	credit available	Data Not Available	\$8,093,099	\$8,113,328	\$9,288,497	\$8,148,392	\$5,707,812	\$3,957,830	\$1,988,911
	credit used		\$2,929,220	\$2,998,057	\$3,922,209	\$3,256,590	\$1,592,406	\$1,181,947	\$815,709
	ltd carry forward		\$416,548	\$531,037	\$754,183	\$856,255	\$1,098,550	\$1,144,763	\$1,173,202
	unltd carry forward		\$4,747,331	\$4,584,234	\$4,612,105	\$4,035,547	\$3,016,856	\$1,631,120	
School Site Donation	# of claims		54	68	89	80	100	45	66
	credit available	Data Not Available	\$1,948,616	\$5,863,836	\$10,553,076	\$8,562,042	\$5,341,784	\$2,924,583	\$3,711,546
	credit used		\$312,899	\$2,749,005	\$7,812,958	\$6,029,585	\$3,511,441	\$2,048,930	\$2,380,444
	carry forward		\$1,635,717	\$3,114,832	\$2,534,946	\$2,532,548	\$1,830,343	\$716,187	\$1,331,022
Solar Energy	# of claims			2,010	4,150	3,719	3,044	2,686	2,336
	credit available	Data Not Available	Data Not Available	\$1,229,789	\$2,510,676	\$1,939,100	\$1,483,235	\$1,314,084	\$1,131,895
	credit used			\$1,031,811	\$2,043,051	\$1,587,658	\$1,210,467	\$1,050,582	\$920,767
	carry forward			\$197,619	\$466,744	\$350,605	\$272,768	\$250,263	\$210,656
Solar Hot Water Plumbing Stub Outs & Electric Vehicle Recharge	# of claims		6	0	6	22	17		15
	credit available	Data Not Available	\$678	\$0	\$525	\$18,538	\$15,220	Data Not Releasable	\$4,920
	credit used		\$630	\$0	\$525	\$9,687	\$5,677		\$3,312
	carry forward		\$48	\$0	\$0	\$8,851	\$9,543		\$1,608
Technology Training	# of claims					0	0	0	
REFUNDABLE	credit available					\$0	\$0	\$0	Data Not Releasable
	credit refunded					\$0	\$0	\$0	
	carry forward								
Underground Storage Tanks	# of claims						0	0	0
	credit available						\$0	\$0	\$0
	credit used						\$0	\$0	\$0
	carry forward								

INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2009	2008	2007	2006	2005	2004	2003	2002
Vehicle Refueling Apparatus & Infrastructure	# of claims							5	9
	credit available						Data Not Releasable	\$13,872	\$20,519
	credit used							\$8,960	\$3,531
NONREFUNDABLE	carry forward							\$4,912	\$16,988
Water Conservation Systems Credit	# of claims	180	203	54					
	credit available	\$100,357	\$116,199	\$36,564					
	credit used	\$90,544	\$105,734	\$31,645					
	carry forward	\$9,813	\$10,465	\$4,919					
TOTAL	# of claims	1,509,808	1,538,992	1,488,586	1,416,798	1,380,381	1,361,400	1,320,647	1,245,288
	credit available	\$219,550,874	\$292,693,941	\$315,901,448	\$334,924,334	\$307,328,747	\$248,088,225	\$221,088,007	\$202,792,314
	credit used	\$182,906,837	\$242,026,932	\$263,681,431	\$286,017,976	\$261,560,549	\$202,217,254	\$175,317,367	\$155,705,267
	credit refunded					\$0	\$0	\$0	\$0
	carry forward	\$341,049	\$13,450,818	\$14,928,692	\$14,225,593	\$15,163,592	\$15,633,390	\$16,425,826	\$16,652,773
	ltd carry forward	\$0	\$416,548	\$531,037	\$754,183	\$856,255	\$1,098,550	\$1,144,763	\$1,173,202

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

		2008	2007	2006	2005	2004	2003	2002	2001	2000
Agricultural	# of claims	0	0		0					
Pollution	credit available	\$0	\$0	Data Not	\$0	Data Not				
Control	credit used	\$0	\$0	Releasable	\$0	Releasable	Releasable	Releasable	Releasable	Releasable
Equipment	carry forward	\$0	\$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	
REFUNDABLE	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
	carry forward				\$0					
Alternative	# of claims							3	3	5
Fuel Delivery	credit available					Data Not	Data Not	\$457,906	\$642,337	\$1,998,651
System	credit used					Releasable	Releasable	\$1,039	\$184,431	\$1,167,282
NONREFUNDABLE	carry forward							\$456,867	\$457,906	\$831,369
Alternative	# of claims								0	5
Fuel Delivery	credit available								\$0	\$679,992
System	credit used								\$0	\$314,676
REFUNDABLE	credit refunded								\$0	\$363,316
	carry forward								\$0	\$0
Alternative	# of claims					3	5	7	7	13
Fuel	credit available					\$659,570	\$645,555	\$678,479	\$740,566	\$1,116,853
Vehicles	credit used					\$2,837	\$1,726	\$32,924	\$2,882	\$342,351
NONREFUNDABLE	carry forward					\$0	\$643,829	\$645,555	\$737,674	\$774,502
Alternative	# of claims								12	182
Fuel	credit available								\$218,560	\$15,666,027
Vehicles	credit used								\$25,200	\$491,057
REFUNDABLE	credit refunded								\$193,360	\$15,163,095
	carry forward								\$0	\$11,875
Clean	# of claims	329	227	122	102	93	111	102	97	57
Elections	credit available	\$22,558	\$2,615	\$684	\$2,019	\$597	\$1,778	\$646	\$2,913	\$13,911
	credit used	\$22,558	\$2,615	\$684	\$2,019	\$597	\$1,773	\$646	\$2,913	\$13,911
	carry forward									
Commerical &	# of claims	7								
Industrial Solar	credit available	\$85,550	Data Not	Data Not						
Energy Credit	credit used	\$74,899	Releasable	Releasable						
	carry forward	\$10,651								

CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2008	2007	2006	2005	2004	2003	2002	2001	2000
Consolidated Filer	# of claims			52	28	32	34	32	35	42
	credit available			\$31,647,046	\$36,327,939	\$38,635,451	\$40,959,575	\$43,168,347	\$46,672,815	\$50,602,546
	credit used			\$0	\$4,680,893	\$2,307,512	\$2,299,299	\$2,208,772	\$3,504,468	\$3,430,269
REFUNDABLE	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
Construction Materials	# of claims							3	3	4
	credit available					Data Not Releasable	Data Not Releasable	\$426,692	\$426,792	\$630,976
	credit used							\$100	\$100	\$204,184
	carry forward							\$426,592	\$426,692	\$426,792
Contributions to School Tuition Organizations	# of claims	67	61	58	5					
	credit available	\$6,144,714	\$11,619,309	\$9,965,940	\$530,000					
	credit used	\$4,667,242	\$10,823,475	\$9,669,596	\$526,260					
	carry forward	\$1,477,472	\$795,834	\$296,344	\$3,740					
Defense Contracting	# of claims									3
	credit available	Data Not Releasable	\$43,361,299							
	credit used									\$1,859,951
	carry forward									\$32,832,511
Donation of Motor Vehicles To Work Program	# of claims							0	0	0
	credit available							\$0	\$0	\$0
	credit used							\$0	\$0	\$0
	carry forward							\$0	\$0	\$0
Employing National Guard Members	# of claims	4		3						
	credit available	\$7,000	Data Not Releasable	\$5,000						
	credit used	\$1,100		\$5,000						
	carry forward	\$5,900		\$0						
Employment of TANF Recipients	# of claims	7	11	10	13	14	9	8	7	7
	credit available	\$35,373	\$47,978	\$52,562	\$124,397	\$491,175	\$472,478	\$184,997	\$99,360	\$47,869
	credit used	\$24,006	\$45,064	\$40,804	\$99,575	\$485,190	\$466,392	\$173,600	\$57,901	\$27,648
	carry forward	\$11,367	\$2,914	\$11,758	\$24,822	\$5,985	\$6,086	\$11,397	\$41,459	\$20,221
Enterprise Zone	# of claims	94	101	103	120	119	125	131	144	139
	credit available	\$10,702,234	\$10,180,612	\$11,336,653	\$11,682,526	\$12,693,764	\$14,461,392	\$15,373,144	\$18,162,655	\$19,810,618
	credit used	\$6,031,367	\$6,910,439	\$9,114,221	\$7,887,054	\$7,647,392	\$6,685,976	\$6,509,295	\$7,043,165	\$10,779,733
	carry forward	\$4,503,739	\$3,148,649	\$2,149,301	\$3,302,819	\$4,391,807	\$7,719,484	\$8,652,741	\$11,119,490	\$9,030,885
Environmental Technology Facility	# of claims	3							3	3
	credit available	\$38,719,232	Data Not Releasable	\$37,088,205	\$36,766,914					
	credit used	Data Not Releasable							\$1,084,588	\$26,658
	carry forward	Data Not Releasable							\$36,003,617	\$36,740,256
Healthy Forest Enterprises	# of claims			0	0					
	credit available	Data Not Releasable	Data Not Releasable	\$0	\$0					
	credit used			\$0	\$0					
	carry forward			\$0	\$0					

CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2008	2007	2006	2005	2004	2003	2002	2001	2000
Military Reuse Zone	# of claims credit available credit used carry forward	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	\$90,389 \$41,050 \$49,339	\$131,312 \$109,373 \$21,939	\$113,702 \$97,440 \$16,262
Motion Picture Production and Infrastructure	# of claims credit available credit used carry forward	11 \$7,551,568 \$7,377,180 \$174,388	7 \$6,802,746 \$1,189,442 \$5,613,304	Data Not Releasable						
Neighborhood Electric Vehicles	# of claims credit available credit used carry forward			Data Not Releasable	4 \$680,915 \$3,041 \$677,874	10 \$791,263 \$11,380 \$779,883	13 \$820,049 \$29,085 \$790,964	17 \$903,497 \$60,175 \$843,322	19 \$991,555 \$69,701 \$921,854	47 \$2,431,532 \$1,368,929 \$1,062,603
Pollution Control Device	# of claims credit available credit used carry forward	14 \$3,326,571 \$1,392,989 \$1,933,582	15 \$4,285,128 \$2,295,135 \$1,989,993	20 \$5,746,154 \$1,997,280 \$3,592,073	24 \$8,470,200 \$2,119,047 \$5,718,685	24 \$7,373,129 \$1,206,299 \$5,841,857	30 \$8,642,942 \$2,464,946 \$5,824,164	31 \$8,239,252 \$2,460,289 \$5,776,562	36 \$9,090,276 \$2,819,831 \$6,270,445	40 \$12,345,490 \$3,860,440 \$8,485,050
Recycling Equipment	# of claims credit available credit used carry forward				Data Not Releasable	Data Not Releasable	4 \$192,332 \$3,426 \$188,906	4 \$197,477 \$5,145 \$192,332	4 \$218,919 \$21,442 \$197,477	5 \$238,422 \$15,626 \$222,796
Research & Development	# of claims credit available credit used ltd carry forward. carry forward	199 \$319,135,760 \$47,998,117 \$405,416,823 \$266,775,874	216 \$257,209,027 \$57,168,062 \$499,838,395 \$246,710,445	217 \$252,891,567 \$54,253,287 \$513,484,287 \$203,174,146	208 \$202,942,418 \$48,685,518 \$529,420,261 \$150,026,081	211 \$125,148,647 \$36,945,094 \$538,969,734 \$95,174,285	187 \$92,163,129 \$32,442,905 \$541,887,774 \$42,424,262	167 \$53,826,452 \$12,499,682 \$530,244,196	151 \$43,739,709 \$11,115,531 \$483,797,945	128 \$24,812,543 \$9,458,919 \$427,234,696
School Site Donation	# of claims credit available credit used carry forward	0 \$0 \$0 \$0	Data Not Releasable	6 \$2,756,579 \$2,755,447 \$1,132	5 \$1,273,681 \$1,272,504 \$1,177	3 \$616,473 \$616,473 \$0	Data Not Releasable	Data Not Releasable	Data Not Releasable	
Solar Hot Water Plumbing Stub Outs & Electric Vehicle Recharge	# of claims credit available credit used carry forward	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	0 \$0 \$0 \$0	Data Not Releasable
Taxes Paid for Coal Consumed In Generating Electrical Power	# of claims credit available credit used carry forward	4 \$4,733,389 \$23,751 \$4,353,088	4 \$3,947,803 \$1,057,873 \$2,529,562	3 \$3,245,536 \$929,098 \$1,956,070	3 \$3,051,885 \$843,909 \$1,870,939	3 \$3,038,101 \$908,990 \$1,799,254	3 \$3,145,343 \$1,229,020 \$1,744,443	3 \$3,064,674 \$1,504,851 \$1,559,823	3 \$2,755,471 \$1,556,016 \$1,199,455	3 \$1,617,039 \$778,015 \$839,024

CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2008	2007	2006	2005	2004	2003	2002	2001	2000
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	
REFUNDABLE	credit refunded				\$0	\$3,695	\$420	\$11,083	\$11,276	
Underground	# of claims					0	0		0	0
Storage	credit available					\$0	\$0	Data Not	\$0	\$0
Tanks	credit used					\$0	\$0	Releasable	\$0	\$0
	carry forward									
Vehicle Refueling	# of claims									4
Apparatus &	credit available					Data Not	Data Not	Data Not	Data Not	\$8,712
Infrastructure	credit used					Releasable	Releasable	Releasable	Releasable	\$2,180
NONREFUNDABLE	carry forward									\$6,532
Vehicle Refueling	# of claims								0	12
Apparatus &	credit available								\$0	\$138,940
Infrastructure	credit used								\$0	\$46,332
REFUNDABLE	credit refunded								\$0	\$92,608
	carry forward								\$0	\$0
Water	# of claims	0								
Conservation	credit available	\$0	Data Not							
Plumbing Stub	credit used	\$0	Releasable							
Outs	carry forward	\$0								
TOTAL	# of claims	743	654	603	521	529	541	533	553	710
	credit available	\$392,506,071	\$322,840,194	\$351,055,212	\$305,431,436	\$256,508,980	\$231,370,122	\$203,674,607	\$205,482,823	\$218,070,961
	credit used	\$79,355,738	\$92,751,409	\$87,060,817	\$66,175,171	\$50,639,338	\$46,423,336	\$29,744,745	\$28,143,615	\$34,326,404
	credit refunded	\$0	\$0	\$31,647,046	\$0	\$3,695	\$420	\$11,083	\$204,636	\$15,619,019
	carry forward	\$308,213,996	\$276,249,973	\$235,510,770	\$225,114,440	\$202,051,582	\$163,291,911	\$655,204,093	\$622,322,533	\$569,134,364
	ltd carry forward	\$405,416,823	\$499,838,395	\$513,484,287	\$529,420,261	\$538,969,734	\$541,887,774	\$0	\$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
1999	1	//////////	//////////	//////////
2000	9	\$77,096	\$15,218	\$61,878
2001	9	\$54,870	\$17,500	\$37,370
2002	6	\$47,706	\$32,542	\$15,164
2003	1	//////////	//////////	//////////
2004	1	//////////	//////////	//////////
2005	2	//////////	//////////	//////////
2006	1	//////////	//////////	//////////
2007	1	//////////	//////////	//////////
2008	4	\$13,524	\$13,524	\$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.

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
1994	35	\$1,800,000	\$382,000	\$1,400,000
1995	54	\$2,600,000	\$923,000	\$1,700,000
1996	75	\$4,247,392	\$721,093	\$3,524,790
1997	63	\$3,752,833	\$430,131	\$3,323,906
1998	94	\$4,567,632	\$625,676	\$3,941,314
1999	129	\$8,484,744	\$970,210	\$7,213,521
2000	130	\$8,157,000	\$1,578,411	\$6,527,281
2001	136	\$8,442,943	\$1,484,014	\$6,160,791
2002	133	\$7,984,544	\$1,256,346	\$6,157,459
2003	154	\$9,170,688	\$1,611,457	\$7,273,813
2004	141	\$10,366,257	\$2,784,783	\$6,855,589
2005	137	\$8,868,257	\$1,905,338	\$6,409,360
2006	138	\$8,880,517	\$1,873,967	\$6,202,634
2007	134	\$8,893,168	\$1,851,865	\$6,315,774
2007	<i>105</i>	<i>\$7,719,160</i>	<i>\$1,322,254</i>	<i>\$5,926,725</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 ¹	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.

¹ 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.
- The average FAGI for taxpayers claiming the nonrefundable credit in 1999 was \$181,288.

INDIVIDUAL INCOME TAX

- 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
# of claimants	4,905	158
# of vehicles	5,458	177
Total credit	\$94,544,474	\$2,694,618
Used	\$13,251,856	\$325,684
Refunded	\$81,240,048	\$2,368,934
Carry forward	\$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	2001²	2002	2003
# of claimants	1,207	4,198	2,634	1,785	1,279
# of vehicles	1,470	4,285	----	----	---
Cost of vehicles	\$13,767,275	\$37,898,442	----	----	----
Credit	\$13,968,334	\$34,451,311	----	----	----
Carry forward from prior year	-----	\$5,687,956	\$16,463,626	\$9,603,599	\$6,472,767
Total Credit	\$13,968,334	\$40,139,267	\$16,463,626	\$9,603,599	\$6,472,767
Used	\$7,868,830	\$22,254,044	\$5,720,094	\$2,478,629	\$1,593,351
Carry forward	\$6,099,504	\$17,885,862	\$10,743,532	\$7,124,970	\$4,879,416

	2004	2005	2006
# of claimants	832	395	80
# of vehicles	----	----	----
Cost of vehicles	----	----	----
Credit	\$4,014,888	\$1,866,584	\$237,622
Used	\$1,184,437	\$809,199	\$67,977
Carry forward	\$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.

² 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 2009 the maximum credit amount was \$640 for single filers (\$1,280 for married filing jointly).
Carry forward: None.

	# of claimants	Total credit	Used
1999	8,585	\$546,255	\$502,151
2000	23,717	\$564,312	\$537,345
2001	26,757	\$639,427	\$599,485
2002	33,470	\$725,230	\$688,864
2003	32,042	\$746,749	\$727,224
2004	32,338	\$748,343	\$739,774
2005	31,075	\$811,007	\$801,435
2006	33,046	\$831,486	\$817,591
2007	34,358	\$875,909	\$815,625
2008	33,966	\$830,123	\$773,000
2009	<i>24,778</i>	<i>\$632,861</i>	<i>\$578,068</i>

Italics indicate preliminary numbers.

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 12/31/18

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	13	\$2,233,575	\$126,310
2008	43	\$10,156,213	\$574,063
2009	51	\$18,444,185	\$686,880

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

	2006	2007	2008	2009
# of claimants	5	8	48	6
# of devices	5	5	23	0
Cost of devices	\$275,068	\$234,140	\$4,423,880	\$0
Credit	\$27,417	\$23,414	\$363,514	\$0
Carry forward	-----	\$4,174	\$16,415	\$25,731
Total credit	\$27,417	\$27,588	\$379,929	\$25,731
Credit used	\$18,997	\$13,216	\$244,663	\$7,099
Carry forward	\$8,420	\$14,372	\$135,266	\$18,632

Italics indicate preliminary numbers.

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.

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.

For taxable years 2009 and later, the baseline year requirement was eliminated. However to claim the credit for taxable year 2009 and later the taxpayer must claim itemized deductions on the return filed for the year in which the credit is claimed,

Credit: The credit is the amount of the voluntary cash contribution, not to exceed \$400 for married filing joint filers and \$200 for all other filing statuses.

Carry forward: Five years.

For taxable years 1998 through 2001, tax returns were reviewed to obtain the contribution, total credit amount, credit amount used and carry forward amounts. For taxable years 2002 and later, the total credit and used amounts were estimated. Due to taxpayers claiming multiple credits, the carry forward amounts were not estimated.

	# of claimants	Total contributions	Total credit	Used	Carry forward
1998	2,894	\$523,501	\$481,037	\$476,691	\$4,346
1999	6,725	\$1,237,519	\$1,168,515	\$1,154,768	\$13,747
2000	10,654	\$1,897,876	\$1,829,205	\$1,792,123	\$35,581
2001	12,538	\$2,332,832	\$2,257,673	\$2,196,043	\$41,852
2002	14,226	N/A	\$2,687,900	\$2,676,900	---
2003	17,467	N/A	\$3,286,100	\$3,259,400	---
2004	20,736	N/A	\$3,884,600	\$3,851,700	---
2005	25,587	N/A	\$6,637,500	\$6,589,000	---
2006	29,202	N/A	\$7,988,039	\$7,939,507	---
2007³	<i>18,280</i>	<i>N/A</i>	<i>\$5,877,831</i>	<i>\$5,860,953</i>	---
2008	36,568	N/A	\$11,077,991	\$11,059,408	---
2009	45,438	N/A	\$12,950,388	\$12,915,531	---

Italics indicate preliminary numbers.

³ The significant drop in tax year 2007 data is not real. At this time, further information is not available to update this data.

INDIVIDUAL INCOME TAX

Reported contribution amounts for credits claimed:⁴

1998 Charities		1999 Charities	
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
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
Total reported contributions	\$523,501	Total reported contributions	\$1,237,519

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
Total reported contributions	\$1,897,876	Total reported contributions	\$2,332,832

⁴ 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.

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.

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.

	# of donations	Total donations
2008	3,130	\$993,132
2009	3,259	\$1,004,775

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

	# of claimants	Credit	Credit Used
2008	2,361	\$778,300	\$778,330
2009	3,185	\$998,331	\$998,331

Italics indicate preliminary numbers.

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.

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

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
2006	1	//////////	//////////	//////////
2007	1	//////////	//////////	//////////
2008	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.

EMPLOYMENT OF TANF RECEIPIENTS CREDIT

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 1st year of employment, 1/3 of taxable wages not to exceed \$1,000 in the 2nd year of employment and 1/2 of taxable wages not to exceed \$1,500 in the 3rd year of continuous employment.

Carry forward: Five years.

	# of claimants	Total credit	Used	Carry forward
1998	1	////////	////////	////////
1999	1	////////	////////	////////
2000	0	\$0	\$0	\$0
2001	0	\$0	\$0	\$0
2002	4	////////	////////	////////
2003	5	////////	////////	////////
2004	0	\$0	\$0	\$0
2005	5	////////	////////	////////
2006	0	\$0	\$0	\$0
2007	5	\$24,606	\$12,666	\$11,940
2008	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

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 1st year of employment, 1/3 of taxable wages not to exceed \$1,000 in the 2nd year of employment and 1/2 of taxable wages not to exceed \$1,500 in the 3rd year of continuous employment.

Carry forward: Five years.

	# of claimants	Total credit	Used	Carry forward
1991	30	\$67,000	\$60,000	\$7,000
1992	46	\$145,000	\$112,000	\$33,000
1993	21	\$221,000	\$134,000	\$87,000
1994	25	\$595,894	\$337,581	\$258,313
1995	32	\$835,696	\$667,005	\$168,691
1996	80	\$796,678	\$325,542	\$468,135
1997	119	\$1,348,636	\$717,178	\$631,458
1998	134	\$1,932,606	\$1,196,708	\$735,928
1999	184	\$2,704,548	\$1,573,538	\$1,133,681
2000	200	\$3,669,226	\$2,123,440	\$1,553,807
2001	228	\$4,038,179	\$2,370,519	\$1,667,790
2002	176	\$2,838,420	\$1,602,832	\$1,289,247
2003	202	\$2,981,234	\$1,713,943	\$1,190,859
2004	165	\$2,204,199	\$1,339,705	\$738,055
2005	193	\$2,296,501	\$1,458,081	\$713,499
2006	197	\$2,125,258	\$1,628,136	\$378,486
2007	149	\$1,555,869	\$1,006,150	\$514,325
2007	<i>119</i>	<i>\$1,305,676</i>	<i>\$716,157</i>	<i>\$584,767</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.

No claims have been recorded for this credit for tax years 1993 through 2005.

	# of claimants	Credit	Credit Used	Carry Forward
2006	1	//////////	//////////	//////////
2007	1	//////////	//////////	//////////
2008	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.

FAMILY INCOME TAX CREDIT

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, income⁵ 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.

	# of claimants	Total credit	Used
1995	340,844	\$20,600,000	\$5,150,000
1996	340,790	\$20,526,564	\$5,071,340
1997	345,223	\$20,483,252	\$4,637,593
1998	312,768	\$27,669,951	\$7,390,406
1999	327,974	\$28,374,663	\$7,925,721
2000	335,253	\$28,924,670	\$7,799,840
2001	402,094	\$33,377,585	\$7,356,939
2002	427,798	\$36,064,781	\$7,382,178
2003	417,451	\$35,068,208	\$7,445,937
2004	425,484	\$35,617,953	\$7,709,270
2005	439,056	\$36,737,292	\$7,661,867
2006	448,960	\$37,349,413	\$6,867,294
2007	518,820	\$42,706,477	\$6,784,150
2008	501,013	\$42,060,538	\$5,811,534
2009	474,245	\$41,165,320	\$4,951,982

Italics indicate preliminary numbers.

⁵ 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, no claims on individual income tax returns for the healthy forest enterprise credit have been filed.

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.

	# of claimants	Total credit	Used
1995	22,496	\$29,203,587	\$29,203,587
1996	23,379	\$40,570,806	\$40,570,806
1997	25,325	\$42,910,138	\$42,910,138
1998	25,794	\$53,091,928	\$53,091,928
1999	26,317	\$51,433,659	\$51,433,659
2000	27,831	\$57,403,404	\$57,403,404
2001	29,007	\$58,777,258	\$58,777,258
2002	24,909	\$52,843,508	\$52,843,508
2003	25,722	\$62,484,651	\$62,484,651
2004	29,956	\$80,229,015	\$80,229,015
2005	34,664	\$119,416,310	\$119,416,310
2006	34,880	\$124,937,274	\$124,937,274
2007	27,706	\$105,315,257	\$105,315,257
2008	31,103	\$78,837,292	\$78,837,292
2009	22,906	\$30,083,865	\$30,083,865

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.

	# of claimants	Total credit	Used
2001	428,189	\$22,612,548	\$22,612,548
2002	529,265	\$28,403,741	\$28,403,741
2003	548,831	\$29,581,905	\$29,581,905
2004	555,762	\$29,924,907	\$29,924,907
2005	546,678	\$29,358,243	\$29,358,243
2006	536,940	\$28,751,332	\$28,751,332
2007	579,464	\$30,444,007	\$30,444,007
2008	605,599	\$32,308,185	\$32,308,185
2009	<i>609,695</i>	<i>\$33,025,580</i>	<i>\$33,025,580</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 1st and 2nd taxable years after the investment is made and 11% of the investment amount for the 3rd 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 116 qualified small businesses. The Department of Commerce has also notified the Department of Revenue that 370 tax credits have been approved. These 370 income tax credits represent investment of \$21 million in 55 of the qualified small businesses. This \$21 million translates to \$7.2 million in credit, available over 7 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	73	\$745,706	\$395,916	-----	\$395,916	\$276,742	\$119,174
2008	111	\$500,970	\$687,350	\$108,869	\$796,249	\$395,014	\$401,209
2009	68	\$532,650	\$436,682	\$122,567	\$559,249	\$251,310	\$307,939

Numbers in italics are preliminary.

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 1st year of employment and increases in \$500 increments until it reaches \$2500 in the 5th year of employment. For dislocated military base employees, the credit amount starts at \$1,000 in the 1st year of employment and increases in \$500 increments each year until it reaches \$3,000 in the 5th 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

Statutes: A.R.S. §§ 43-1075 and 43-1075.01

Effective Date: For taxable years from and after 12/31/2005 through 12/31/2010 for Motion Picture Productions (§ 43-1075) and for taxable years from and after 12/31/2007 through 12/31/2010 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 Arizona Department of Commerce. For the motion picture production credit, the taxpayer must acknowledge that the production was filmed in Arizona, incur production costs of at least \$250,000, employ 50% of Arizona residents during production activities in Arizona (25% of full-time employees for 2006 and 35% for 2007), begin production within 90 days of pre-approval and submit a Completion Report to the Department of Commerce.

Credit: The amount of the motion picture production credit is based on qualified production costs in Arizona equal to 20% of costs from \$250,000 to \$1 million and 30% of costs exceeding \$1 million (increased from 10%, 15% or 20% of costs for 2006 and 2007). The tax credit is limited to \$9 million per motion picture (\$5 million for 2006 and 2007, \$7 million for 2008 and \$8 million for 2009). The total corporate and individual income tax credit (reference A.R.S. §§ 43-1075 and 43-1075.01) is limited to \$30 million for 2006, \$40 million for 2007, \$50 million for 2008, \$60 million for 2009, and \$70 million for 2010. Beginning in 2008, 5% of the calendar year cap is reserved for commercial advertisements or music videos. An infrastructure income tax credit is available, subject to the same calendar year limit, up to 15% of the base investment for the construction of a qualified infrastructure project in Arizona. The infrastructure tax credit cannot exceed \$5 million in any year for a soundstages or \$3 million for an individual support or augmentation facilities project. All or part of any unclaimed amount of credit may be sold or otherwise transferred. A single sale or transfer may involve one or more transferees, and a transferee may in turn resell or transfer the credit.

Carry forward: Five years.

The Arizona Department of Commerce has issued post-approval for 26 productions with an allowable credit of \$20,026,815. 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 claimants	# of productions	New credit	Total credit	Credit used	Carry forward
2006	0	0	\$0	\$0	\$0	\$0
2007	4	3	\$153,184	\$153,184	\$128,165	\$25,019
2008	9	3	\$248,548	\$273,567	\$267,771	\$5,796
2009	5	3	\$76,136	\$81,932	\$77,267	\$4,665

Italics indicate preliminary numbers.

- Since the creation of this credit, 12 individual and 13 corporate taxpayers have claimed it.
- Since 2007, 11 motion picture productions have been claimed for a total credit amount of \$9.0 million.
- Twenty-three tax credits for \$17,291,390 have been sold or transferred to other taxpayers and 12 credits for \$5,174,121 were then resold to 34 individual or corporate taxpayers.

INDIVIDUAL INCOME TAX

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
2006	14	\$32,327	\$14,412	\$16,680
2007	10	\$30,247	\$7,962	\$22,767
2008	4	\$2,781	\$2,399	\$382

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.

PRIVATE SCHOOL TUITION ORGANIZATION CREDIT

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 ⁶ reporting donations	# of donors reported	Donations reported	# of STOs reporting scholarships	# of scholarships reported	Scholarships reported
1998	16	4,248	\$1,815,798	4	128	\$103,790
1999	33	32,023	\$13,781,341	19	3,207	\$2,196,734
2000	39	38,249	\$17,701,284	32	15,081	\$13,561,981
2001	44	46,755	\$24,924,656	38	18,049	\$16,484,958
2002	45	52,161	\$26,482,993	43	19,582	\$22,826,746
2003	51	58,122	\$29,445,494	49	20,134	\$24,437,877
2004	53	63,830	\$31,846,070	51	21,146	\$28,201,770
2005	53	69,239	\$42,194,898	51	22,529	\$30,863,153
2006	55	73,617	\$51,011,815	52	24,678	\$40,557,643
2007	55	76,065	\$54,303,282	55	27,153	\$48,561,687
2008	53	78,434	\$55,261,284	55	28,327	\$54,089,934
2009	53	73,391	\$50,853,086	52	17,592	\$52,127,262

⁶ 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).

	# of claimants	Total credit	Used
1995	22,091	\$6,342,285	\$6,342,285
1996	19,983	\$5,819,917	\$5,819,917
1997	18,644	\$5,581,477	\$5,581,477
1998	17,237	\$5,290,628	\$5,290,628
1999	15,862	\$4,987,796	\$4,987,796
2000	14,593	\$4,653,837	\$4,653,837
2001	15,218	\$5,015,318	\$5,015,318
2002	14,991	\$5,106,544	\$5,106,544
2003	15,028	\$5,301,879	\$5,301,879
2004	14,786	\$5,242,685	\$5,242,685
2005	13,943	\$4,977,070	\$4,977,070
2006	13,247	\$4,776,863	\$4,776,863
2007	16,810	\$5,979,296	\$5,979,296
2008	15,675	\$5,722,697	\$5,722,698
2009	16,893	\$6,420,787	\$6,420,787

Italics indicate preliminary numbers.

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.

	# of claimants	Total credit	Used
1998	74,242	\$8,990,042	\$8,990,042
1999	109,748	\$14,775,353	\$14,775,353
2000	149,215	\$17,526,299	\$17,526,299
2001	166,468	\$20,004,715	\$20,004,715
2002	143,697	\$22,455,129	\$22,455,129
2003	201,407	\$27,753,764	\$27,753,764
2004	213,987	\$30,958,872	\$30,958,872
2005	215,369	\$35,416,279	\$35,416,279
2006	218,664	\$43,230,433	\$43,230,433
2007	214,356	\$44,069,896	\$44,069,896
2008	233,450	\$45,164,366	\$45,164,366
2009	239,018	\$42,653,387	\$42,653,387

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
2008	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.

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.

	# of Claimants	New Credit	Total Credit Available	Credit Used	Limited Carry Forward	Unlimited Carry Forward
2001	60	\$949,922	\$949,922	\$514,936	\$434,986	
2002	107	\$1,582,874	\$1,988,911	\$815,709	\$1,173,202	
2003	134	\$2,788,026	\$3,957,830	\$1,181,947	\$1,144,763	\$1,631,120
2004	162	\$3,021,288	\$5,707,812	\$1,592,406	\$1,098,550	\$3,016,856
2005	194	\$4,057,998	\$8,148,392	\$3,256,590	\$856,255	\$4,035,547
2006	254	\$4,623,961	\$9,288,497	\$3,922,209	\$754,183	\$4,612,105
2007	209	\$3,466,490	\$8,113,328	\$2,998,057	\$531,037	\$4,584,234
2008	160	\$3,211,208	\$8,093,099	\$2,929,220	\$416,548	\$4,747,331

Italics indicate preliminary numbers.

- Since the creation of this credit, 413 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 ⁷	Total credit	Used	Carry forward
2001	59	\$23,376,250	\$4,572,656	\$2,869,356	\$1,704,381
2002	66	\$11,176,500	\$3,711,546	\$2,380,444	\$1,331,022
2003	45	\$8,580,160	\$2,924,583	\$2,048,930	\$716,187
2004	100	\$30,130,700	\$5,341,784	\$3,511,441	\$1,830,343
2005	80	\$25,445,500	\$8,562,042	\$6,029,585	\$2,521,548
2006	89	\$35,051,900	\$10,553,076	\$7,812,958	\$2,534,946
2007	68	\$15,723,400	\$5,863,836	\$2,749,005	\$3,114,831
2008	54	\$1,382,400	\$1,948,616	\$312,899	\$1,635,717

Italics indicate preliminary numbers.

⁷ 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.

	# of Claimants	Total Credit Available	Credit Used	Carry Forward
1995	1,924	\$655,000	\$593,000	\$63,000
1996	1,651	\$591,611	\$ 517,750	\$73,876
1997	1,861	\$644,057	\$527,518	\$116,529
1998	2,144	\$783,799	\$673,892	\$109,420
1999	2,765	\$1,065,616	\$903,738	\$152,877
2000	2,560	\$1,032,948	\$889,508	\$143,012
2001	2,273	\$1,021,789	\$866,027	\$155,194
2002	2,336	\$1,131,895	\$920,767	\$210,656
2003	2,686	\$1,314,084	\$1,050,582	\$250,263
2004	3,044	\$1,483,235	\$1,210,467	\$272,768
2005	3,719	\$1,939,100	\$1,587,658	\$350,605
2006	4,150	\$2,510,676	\$2,043,051	\$466,744
2007	<i>2,010</i>	<i>\$1,229,789</i>	<i>\$1,031,811</i>	<i>\$197,619</i>

Italics indicate preliminary numbers.

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	2003
# of claimants	23	35	35	18	15	2
Total credit	\$12,352	\$16,859	\$21,308	\$16,951	\$4,920	//////////
Used	\$8,874	\$7,944	\$11,566	\$7,804	\$3,312	//////////
Carry forward	\$3,478	\$8,915	\$9,742	\$9,147	\$1,608	//////////

	2004	2005	2006	2007	2008
# of claimants	17	22	6	0	6
Total credit	\$15,220	\$18,538	\$525	\$0	\$678
Used	\$5,677	\$9,687	\$525	\$0	\$630
Carry forward	\$9,543	\$8,851	\$0	\$0	\$48

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.

NONREFUNDABLE	1999	2000	2001	2002	2003	2004
# of claimants	77	127	21	9	5	2
# of apparatuses	82	----	---	---	---	---
Total credit	\$205,568	\$297,382	\$39,953	\$20,519	\$13,872	////////
Used	\$101,753	\$238,339	\$16,440	\$3,531	\$8,960	////////
Carry forward	\$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.

REFUNDABLE	2000	2001
# of claimants	676	12
# of apparatuses	749	4
Total credit	\$3,204,789	\$33,750
Used	\$364,288	\$25,456
Refunded	\$2,840,501	\$8,294
Carry forward	\$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. They must first install the system and then apply for credit approval. The credits approved are as follows:

	# of Approvals	Cost of System	Credit Approved
2007	83	\$301,330	\$52,095
2008	229	\$635,651	\$127,054
2009	248	\$712,768	\$136,826
2010	184	\$205,441	\$44,284

While there are 744 approvals shown above, this represents 605 individuals. Some individuals have their system installed in pieces, requesting approval as each piece is finished. These 605 individuals were located in 49 areas throughout Arizona. Tucson was the location for 329 of the individuals. Sierra Vista was the second most noted location, with 52 approvals.

Credits actually claimed on tax returns are shown below:

	Tax Year 2007	Tax Year 2008	Tax Year 2009
Number of Returns	54	203	180
Cost of System	\$222,321	\$551,803	\$444,613
New Credit	\$33,564	\$111,292	\$93,976
Credit Carry Forward	-----	\$4,907	\$6,381
Total Credit Claimed	\$33,564	\$116,199	\$100,357
Credit Used	\$31,645	\$105,734	\$90,544
Credit Carry Forward	\$4,919	\$10,465	\$9,813

Numbers in italics are preliminary.

CORPORATE INCOME TAX

AGRICULTURAL POLLUTION CONTROL EQUIPMENT CREDIT
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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.

	# of claims	Credit Available	Credit Used	Carry Forward
1999	//////////	//////////	//////////	//////////
2000	//////////	//////////	//////////	//////////
2001	//////////	//////////	//////////	//////////
2002	//////////	//////////	//////////	//////////
2003	//////////	//////////	//////////	//////////
2004	//////////	//////////	//////////	//////////
2005	0			
2006	//////////	//////////	//////////	//////////
2007	0			
2008	0			

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.

CORPORATE INCOME TAX

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.

CORPORATE INCOME TAX

ALTERNATIVE FUEL DELIVERY SYSTEM CREDIT

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.

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

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

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

⁸ All claims after 1999 are for carry forward.

CORPORATE INCOME TAX

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

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 \$610. 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	\$1,778	\$1,773
2004	93	\$597	\$597
2005	102	\$2,019	\$2,019
2006	122	\$684	\$684
2007	227	\$2,615	\$2,615
2008	329	\$22,558	\$22,558

Italics indicate preliminary numbers.

CORPORATE INCOME TAX

COMMERCIAL AND INDUSTRIAL SOLAR ENERGY CREDIT

Statute: A.R.S. § 43-1164
Effective Date: For installing devices in taxable years beginning on or after 1/1/06 through 12/31/18
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	13	\$2,233,575	\$126,310
2008	43	\$10,156,213	\$574,063
2009	51	\$18,444,185	\$686,880

Claims made on corporate tax returns are shown below.

	# of claims	Cost of Device	Credit Claimed	Carry Forward Claimed	Credit Used	Carry Forward
2006	//////////	//////////	//////////	//////////	//////////	//////////
2007	//////////	//////////	//////////	//////////	//////////	//////////
2008	7	\$2,813,826	\$85,550	\$0	\$74,899	\$10,651

CORPORATE INCOME TAX

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.

CONTRIBUTIONS TO SCHOOL TUITION ORGANIZATIONS
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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. In fiscal year 2010, \$8.1 million of the \$17.28 million credit cap was approved. For fiscal year 2011, the credit cap is \$20.736 million. The figures below show credits claimed for these donations thus far.

Tax Year	# of claims	Credit claimed	Credit used	Carry forward
2005	5	\$530,000	\$526,260	\$3,740
2006	58	\$9,965,940	\$9,669,596	\$296,344
2007	61	\$11,619,309	\$10,823,475	\$795,834
2008	67	\$6,144,714	\$4,667,242	\$1,477,472

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 st year employment	///////	///////	///////	1,097	1,123	227	1,629
2 nd year employment	///////	///////	///////	330	1,171	879	419
3 rd year employment	///////	///////	///////	3,075	742	752	783
4 th year employment	///////	///////	///////	634	56	886	695
5 th 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	2008
# of claimants	3	2	2	2	2	2	2	2	2
1 st year employment	1,447	///////	///////	///////	///////	///////	///////	///////	///////
2 nd year employment	1,416	///////	///////	///////	///////	///////	///////	///////	///////
3 rd year employment	283	///////	///////	///////	///////	///////	///////	///////	///////
4 th year employment	642	///////	///////	///////	///////	///////	///////	///////	///////
5 th 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.

No claim for the donation of motor vehicles to wheels to work program credit has been found.

CORPORATE INCOME TAX

EMPLOYING NATIONAL GUARD MEMBERS CREDIT
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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	////////////////	////////////////	////////////////	////////////////
2008	4	7	\$7,000	\$1,100	\$5,900

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

EMPLOYMENT OF TANF RECIPIENTS CREDIT

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 1st year of employment, 1/3 of taxable wages not to exceed \$1,000 in the 2nd year of employment and 1/2 of taxable wages not to exceed \$1,500 in the 3rd year of continuous employment.

Carry forward: Five years.

	# of claimants	# of new employees	New Credit	Total Credit	Used	Carry Forward
1998	3	81	\$35,325	\$35,325	\$35,325	\$0
1999	5	121	\$49,653	\$49,653	\$47,189	\$2,464
2000	7	95	\$45,405	\$47,869	\$27,648	\$20,221
2001	7	72	\$79,139	\$99,360	\$57,901	\$41,459
2002	8	234	\$173,450	\$184,997	\$173,600	\$11,397
2003	9	408	\$466,292	\$472,478	\$466,392	\$6,086
2004	14	406	\$485,090	\$491,175	\$485,190	\$5,985
2005	13	173	\$118,411	\$124,397	\$99,575	\$24,822
2006	10	30	\$47,548	\$52,562	\$40,804	\$11,758
2007	11	39	\$40,514	\$47,978	\$45,064	\$2,914
2008	7	32	\$32,459	\$35,373	\$24,006	\$11,367

- Since the creation of this credit, 31 taxpayers have claimed it.
- From 1998 through 2008, taxpayers reported 1,691 positions eligible for the credit, for a total credit of \$1.6 million. This is a \$930 credit per job.

Italics indicate preliminary numbers.

CORPORATE INCOME TAX

ENTERPRISE ZONE CREDIT

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 1st year of employment, 1/3 of taxable wages not to exceed \$1,000 in the 2nd year of employment and 1/2 of taxable wages not to exceed \$1,500 in the 3rd 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	139	215	4,368	\$12,774,565	\$0	\$7,036,053	\$19,810,618	\$10,779,733	\$9,030,885
2001	144	249	2,995	\$9,444,424	\$2,219	\$8,716,012	\$18,162,655	\$7,043,165	\$11,119,490
2002	131	191	1,853	\$7,098,087	\$0	\$8,275,057	\$15,373,144	\$6,509,295	\$8,652,741
2003	125	216	2,544	\$6,031,546	\$0	\$8,429,846	\$14,461,392	\$6,685,976	\$7,719,484
2004	119	244	4,072	\$5,413,347	\$0	\$7,280,417	\$12,693,764	\$7,647,392	\$4,391,807
2005	120	249	4,627	\$7,692,984	\$0	\$3,989,542	\$11,682,526	\$7,887,054	\$3,302,819
2006	103	238	4,009	\$8,952,355	\$0	\$2,384,298	\$11,336,653	\$9,114,221	\$2,149,301
2007	101	247	4,259	\$8,338,524	\$0	\$1,842,088	\$10,180,612	\$6,910,439	\$3,148,649
2008	94	241	3,216	\$7,582,539	\$0	\$3,119,695	\$10,702,234	\$6,031,367	\$4,503,739

- Since the creation of this credit, 399 taxpayers have claimed it.
- Since 1990, 52,297 jobs have been claimed under this credit, for a total credit amount of \$115.9 million. This is an average credit of \$2,216 per job.

Italics indicate preliminary numbers.

CORPORATE INCOME TAX

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	2	//////////	//////////	//////////	//////////	//////////
2008	3	//////////	//////////	\$38,719,232	//////////	//////////

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

- Since the creation of this credit, 8 taxpayers have claimed it.
- Nearly \$60 million in credit has been created, an average of \$7.5 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

Credit was claimed in tax year 2007 and tax year 2008. However, no data can be released due to confidentiality laws.

CORPORATE INCOME TAX

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 1st year of employment and increases in \$500 increments until it reaches \$2500 in the 5th year of employment. For dislocated military base employees, the credit amount starts at \$1,000 in the 1st year of employment and increases in \$500 increments each year until it reaches \$3,000 in the 5th 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	3	\$74,000	\$90,389	\$41,050	\$49,339
2003	2	////	////	////	////	////
2004	2	////	////	////	////	////
2005	2	////	////	////	////	////
2006	1	////	////	////	////	////
2007	1	////	////	////	////	////
2008	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 \$730,000. This is \$3,637 in credit per employee.

MOTION PICTURE PRODUCTION AND INFRASTRUCTURE CREDIT

Statutes: A.R.S. §§ 43-1163 and 43-1163.01

Effective Date: For taxable years from and after 12/31/2005 through 12/31/2010 for Motion Picture Productions (§ 43-1075) and for taxable years from and after 12/31/2007 through 12/31/2010 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 Arizona Department of Commerce. For the motion picture production credit, the taxpayer must acknowledge that the production was filmed in Arizona, incur production costs of at least \$250,000, employ 50% of Arizona residents during production activities in Arizona (25% of full-time employees for 2006 and 35% for 2007), begin production within 90 days of pre-approval and submit a Completion Report to the Department of Commerce.

Credit: The amount of the motion picture production credit is based on qualified production costs in Arizona equal to 20% of costs from \$250,000 to \$1 million and 30% of costs exceeding \$1 million (increased from 10%, 15% or 20% of costs for 2006 and 2007). The tax credit is limited to \$9 million per motion picture (\$5 million for 2006 and 2007, \$7 million for 2008 and \$8 million for 2009). The total corporate and individual income tax credit (reference A.R.S. §§ 43-1075 and 43-1075.01) is limited to \$30 million for 2006, \$40 million for 2007, \$50 million for 2008, \$60 million for 2009, and \$70 million for 2010. Beginning in 2008, 5% of the calendar year cap is reserved for commercial advertisements or music videos. An infrastructure income tax credit is available, subject to the same calendar year limit, up to 15% of the base investment for the construction of a qualified infrastructure project in Arizona. The infrastructure tax credit cannot exceed \$5 million in any year for a soundstages or \$3 million for an individual support or augmentation facilities project. All or part of any unclaimed amount of credit may be sold or otherwise transferred. A single sale or transfer may involve one or more transferees, and a transferee may in turn resell or transfer the credit.

Carry forward: Five years.

The Arizona Department of Commerce has issued post-approval for 26 productions with an allowable credit of \$20,026,815. Until the returns are filed, there is no way to determine how many will be claimed as corporate or individual income tax credits.

Tax Year	# of claimants	# of productions	New credit	Total credit	Credit used	Carry forward
2006	2	//	//////////	//////////	//////////	//////////
2007	7	6	//////////	\$6,802,746	\$1,189,442	\$5,613,304
2008	11	8	\$1,938,264	\$7,551,568	\$7,377,180	\$174,388

Italics indicate preliminary numbers.

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, 12 individual and 13 corporate taxpayers have claimed it.
- Since 2007, 11 motion picture productions have been claimed for a total credit amount of \$9.0 million.
- Twenty-three tax credits for \$17,291,390 have been sold or transferred to other taxpayers and 12 credits for \$5,174,121 were then resold to 34 individual or corporate taxpayers.

CORPORATE INCOME TAX

POLLUTION CONTROL DEVICE CREDIT

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	37	\$61,962,955	\$3,692,416	\$9,090,276	\$2,819,831	\$6,270,445
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	\$8,642,942	\$2,464,944	\$5,824,164
2004	24	\$29,276,308	\$2,629,300	\$7,373,129	\$1,206,299	\$5,841,857
2005	24	\$44,112,593	\$2,675,516	\$8,470,200	\$2,119,047	\$5,718,685
2006	20	\$40,942,923	\$2,264,217	\$5,746,154	\$1,997,280	\$3,592,073
2007	15	\$59,817,806	\$2,444,043	\$4,285,128	\$2,295,135	\$1,989,993
2008	14	\$266,012,266	\$2,988,123	\$3,326,571	\$1,392,989	\$1,933,582

- Since the creation of this credit, 97 taxpayers have claimed it.
- The total cost of pollution control property over 13 years is \$969.0 million. Divided by 97 corporations, the average cost of the equipment has been \$10.0 million.
- Based on a total \$49.6 million in credit created, the average credit claimed per taxpayer for the 14-year period is \$511,582.

Italics indicate preliminary numbers.

CORPORATE INCOME TAX

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.

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. The amount of the credit carry forward from taxable years beginning after 12/31/02 that may be used in a taxable year may not exceed tax liability after subtracting current year credit.

Effective with taxable years 2010 through 2017, the credit percentages increase, making the credit more generous.

Carry forward: Fifteen years.

	# of claimants	Total r&d expenses and payments	New credit ⁹	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	151	\$597,507,186	\$38,961,972	\$43,739,709	\$11,115,531	\$483,797,945	
2002	167	\$507,277,383	\$39,750,780	\$53,826,452	\$12,499,682	\$530,244,196	
2003	187	\$563,087,381	\$72,917,831	\$92,163,129	\$32,442,905	\$541,887,774	\$42,424,262
2004	211	\$689,096,960	\$88,519,586	\$125,148,647	\$36,945,094	\$538,969,734	\$95,174,285
2005	208	\$775,884,333	\$98,523,266	\$202,942,418	\$48,685,518	\$529,420,261	\$150,026,081
2006	217	\$848,426,011	\$107,106,830	\$252,891,567	\$54,253,287	\$513,484,287	\$203,174,146
2007	216	\$792,930,703	\$101,150,698	\$257,209,027	\$57,168,062	\$499,838,395	\$246,710,445
2008	199	\$730,576,195	\$91,788,879	\$319,135,760	\$47,998,177	\$405,416,823	\$266,775,874

- Since the creation of this credit, 532 taxpayers have claimed it.
- Over \$8.5 billion in research & development expenses and payments have been claimed by taxpayers since 1993, for an average annual expense of \$532.6 million (over 16 years).
- The average "New Credit" per taxpayer increased from \$178,741 in 2000 to \$258,026 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 new credit was \$389,935. Preliminary 2008 numbers reflect an average of \$461,251.

⁹ These numbers reflect the credit limits, depending on how many years the credit has been claimed.

CORPORATE INCOME TAX

SCHOOL SITE DONATION CREDIT

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	2	////	////	////	////
2008	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 were recorded for this credit for tax year 2000, but there were too few to release information at this time. Since 2000, there have been no claims.

CORPORATE INCOME TAX

TAXES PAID FOR COAL CONSUMED IN GENERATING ELECTRICAL POWER CREDIT

Statute: A.R.S. § 43-1178
Effective Date: For taxable years from and after 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
1998	4	\$3,053,275	\$915,983	\$915,983	\$678,039	\$237,044
1999	4	\$3,607,134	\$1,067,569	\$1,305,513	\$803,476	\$502,037
2000	3	\$3,716,675	\$1,115,002	\$1,617,039	\$778,015	\$839,024
2001	3	\$6,388,155	\$1,916,447	\$2,755,471	\$1,556,016	\$1,199,455
2002	3	\$5,417,396	\$1,865,219	\$3,064,674	\$1,504,851	\$1,559,823
2003	3	\$5,285,088	\$1,585,520	\$3,145,343	\$1,229,020	\$1,744,443
2004	3	\$4,312,183	\$1,293,658	\$3,038,101	\$908,990	\$1,799,254
2005	3	\$4,175,437	\$1,252,631	\$3,051,885	\$843,909	\$1,870,939
2006	3	\$4,581,990	\$1,374,597	\$3,245,536	\$929,098	\$1,956,070
2007	4	\$6,639,107	\$1,991,070	\$3,947,803	\$1,057,873	\$2,529,562
2007	4	<i>\$7,346,090</i>	<i>\$2,203,827</i>	<i>\$4,733,389</i>	<i>\$23,751</i>	<i>\$4,353,088</i>

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 11 year period, \$54.5 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.

	# of Claimants	Credit	Credit Used Against Liability	Credit Refunded
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.

CORPORATE INCOME TAX

VEHICLE REFUELING APPARATUS CREDIT

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.

NONREFUNDABLE	1999	2000¹⁰	2001	2002	2003	2004
# of claimants	7	4	4	3	1	1
# of apparatus	9	--	//////////	//////////	//////////	//////////
Apparatus cost	\$26,172	--	//////////	//////////	//////////	//////////
Credit	\$29,765	--	//////////	//////////	//////////	//////////
Total credit	\$29,765	\$8,712	//////////	//////////	//////////	//////////
Used against liability	\$13,630	\$2,180	//////////	//////////	//////////	//////////
Carry forward	\$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.

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

¹⁰ 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

There were too few claims in 2007 to release information. No claims have been found for tax year 2008.