ARIZONA INCOME TAX CREDITS

Arizona Department of Revenue
Office of Economic Research and Analysis

June 2012

ARIZONA INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2011	2010	2009	2008	2007	2006	2005	2004	2003
Agricultural	# of claims			3	5					
Pollution	credit available	Data Not	Data Not	$16,569	$14,331	Data Not	Data Not	Data Not	Data Not	Data Not
Control	credit used	Available	Available	$13,306	$14,087	Releasable	Releasable	Releasable	Releasable	Releasable
Equipment	carry forward			$3,263	$244					
Agricultural	# of claims							0	0	0
Preservation	credit available							$0	$0	$0
District	credit refunded							$0	$0	$0
REFUNDABLE	carry forward									
Agricultural	# of claims			139	136	137	138	137	141	154
Water	credit available	Data Not	Data Not	$6,356,874	$8,562,113	$8,912,273	$8,880,517	$8,868,257	$10,366,257	$9,170,688
Conservation	credit used	Available	Available	$1,008,226	$1,486,292	$1,853,588	$1,873,866	$1,905,338	$2,784,783	$1,611,457
	carry forward			$4,510,204	$6,328,967	$6,333,995	$6,202,735	$6,409,360	$6,855,589	$7,273,813
Alternative	# of claims								0	0
Fuel Delivery	credit available								$0	$0
System	credit used								$0	$0
NONREFUNDABLE	carry forward								$0	$0
Alternative	# of claims								26	50
Fuel	credit available								$251,238	$407,905
Vehicles	credit used								$34,972	$60,504
NONREFUNDABLE	carry forward								$0	$347,401
Clean Elections	# of claims		24,908	26,088	33,966	34,358	33,046	31,075	32,338	32,042
	credit available	Data Not	$712,628	$691,600	$830,123	$875,909	$831,486	$811,007	$748,343	$746,749
	credit used	Available	$644,314	$633,415	$773,000	$815,625	$817,591	$801,435	$739,774	$727,224
	carry forward									
Commerical &	# of claims	10	45	83	54	15	5			
Industrial Solar	credit available	$93,427	$445,577	$549,543	$428,724	$75,549	$27,507			
Energy Credit	credit used	$30,386	$253,921	$325,054	$279,874	$54,558	$18,086			
	carry forward	$63,041	$191,656	$224,489	$148,850	$20,991	$9,421			
Construction	# of claims									
Materials	credit available								Data Not	Data Not
	credit used								Releasable	Releasable
	carry forward									
Contributions	# of claims		58,941	50,149	36,568	18,280	29,202	25,587	20,736	17,467
To Charities	credit available	Data Not	$16,177,493	$13,663,624	$11,077,991	$5,877,831	$7,988,039	$6,637,500	$3,884,600	$3,283,100
Providing Help	credit used	Available	$16,078,026	$13,043,507	$11,059,408	$5,860,953	$7,939,507	$6,589,000	$3,851,700	$3,259,400
To Working Poor	carry forward									
Defense	# of claims			0	0	0	0	0	0	0
Contracting	credit available	Data Not	Data Not	$0	$0	$0	$0	$0	$0	$0
	credit used	Available	Available	$0	$0	$0	$0	$0	$0	$0
	carry forward			$0	$0	$0	$0	$0	$0	$0
Donations to	# of claims	3,007	3,052	3,185	3,070					
the Military Family	credit available	$996,695	$995,849	$998,331	$982,575					
Relief Fund	credit used	$996,695	$995,849	$998,331	$982,575					
	carry forward									

ARIZONA INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2011	2010	2009	2008	2007	2006	2005	2004	2003
Employing National Guard Members	# of claims									
	credit available	Data Not Available	Data Not Available	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable			
	credit used									
	carry forward									
Employment of TANF Recipients	# of claims			*0*		5	0		0	
	credit available	Data Not Available	Data Not Available	*$0*	Data Not Releasable	$24,606	$0	Data Not Releasable	$0	Data Not Releasable
	credit used			*$0*		$12,666	$0		$0	
	carry forward			*$0*		$11,940	$0		$0	
Enterprise Zone	# of claims			*98*	138	151	197	193	165	202
	credit available	Data Not Available	Data Not Available	*$1,258,831*	$1,751,048	$1,632,256	$2,158,246	$2,296,501	$2,204,199	$2,981,234
	credit used			*$1,190,630*	$892,784	$1,003,582	$1,642,905	$1,458,081	$1,339,705	$1,713,943
	carry forward			*$586,953*	$850,776	$593,280	$397,705	$713,499	$738,055	$1,190,859
Environmental Technology	# of claims							0	0	0
	credit available	Data Not Available	Data Not Available	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	$0	$0	$0
	credit used							$0	$0	$0
	carry forward							$0	$0	$0
Family Tax Credit	# of claims		516,513	515,867	501,013	518,820	472,266	439,056	425,484	417,451
	credit available	Data Not Available	$44,548,440	$44,711,520	$42,060,538	$42,706,477	$39,733,177	$36,737,292	$35,617,953	$35,068,208
	credit used		$5,594,106	$5,270,319	$5,811,534	$6,784,150	$7,166,327	$7,661,867	$7,709,270	$7,445,937
	carry forward									
Healthy Forest Enterprises	# of claims			*0*	*0*	0	0			
	credit available	Data Not Available	Data Not Available	*$0*	*$0*	$0	$0			
	credit used			*$0*	*$0*	$0	$0			
	carry forward			*$0*	*$0*	$0	$0			
Income Taxes Paid To Other States or Countries	# of claims		36,535	30,125	31,103	27,706	34,880	34,664	29,956	25,722
	credit available	Data Not Available	$84,093,029	$75,216,168	$78,837,292	$105,315,257	$124,937,274	$119,416,310	$80,229,015	$62,484,651
	credit used		$84,093,029	$75,216,168	$78,837,292	$105,315,257	$124,937,274	$119,416,310	$80,229,015	$62,484,651
	carry forward									
Increased Excise Taxes Paid	# of claims		656,524	664,675	605,599	579,464	536,940	546,678	555,762	548,831
	credit available	Data Not Available	$35,278,230	$35,928,030	$32,308,185	$30,444,007	$28,751,332	$29,358,243	$29,924,907	$29,581,905
	credit used		$35,278,230	$35,928,030	$32,308,185	$30,444,007	$28,751,332	$29,358,243	$29,924,907	$29,581,905
	carry forward									
Investment in Qualified Small Business	# of claims		*177*	203	127	84				
	credit available	Data Not Available	*$2,518,322*	$1,795,620	$867,061	$415,766				
	credit used		*$728,400*	$576,066	$411,281	$296,115				
	carry forward		*$1,789,922*	$1,219,703	$455,890	$119,736				
Military Reuse Zone	# of claims			*0*	0	0	0	0	0	0
	credit available	Data Not Available	Data Not Available	*$0*	$0	$0	$0	$0	$0	$0
	credit used			*$0*	$0	$0	$0	$0	$0	$0
	carry forward			*$0*	$0	$0	$0	$0	$0	$0
Motion Picture Production and Infrastructure	# of claims			5	9	4	0			
	credit available	Data Not Available	Data Not Releasable	$81,932	$273,567	$153,184	$0			
	credit used			$77,267	$267,771	$128,165	$0			
	carry forward			$4,665	$5,796	$25,019	$0			

ARIZONA INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2011	2010	2009	2008	2007	2006	2005	2004	2003
Neighborhood	# of claims						80	395	832	1,279
Electric Vehicle	credit available						$237,622	$1,866,584	$4,014,888	$6,472,767
	credit used						$67,977	$809,199	$1,184,437	$1,593,351
	carry forward						$0	$1,057,385	$2,831,527	$4,879,416
New Employment	# of claims									
Credit	credit available	Data Not								
	credit used	Available								
	carry forward									
Pollution	# of claims				5	10	14	23	28	9
Control Device	credit available	Data Not	Data Not	Data Not	$18,492	$30,247	$31,327	$79,082	$40,676	$32,062
	credit used	Available	Available	Releasable	$5,731	$7,962	$14,412	$71,574	$16,385	$31,239
	carry forward				$12,756	$22,767	$16,860	$7,508	$24,291	$823
Private School	# of claims	*19,624*	62,940	73,430	78,434	76,065	73,617	69,239	63,830	58,122
Tuition	credit available	*$12,820,790*	$43,183,534	$50,879,153	$55,260,728	$54,304,968	$51,012,326	$42,196,206	$31,846,494	$29,445,596
Organization	credit used	*$12,820,790*	$43,183,534	$50,879,153	$55,260,728	$54,304,968	$51,012,326	$42,196,206	$31,846,494	$29,445,596
	carry forward									
Property	# of claims		17,526	17,366	15,675	16,810	13,247	13,943	14,786	15,028
Tax	credit available	Data Not	$6,750,770	$6,606,391	$5,722,697	$5,979,296	$4,776,863	$4,977,070	$5,242,685	$5,301,879
	credit used	Available	$6,750,770	$6,606,391	$5,722,697	$5,979,296	$4,776,863	$4,977,070	$5,242,685	$5,301,879
	carry forward									
Public School	# of claims	250,210	250,004	239,031	233,450	214,356	218,664	215,369	213,987	201,407
Extra	credit available	$48,443,537	$43,718,717	$42,657,087	$45,164,366	$44,069,896	$43,230,433	$35,416,279	$30,958,872	$27,753,764
Curricular	credit used	$48,443,537	$43,718,717	$42,657,087	$45,164,366	$44,069,896	$43,230,433	$35,416,279	$30,958,872	$27,753,764
Activity	carry forward									
Recycling	# of claims			0	0	0	0	0		4
Equipment	credit available	Data Not	Data Not	$0	$0	$0	$0	$0	Data Not	$3,891
	credit used	Available	Available	$0	$0	$0	$0	$0	Releasable	$2,380
	carry forward			$0	$0	$0	$0	$0		$1,511
Renewable Energy	# of claims		*0*							
Industry-Investment	credit available	Data Not	*$0*							
and Employment	credit used	Available	*$0*							
	carry forward		*$0*							
Renewable Energy	# of claims									
Production	credit available	Data Not								
	credit used	Available								
	carry forward									
Research &	# of claims			*306*	308	260	270	199	166	136
Development	credit available	Data Not	Data Not	*$11,178,788*	$10,973,331	$8,871,579	$9,868,595	$8,451,756	$5,885,652	$4,020,068
	credit used	Available	Available	*$4,388,344*	$4,714,103	$3,377,197	$4,185,619	$3,362,915	$1,654,296	$1,189,536
	CREDIT REFUNDED			*$0*	$0	$0	$0	$0	$0	$0
	ltd carry forward			*$379,678*	$421,856	$525,144	$752,596	$854,668	$1,096,963	$1,143,176
	unltd carry forward			*$6,410,766*	$5,837,372	$4,969,238	$4,930,380	$4,234,173	$3,134,393	$1,687,356
School Site	# of claims			*23*	55	72	89	80	100	45
Donation	credit available	Data Not	Data Not	*$1,003,782*	$2,010,294	$6,255,914	$10,553,076	$8,889,390	$5,671,414	$2,924,583
	credit used	Available	Available	*$76,226*	$321,623	$2,819,579	$7,812,958	$6,029,585	$3,513,793	$2,048,930
	carry forward			*$357,500*	$1,639,328	$3,217,277	$2,534,946	$2,859,896	$2,157,621	$716,187

ARIZONA INDIVIDUAL INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2011	2010	2009	2008	2007	2006	2005	2004	2003
Solar	# of claims			*8,449*	*5,124*	*2,560*	4,241	3,729	3,049	2,687
Energy	credit available	Data Not	Data Not	*$6,268,971*	*$3,211,537*	*$1,604,336*	$2,575,111	$1,945,208	$1,485,693	$1,315,181
	credit used	Available	Available	*$4,983,151*	*$2,511,451*	*$1,218,593*	$2,062,822	$1,588,034	$1,211,632	$1,050,632
	carry forward			*$1,285,485*	*$699,705*	*$385,384*	$511,408	$356,337	$274,061	$251,310
Solar Hot Water	# of claims			*16*	11	0	6	22	17	
Plumbing Stub	credit available	Data Not	Data Not	*$2,850*	$1,053	$0	$525	$18,538	$15,220	Data Not
Outs & Electric	credit used	Available	Available	*$1,568*	$930	$0	$525	$9,687	$5,677	Releasable
Vehicle Recharge	carry forward			*$1,282*	$123	$0	$0	$8,851	$9,543	
Solar Liquid Fuel	# of claims									
Research &	credit available	Data Not								
Development	credit used	Available								
	carry forward									
Technology	# of claims							0	0	0
Training	credit available							$0	$0	$0
REFUNDABLE	credit refunded							$0	$0	$0
	carry forward									
Underground	# of claims								0	0
Storage Tanks	credit available								$0	$0
	credit used								$0	$0
	carry forward									
Vehicle Refueling	# of claims									5
Apparatus &	credit available								Data Not	$13,872
Infrastructure	credit used								Releasable	$8,960
NONREFUNDABLE	carry forward									$4,912
Water Conservation	# of claims	*114*	*185*	*212*	213	61				
Systems Credit	credit available	*$53,273*	*$93,962*	*$121,952*	$77,575	$42,238				
	credit used	*$46,197*	*$82,869*	*$104,876*	$70,026	$36,227				
	carry forward	*$7,076*	*$11,093*	*$17,076*	$7,549	$6,011				
TOTAL	# of claims	*272,965*	*1,627,350*	*1,629,459*	*1,545,066*	*1,489,221*	1,416,905	1,380,396	1,361,409	1,320,650
	credit available	*$62,407,722*	*$278,516,551*	*$300,007,208*	*$300,449,278*	*$317,596,987*	$335,602,456	$307,966,875	$248,573,173	$221,151,444
	credit used	*$62,337,605*	*$237,401,765*	*$243,984,886*	*$246,896,628*	*$264,384,065*	$286,314,425	$261,668,558	$202,257,681	$175,325,108
	credit refunded	*$0*	*$0*	*$0*	*$0*	*$0*	$0	$0	$0	$0
	carry forward	*$70,117*	*$1,992,671*	*$14,630,122*	*$16,002,113*	*$15,709,355*	$14,608,853	$15,695,298	$16,079,498	$16,483,109
	ltd carry forward	*$0*	*$0*	*$379,678*	*$421,856*	*$525,144*	$752,596	$854,668	$1,096,963	$1,143,176

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.

ARIZONA CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2010	2009	2008	2007	2006	2005	2004	2003	2002
Agricultural	# of claims	0	0	0	0		0			
Pollution	credit available	$0	$0	$0	$0	Data Not	$0	Data Not	Data Not	Data Not
Control	credit used	$0	$0	$0	$0	Releasable	$0	Releasable	Releasable	Releasable
Equipment	carry forward	$0	$0	$0	$0		$0			
Agricultural	# of claims						0	0	0	0
Preservation	credit available						$0	$0	$0	$0
District	credit used						$0	$0	$0	$0
REFUNDABLE	credit refunded						$0	$0	$0	$0
Agricultural	# of claims						0			
Water	credit available						$0	Data Not	Data Not	Data Not
Conservation	credit used						$0	Releasable	Releasable	Releasable
	carry forward						$0			
Alternative	# of claims									3
Fuel Delivery	credit available							Data Not	Data Not	$457,906
System	credit used							Releasable	Releasable	$1,039
NONREFUNDABLE	carry forward									$456,867
Alternative	# of claims							3	5	7
Fuel	credit available							$659,570	$645,555	$678,479
Vehicles	credit used							$2,837	$1,726	$32,924
NONREFUNDABLE	carry forward							$0	$643,829	$645,555
Clean	# of claims	*228*	228	329	227	122	102	93	111	102
Elections	credit available	*$1,856*	$1,241	$22,558	$2,615	$684	$2,019	$597	$1,778	$646
	credit used	*$1,856*	$1,241	$22,558	$2,615	$684	$2,019	$597	$1,773	$646
	carry forward									
Commerical &	# of claims	*10*	8	7						
Industrial Solar	credit available	*$169,824*	$152,692	$85,550	Data Not	Data Not				
Energy Credit	credit used	*$104,528*	$87,118	$74,899	Releasable	Releasable				
	carry forward	*$65,296*	$65,574	$10,651						
Consolidated	# of claims					52	28	32	34	32
Filer	credit available					$31,647,046	$36,327,939	$38,635,451	$40,959,575	$43,168,347
	credit used					$0	$4,680,893	$2,307,512	$2,299,299	$2,208,772
REFUNDABLE	credit refunded					$31,647,046	$0	$0	$0	$0
	carry forward					$0	$31,647,046	$36,327,939	$38,660,276	$40,959,575
Construction	# of claims									3
Materials	credit available							Data Not	Data Not	$426,692
	credit used							Releasable	Releasable	$100
	carry forward									$426,592
Contributions to	# of claims	*57*	69	71	62	57	5			
School Tuition	credit available	*$9,493,522*	$10,776,757	$9,180,214	$11,625,278	$10,625,940	$530,000			
Organizations	credit used	*$6,929,494*	$8,873,043	$6,147,240	$10,823,475	$10,369,546	$526,260			
	carry forward	*$2,564,028*	$1,903,714	$3,032,974	$801,803	$256,394	$3,740			
Contributions to	# of claims									
School Tuition	credit available	Data Not	Data Not							
Organizations for Disabled/	credit used	Releasable	Releasable							
Displaced Students	carry forward									

ARIZONA CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2010	2009	2008	2007	2006	2005	2004	2003	2002
Defense Contracting	# of claims	*0*								
	credit available	*$0*	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable
	credit used	*$0*								
	carry forward	*$0*								
Donation of Motor Vehicles To Work Program	# of claims									0
	credit available									$0
	credit used									$0
	carry forward									$0
Employing National Guard Members	# of claims	*6*	6	5		3				
	credit available	*$15,900*	$14,900	$9,000	Data Not Releasable	$5,000				
	credit used	*$15,900*	$7,000	$3,100		$5,000				
	carry forward	*$0*	$7,900	$5,900		$0				
Employment of TANF Recipients	# of claims	*6*	12	9	12	10	13	14	9	8
	credit available	*$90,533*	$132,312	$60,870	$53,978	$54,562	$124,397	$491,175	$472,478	$184,997
	credit used	*$31,289*	$43,178	$29,006	$45,064	$40,804	$99,575	$485,190	$466,392	$173,600
	carry forward	*$59,244*	$89,134	$31,864	$8,914	$13,758	$24,822	$5,985	$6,086	$11,397
Enterprise Zone	# of claims		*94*	105	103	104	120	119	125	131
	credit available	*Data Not Available*	*$12,686,989*	$11,850,204	$10,277,023	$11,349,158	$11,682,526	$12,647,800	$14,461,392	$15,373,144
	credit used		*$6,144,599*	$7,089,948	$6,910,484	$9,114,221	$7,887,054	$7,647,392	$6,685,976	$6,509,295
	carry forward		*$6,430,349*	$4,666,379	$3,245,015	$2,232,712	$3,302,819	$4,345,843	$7,719,484	$8,652,741
Environmental Technology Facility	# of claims			3						
	credit available	Data Not Releasable	Data Not Releasable	$38,719,232	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable
	credit used			Data Not Releasable						
	carry forward									
Healthy Forest Enterprises	# of claims	*0*				0	0			
	credit available	*$0*	Data Not Releasable	Data Not Releasable	Data Not Releasable	$0	$0			
	credit used	*$0*				$0	$0			
	carry forward	*$0*				$0	$0			
Military Reuse Zone	# of claims									3
	credit available	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	Data Not Releasable	$90,389
	credit used									$41,050
	carry forward									$49,339
Motion Picture Production and Infrastructure	# of claims	*9*	5	11	7					
	credit available	*$8,430,673*	$1,811,033	$7,551,568	$6,802,746	Data Not Releasable				
	credit used	*$7,499,298*	$1,343,532	$7,377,180	$1,189,442					
	carry forward	*$931,375*	$467,501	$174,388	$5,613,304					
Neighborhood Electric Vehicles	# of claims						4	10	13	17
	credit available					Data Not Releasable	$680,915	$791,263	$820,049	$903,497
	credit used						$3,041	$11,380	$29,085	$60,175
	carry forward						$677,874	$779,883	$790,964	$843,322

ARIZONA CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2010	2009	2008	2007	2006	2005	2004	2003	2002
Pollution	# of claims	*15*	15	17	15	20	24	24	30	31
Control Device	credit available	*$5,706,043*	$5,809,439	$4,998,385	$4,285,128	$5,746,154	$8,470,200	$7,373,129	$8,642,942	$8,239,252
	credit used	*$2,510,980*	$1,715,381	$1,418,256	$2,295,135	$1,997,280	$2,119,047	$1,206,299	$2,464,946	$2,460,289
	carry forward	*$2,673,160*	$3,681,020	$3,570,094	$1,893,073	$3,592,073	$5,718,685	$5,841,857	$5,824,164	$5,776,562
Recycling	# of claims								4	4
Equipment	credit available						Data Not	Data Not	$192,332	$197,477
	credit used						Releasable	Releasable	$3,426	$5,145
	carry forward								$188,906	$192,332
Renewable Energy	# of claims	*0*								
Industry - Investment and	credit available	*$0*								
Employment	credit used	*$0*								
	carry forward	*$0*								
Research &	# of claims	*215*	238	242	241	238	220	216	190	169
Development	credit available	*$355,236,276*	$381,006,615	$374,948,817	$286,392,768	$274,019,477	$217,244,106	$133,143,853	$94,773,457	$53,869,538
	credit used	*$52,554,681*	$33,467,538	$49,556,734	$57,488,106	$54,523,686	$48,771,967	$36,956,148	$32,266,955	$12,499,682
	CREDIT REFUNDED	*$3,762,735*	$0	$0	$0	$0	$0	$0	$0	$0
	ltd carry forward	*$265,764,436*	$328,329,339	$495,678,926	$502,503,092	$513,658,763	$529,463,347	$538,986,014	$941,904,054	$530,287,282
	carry forward	*$231,835,755*	$295,190,087	$321,933,617	$274,004,214	$224,360,113	$164,644,006	$103,587,881	$45,518,160	
School Site	# of claims				0	6	5	3		
Donation	credit available	Data Not	Data Not	Data Not	$0	$2,756,579	$1,273,681	$616,473	Data Not	Data Not
	credit used	Releasable	Releasable	Releasable	$0	$2,755,447	$1,272,504	$616,473	Releasable	Releasable
	carry forward				$0	$1,132	$1,177	$0		
Solar Hot Water	# of claims	*0*	0	0	0	0	0	0	0	0
Plumbing Stub	credit available	*$0*	$0	$0	$0	$0	$0	$0	$0	$0
Outs & Electric	credit used	*$0*	$0	$0	$0	$0	$0	$0	$0	$0
Vehicle Recharge	carry forward	*$0*	$0	$0	$0	$0	$0	$0	$0	$0
Taxes Paid for	# of claims	*4*	4		4	3	3	3	3	3
Coal Consumed	credit available	*$7,302,889*	$6,296,204	Data Not	$3,947,803	$3,245,536	$3,051,885	$3,038,101	$3,145,343	$3,064,674
In Generating	credit used	*$2,182,237*	$658,252	Releasable	$1,057,873	$929,098	$843,909	$908,990	$1,229,020	$1,504,851
Electrical Power	carry forward	*$4,777,067*	$5,281,480		$2,529,562	$1,956,070	$1,870,939	$1,799,254	$1,744,443	$1,559,823
Technology	# of claims						3	3	3	4
Training	credit available						$46,356	$39,963	$33,426	$41,083
	credit used						$46,356	$36,268	$33,006	$30,000
REFUNDABLE	credit refunded						$0	$3,695	$420	$11,083
Underground	# of claims							0	0	
Storage	credit available							$0	$0	Data Not
Tanks	credit used							$0	$0	Releasable
	carry forward									
Vehicle Refueling	# of claims									
Apparatus &	credit available							Data Not	Data Not	Data Not
Infrastructure	credit used							Releasable	Releasable	Releasable
NONREFUNDABLE	carry forward									

ARIZONA CORPORATE INCOME TAX CREDITS CLAIMED BY TAX YEAR

		2010	2009	2008	2007	2006	2005	2004	2003	2002
Water	# of claims	*0*	0	0						
Conservation	credit available	*$0*	$0	$0	Data Not					
Plumbing Stub	credit used	*$0*	$0	$0	Releasable					
Outs	carry forward	*$0*	$0	$0						
TOTAL	# of claims	*557*	*689*	812	681	625	533	534	544	535
	credit available	*$393,133,373*	*$438,825,046*	$454,007,175	$352,045,810	$372,857,627	$319,905,624	$264,458,222	$233,980,450	$203,735,662
	credit used	*$72,725,691*	*$54,484,520*	$83,485,241	$93,071,398	$88,031,166	$66,261,620	$50,650,393	$46,247,386	$29,744,745
	credit refunded	*$3,762,735*	*$0*	*$0*	*$0*	*$31,647,046*	$0	$3,695	$420	$11,083
	carry forward	*$248,665,454*	*$331,035,385*	$366,234,256	$303,167,513	$256,714,198	$239,732,365	$210,419,214	$166,385,821	$655,815,573
	ltd carry forward	*$265,764,436*	*$328,329,339*	$495,678,926	$502,503,092	$513,658,763	$526,463,347	$538,986,014	$541,904,054	$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.

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	5	$14,331	$14,087	$244
2009	*3*	*$16,569*	*$13,306*	*$3,263*

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
Repealed: For taxable years ending before 1/1/06. 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.

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	$1,873,866	$6,202,735
2007	137	$8,912,273	$1,853,588	$6,333,995
2008	136	$8,562,113	$1,486,292	$6,328,967
2009	*139*	*$6,356,874*	*$1,008,226*	*$4,510,204*

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.
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.

- 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	2001[2]	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.

CLEAN ELECTIONS CREDIT

Statute: A.R.S. § 16-954B
Effective Date: For donations made in taxable years beginning on or after 1/1/98
Repealed: For donations made from and after 8/2/12
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 years 2009 and 2010 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	26,088	$691,600	$633,415
2010	24,908	$712,628	$644,314

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.
Repealed: For taxable years beginning from and after 1/1/19. Repeal date set when credit enacted.
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	15	$2,948,897	$156,744
2008	45	$11,205,236	$602,074
2009	67	$21,760,115	$860,218
2010	62	$30,315,719	$997,786
2011	61	$19,040,920	$916,259

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

	2006	2007	2008	2009	*2010*	*2011*
# of claimants	5	15	54	83	*45*	*10*
# of devices	4	8	26	15	*16*	*0*
Cost of devices	$275,068	$661,280	$5,021,934	$11,980,212	*$2,973,073*	*$0*
Credit	$27,507	$66,128	$410,714	$428,445	*$235,383*	*$0*
Carry forward	-----	$9,421	$18,010	$121,098	*$210,194*	*$93,427*
Total credit	$27,507	$75,549	$428,724	$549,543	*$445,577*	*$93,427*
Credit used	$18,086	$54,558	$279,874	$325,054	*$253,921*	*$30,386*
Carry forward	$9,421	$20,991	$148,850	$224,489	*$191,656*	*$63,041*

Italics indicate preliminary numbers.

CONSTRUCTION MATERIALS CREDIT

Statute: A.R.S. § 43-1082
Effective Date: For taxable years from and after 12/31/94.
Repealed: For taxable years ending before 1/1/00. 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	---
2007[3]	*18,280*	*N/A*	*$5,877,831*	*$5,860,953*	---
2008	36,568	N/A	$11,077,991	$11,059,408	---
2009	*50,149*	*N/A*	*$13,663,624*	*$13,043,507*	---
2010	*58,941*	*N/A*	*$16,177,493*	*$16,078026*	---

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.

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
Repealed: Certification by the Arizona Department of Commerce was required by June 30, 2001, valid for five taxable years. No new credits could be claimed after tax year 2006.
Provisions: 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.
Repealed: For taxable years ending before 12/31/12. 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
2010	3,128	$1,000,384
2011	3,093	$999,296

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	3,070	$982.575	$982,575
2009	3,185	$998,331	$998,331
2010	3,052	$995,849	$995,849
2011	*3,007*	*$996,695*	*$996,695*

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.

One claim has been recorded in tax years 2006, 2007 and 2008. Two claims have been recorded for tax year 2009 and therefore additional information cannot be released.

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	1	//////////	//////////	//////////
2009	*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.

ENTERPRISE ZONE CREDIT

Statute: A.R.S. § 43-1074
Effective Date: For taxable years from and after 12/31/89.
Sunset Date: 6/30/2011.
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	$2,158,246	$1,642,905	$397,705
2007	151	$1,632,256	$1,003,582	$593,280
2008	138	$1,751,048	$892,784	$850,776
2009	*98*	*$1,258,831*	*$1,190,630*	*$586,953*

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. One claim has been recorded in tax years 2006, 2007 and 2008. Two claims have been recorded for tax year 2009 and therefore additional information cannot be released.

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, income[5] 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	515,867	$44,711,520	$5,270,319
2010	516,513	$44,548,440	$5,594,106

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.
Repealed: For taxable years beginning from and after 1/1/15. 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.

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.

Due to the volume of taxpayers claiming the credit for income taxes paid as well as the number claiming multiple credits, the following table represents only those taxpayers that have claimed the credit for income taxes paid to other states or countries and no other credits.

	# 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	30,125	$75,216,168	$75,216,168
2010	36,535	$84,093,029	$84,093,029

Italics indicate preliminary numbers.

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	664,675	$35,928,030	$35,928,030
2010	656,524	$35,278,230	$35,275,230

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.
Repealed: For taxable years beginning from and after 1/1/2020. 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 Arizona Commerce Authority (A.R.S. § 41-1518).
Credit: If the qualified investment is made in a qualified small business ($10 million in assets effective 1/1/12, up from $2 million) 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 6/30/16. 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 131 qualified small businesses. The Department of Commerce has also notified the Department of Revenue that 416 tax credits have been approved. Of these 416 tax credits, 29 investors made more than one qualified investment. These 416 income tax credits represent investment of $26.2 million in 72 of the qualified small businesses. This $26.2 million translates to $8.6 million in credit, available over 8 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	84	$865,463	$415,766	-------	$415,766	$296,115	$119,736
2008	127	$453,124	$747,325	$119,736	$867,061	$411,281	$455,890
2009	203	$ 1,237,781	$1,373,214	$422,906	$1,795,620	$576,066	$1,219,703
2010	*177*	*$ 491,388*	*$1,323,609*	*$1,195,881*	*$2,518,322*	*$728,400*	*$1,789,922*

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 for Motion Picture Productions (§ 43-1075) and for taxable years from and after 12/31/2007 for Motion Picture Infrastructure Projects (§ 43-1075.01)
Repealed: For taxable year beginning from and after 1/1/11. Repeal date set when enacted.
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 33 productions with an allowable credit of $26,148,214. 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*
2010	*3*	/////	//////////////	//////////////	//////////////	//////////////

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 20 corporate taxpayers have claimed it.
- Since 2007, 23 productions have been claimed for a total credit amount of $17.9 million.
- Thirty post-approved productions have been sold or transferred to 35 taxpayers for $24,392,694 and 12 credits for $5,174,121 were then resold to 34 individual or corporate taxpayers.

NEW EMPLOYMENT CREDIT

Statute: A.R.S. § 43-1074
Effective Date: For taxable years from and after 6/30/11
Provisions: A nonrefundable credit is allowed for net increases in qualified employment positions in Arizona at an Arizona business location. To qualify for the credit, the taxpayer must either invest at least $5 million of capital investment and create at least 25 new qualified positions in an Arizona city or town with a population of 50,000 or invest at least $1 million of capital investment and create at least 5 new qualified positions in any other location in Arizona. The employer must also provide health insurance coverage for the employee (paying at least 65% of the cost) and pay a wage at least equal to the median wage for the county. The credit must be pre-approved by the Arizona Commerce Authority, who cannot approve more than 10,000 first-year positions for all taxpayers.
Credit: The credit is limited to 400 first-year qualified positions per year per taxpayer. The credit is equal to $3,000 for each employee in the 1st year or partial year of employment, $3,000 for each employee for the full taxable year in the 2nd year of continuous employment and $3,000 for each employee for the full taxable year in the 3rd year of continuous employment.
Carry forward: Five years.

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	$31,327	$14,412	$16,680
2007	10	$30,247	$7,962	$22,767
2008	5	$18,492	$5,731	$12,756
2009	*2*	//////////////	//////////////	//////////////

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

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	17	3,207	$2,196,734
2000	36	38,249	$17,701,284	30	15,081	$13,561,981
2001	43	46,696	$24,897,444	32	18,049	$16,484,958
2002	43	52,203	$26,512,683	36	19,582	$22,826,746
2003	51	58,122	$29,445,596	49	20,134	$24,420,057
2004	53	63,830	$31,846,494	51	21,146	$28,025,083
2005	53	69,239	$42,196,206	54	22,529	$30,863,153
2006	56	73,617	$51,012,326	56	24,678	$40,594,978
2007	55	76,065	$54,304,968	55	27,153	$48,561,687
2008	55	78,434	$55,260,728	55	28,327	$54,205,394
2009	54	73,430	$50,879,153	52	27,592	$52,127,262
2010	53	62,940	$43,183,534	54	26,433	$47,344,443
2011[7]	*48*	*19,624*	*$12,820,790*	*45*	*10,923*	*$28,881,036*

[6] School Tuition Organizations
[7] These numbers are for the first 6 months of calendar year 2011. STOs are now required to report on a fiscal year basis.

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	17,366	$6,606,391	$6,606,391
2010	17,526	$6,750,770	$6,750,770

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. Session Law (Laws 2011, Chapter 195) allows schools to temporarily use up to 50% of the unencumbered contributions it received prior to tax year 2011 for short-term capital items such as technology, textbooks, library resources, instructional aids, pupil transportation vehicles, furniture or equipment in FY 2011/12 and FY 2012/13.
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	239,031	$42,657,087	$42,657,087
2010	250,004	$43,718,717	$43,718,717
2011	250,210	$48,443,537	$48,443,537

QUALIFIED HEALTH INSURANCE PLANS CREDIT

Statute: A.R.S. § 43-1087.01
Effective Date: For taxable years from and after 12/31/11.
Repealed: For taxable years beginning from and after 1/1/14. Repeal date set when credit enacted.
Provisions: A nonrefundable credit is allowed for employers who provide qualified health plans or contributions to health savings accounts for its employees who are Arizona residents. The taxpayer must employ at least 2 and not more than 50 employees. The employer cannot have provided health insurance coverage to its employees for the 90 days immediately preceding the offer of health insurance plans in the taxable year in which the employer initially claims the credit. The health insurance plan must be provided to enrolled employees for at least 12 consecutive months (and offered to all employees) and the employer must pay at least $360 during the taxable year for premiums or contributions to a health savings account.
Credit: The amount of the credit is $360 for every employee who is enrolled in the qualified health insurance plan.
Carry forward: Three years

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.
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 as 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
2009	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.

RENEWABLE ENERGY INDUSTRY CREDIT

Statute: A.R.S. § 43-1083.01
Effective Date: For taxable years from and after 12/31/09
Repealed: For taxable years beginning from and after 1/1/15. Repeal date set when enacted.
Provisions: This refundable credit is for expanding or locating qualified renewable energy operations in Arizona. Renewable energy operations are limited to manufacturers of, and headquarters for, systems and components that are used, or useful in manufacturing renewable energy equipment for the generation, storage, testing and research and development, transmission or distribution of electricity from renewable resources, including specialized crates necessary to package the renewable energy equipment manufactured at the facility. Approval from the Arizona Commerce Authority is required to take the credit. No more than $70 million can be approved by the Arizona Commerce Authority in a calendar year.
Credit: The credit is up to 10% of the taxpayer's total capital investment in Arizona if 1.5 new full-time employment positions are created for each $500,000 of capital investment for manufacturing operations or 1 new full-time employment position is created for each $200,000 in capital investment for headquarters. For other qualifying renewable energy investment, the credit is 10% of $500,000 for each 1.5 new full-time employment positions created in manufacturing operations or 10% of $200,000 for each 1 full-time employment position created for headquarters, neither of which can exceed 10% of the taxpayer's total capital investment. The credit is apportioned and claimed in five equal annual installments in each of five consecutive tax years.
Carry forward: Not applicable.

As of the date of this release on income tax credits, the Arizona Commerce Authority has pre-approved three companies for this credit. Since no post-approvals have yet been issued, no credit dollar amount is available.

RENEWABLE ENERGY PRODUCTION TAX CREDIT

Statute: A.R.S. § 43-1083.02
Effective Date: For taxable years from and after 12/31/10
Repealed: For taxable years beginning from and after 1/1/31. Repeal date set when enacted.
Provisions: This nonrefundable credit is for production of electricity by a qualified energy generator that produces energy using solar light, solar heat, wind or biomass. Qualified energy generator means a facility that has at least 5 megawatts generating capacity, that is located on land in Arizona owned or leased by the taxpayer, that produces electricity using solar, wind or biomass and that sells electricity to an unrelated entity, unless the electricity is sold to a public service corporation. Approval from the Arizona Department of Revenue is required to take the credit. No more than $20 million can be approved by the Arizona Department of Revenue in a calendar year.
Credit: The amount of the credit is based on electricity produced. The amount of the credit is certified by the Arizona Department of Revenue before the credit can be claimed.
Carry forward: Five years.

Four companies were approved by the Arizona Department of Revenue to take this credit in tax year 2011. The total credit amount approved was $1,276,521. However, as of the date of this credit information release, no companies had filed their 2011 tax return.

RESEARCH & DEVELOPMENT CREDIT – NONREFUNDABLE AND REFUNDABLE

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 percentages in paragraphs 2 and 3 above are different for tax year 2010 through 2017. In tax year 2010, the percentages change to 22% and 13%. For tax years 2011 through 2017, the percentages are 24% and 15%.

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.

Carry forward: Fifteen years.

Statute: A.R.S. § 43-1074.01(C)
Effective Date: For taxable years from and after 12/31/09
Provisions: This refundable research and development credit is only available to a taxpayer that employs fewer than 150 persons and if the allowable credit established under the nonrefundable credit exceeds the taxes due. The taxpayer must be pre-approved by the Arizona Commerce Authority to take the credit. No more than $5 million can be approved in a calendar year.
Credit: The refundable credit is limited to 75% of the amount by which the allowable nonrefundable research and development credit exceeds the taxpayer's tax liability in the taxable year. The remaining 25% of the unused credit is forfeited by the taxpayer.

The table on the following page presents statistics on both the refundable and nonrefundable pieces of the research and development tax credit.

	# of Claimants	New Credit	Total Credit Available	Credit Used	Limited Carry Forward	Unlimited Carry Forward	Amount Refunded	Forfeited Credit
2001	60	$949,922	$949,922	$514,936	$434,986			
2002	107	$1,582,874	$1,988,911	$817,296	$1,171,615			
2003	136	$2,851,851	$4,020,068	$1,189,536	$1,143,176	$1,687,356		
2004	166	$3,144,479	$5,885,652	$1,654,296	$1,096,963	$3,134,393		
2005	199	$4,245,412	$8,451,756	$3,362,915	$854,668	$4,234,173		
2006	270	$4,997,616	$9,868,595	$4,185,619	$752,596	$4,930,380		
2007	260	$3,925,406	$8,871,579	$3,377,197	$525,144	$4,969,238		
2008	308	$5,743,143	$10,973,331	$4,714,103	$421,856	$5,837,372		
2009	*306*	*$5,197,402*	*$11,178,788*	*$4,388,344*	*$379,678*	*$6,410,766*		

Italics indicate preliminary numbers.

- Since the creation of this credit, 618 taxpayers have claimed it.

(ADDITIONAL) RESEARCH & DEVELOPMENT CREDIT FOR UNIVERSITY RESEARCH

Statute: A.R.S. § 43-1074.01(A)(1)(c)
Effective Date: For taxable years from and after 12/31/11
Provisions: This research and development credit for university research is in addition to the regular nonrefundable research and development credit. The credit may be allowed if the taxpayer made basic research payments to a university under the jurisdiction of the Arizona Board of Regents. The taxpayer must be pre-approved by the Arizona Department of Revenue to take the credit. No more than $10 million can be approved in a calendar year.
Credit: The credit is 10% of the excess basic research expenses over the base amount.
Carry forward: Five years.

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[8]	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	$5,671,414	$3,513,793	$2,157,621
2005	80	$25,445,500	$8,889,390	$6,029,585	$2,859,896
2006	89	$35,051,900	$10,553,076	$7,812,958	$2,534,946
2007	72	$15,723,400	$6,255,914	$2,819,579	$3,217,277
2008	55	$1,382,400	$2,010,294	$321,623	$1,639,328
2009	*23*	*$0*	*$1,003,782*	*$76,226*	*$357,500*

Italics indicate preliminary numbers.

[8] Represents the total value of the donated property for which a credit was originally claimed in the respective tax year.

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	2,687	$1,315,181	$1,050,632	$251,310
2004	3,049	$1,485,693	$1,211,632	$274,061
2005	3,729	$1,945,208	$1,588,034	$356,337
2006	4,241	$2,575,111	$2,062,822	$511,408
2007	*2,560*	*$1,604,336*	*$1,218,593*	*$385,384*
2008	*5,124*	*$3,211,537*	*$2,511,451*	*$699,705*
2009	*8,449*	*$6,268,971*	*$4,983,151*	*$1,285,485*

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.

	# of Claimants	Total Credit Available	Credit Used	Carry Forward
1998	23	$12,352	$8,874	$3,478
1999	35	$16,859	$7,944	$8,915
2000	35	$21,308	$11,566	$9,742
2001	18	$16,951	$7,804	$9,147
2002	15	$4,920	$3,312	$1,608
2003	2	//////////////	//////////////	//////////////
2004	17	$15,220	$5,677	$9,543
2005	22	$18,538	$9,687	$8,851
2006	6	$525	$525	$0
2007	0	$0	$0	$0
2008	11	$1,053	$930	$123
2009	*16*	*$2,850*	*$1,568*	*$1,282*

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

SOLAR LIQUID FUEL RESEARCH & DEVELOPMENT CREDIT

Statute: A.R.S. § 43-1085.01
Effective Date: For taxable years from and after 12/31/10
Repealed: For taxable years beginning from and after 1/1/22. Repeal date set when enacted.
Provisions: This nonrefundable credit is for increased research activities related to solar liquid fuel. Solar liquid fuel means liquid fuel that is generated through processes that use sunlight, carbon dioxide and water to produce infrastructure compatible liquid hydrocarbon fuels.
Credit: The credit is 40% of the excess of Arizona qualified research expenses for the taxable year over a base amount.
Carry forward: None.

TECHNOLOGY TRAINING CREDIT

Statute: A.R.S. § 43-1088.01
Effective Date: For taxable years from and after 12/31/00.
Repealed: For taxable years beginning from and after 1/1/06. 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
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.
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.
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.
Repealed: For taxable years beginning from and after 1/1/12. 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	85	$343,889	$54,095
2008	234	$646,806	$129,323
2009	258	$744,165	$142,878
2010	266	$682,930	$133,282
2011	243	$648,080	$128,590

While there are 1,086 approvals shown above, this represents 706 individuals. Some individuals have their system installed in pieces, requesting approval as each piece is finished. These 706 individuals were located in 73 areas throughout Arizona. Tucson was the location for 573 of the individuals. Sierra Vista was the second most noted location, with 96 approvals.

Credits actually claimed on tax returns are shown below:

	Tax Year 2007	Tax Year 2008	Tax Year 2009	*Tax Year 2010*	*Tax Year 2011*
Number of Returns	61	213	*212*	*185*	*114*
Cost of System	$282,460	$382,584	*$313,405*	*$449,744*	*$675,795*
New Credit	$42,238	$74,138	*$115,269*	*$86,858*	*$49,994*
Credit Carry Forward	-------	$3,437	*$6,683*	*$7,167*	*$3,279*
Total Credit Claimed	$42,238	$77,575	*$121,952*	*$93,962*	*$53,273*
Credit Used	$36,227	$70,026	*$104,876*	*$82,869*	*$46,197*
Credit Carry Forward	$6.011	$7,549	*$17,076*	*$11,093*	*$7,076*

Numbers in italics are preliminary.

AGRICULTURAL POLLUTION CONTROL EQUIPMENT CREDIT

Statute: A.R.S. § 43-1170.01
Effective Date: For taxable years from and after 12/31/98
Provisions: A nonrefundable credit is allowed for expenses that a taxpayer (involved in the commercial production of livestock, livestock products or agricultural, horticultural, viticultural or floricultural crops or products) incurs to purchase tangible personal property that is primarily used in the taxpayer's trade or business in Arizona to control or prevent pollution. Property that qualifies for this credit includes the portion of a structure, building, installation, excavation, machine, equipment or device and any attachment or addition or reconstruction, replacement or improvement of that property that is directly used, constructed or installed to prevent, monitor, control or reduce air, water or land pollution.
Credit: The credit is equal to 25% of the cost of the real or personal property, not to exceed $25,000.
Carry forward: Five years.

	# of claims	Credit Available	Credit Used	Carry Forward
1999	//////////	//////////	//////////	//////////
2000	//////////	//////////	//////////	//////////
2001	//////////	//////////	//////////	//////////
2002	//////////	//////////	//////////	//////////
2003	//////////	//////////	//////////	//////////
2004	//////////	//////////	//////////	//////////
2005	0			
2006	//////////	//////////	//////////	//////////
2007	0			
2008	0			
2009	0			
2010	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.
Repealed: For taxable years beginning from and after 1/1/06. Repeal date set when credit enacted.
Provisions: A *refundable* credit is allowed for a taxpayer who owns property classified as Class Two property (agricultural) and who conveys ownership or development rights to an agricultural preservation district. No district can award credits exceeding $10 million.
Credit: The amount of the credit is either the appraised value of the property if the taxpayer conveys ownership to the district or the difference between the appraised value of the undeveloped land and the appraised value of the land for development purposes if the taxpayer conveys the development rights of the property to the district. No credit in a calendar year can exceed $33,000.

No claims for this credit have been found.

AGRICULTURAL WATER CONSERVATION SYSTEM CREDIT

Statute: A.R.S. § 43-1172
Effective Date: For taxable years from and after 12/31/93
Repealed: Effective 1/1/00
Provisions: A nonrefundable credit is allowed for expenses incurred during the taxable year to purchase and install an agricultural water conservation system in Arizona. The system must be primarily designed to substantially conserve water on land used to (1) produce crops, fruits or other agricultural products, (2) raise, harvest or grow trees, or (3) sustain livestock. The expense must be consistent with a conservation plan filed and in effect with the United States Department of Agriculture Soil Conservation Service.
Credit: The credit is equal to 75% of the qualifying expenses.
Carry forward: Five years.

Tax Year	# of claimants	Qualifying expenses	New Credit	Carry forward	Used	New Carry forward
1994	5	$209,504	$147,276	----------	$35,531	$111,745
1995	5	////////////////	////////////////	////////////////	////////////////	////////////////
1996	4	////////////////	////////////////	////////////////	////////////////	////////////////
1997	3	////////////////	////////////////	////////////////	////////////////	////////////////
1998	6	////////////////	////////////////	////////////////	////////////////	////////////////
1999	9	////////////////	////////////////	////////////////	////////////////	////////////////
2000	6	////////////////	////////////////	////////////////	////////////////	////////////////
2001	5	////////////////	////////////////	////////////////	////////////////	////////////////
2002	5	----------	----------	////////////////	////////////////	////////////////
2003	3	----------	----------	////////////////	////////////////	////////////////
2004	2	----------	----------	////////////////	////////////////	////////////////
2005	0					

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

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

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[9]	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	

[9] All claims after 1999 are for carry forward.

ALTERNATIVE FUEL VEHICLES CREDIT

Statute: A.R.S. § 43-1174
Effective Date: For taxable years from and after 12/31/93
Repealed: To qualify for the credit, a contract or purchase order for the vehicle must have been entered into prior to 10/21/00. No refundable credit is allowed for taxable years ending after 12/31/01. The nonrefundable credit was repealed with the passage of the refundable credit language; however, the carry forward for the nonrefundable credit can still be used after 12/31/01.
Provisions: A credit is allowed for (1) purchase or lease, for a period of at least 3 years, of one or more new original equipment manufactured alternative fuel vehicles or (2) expenses incurred for converting one or more conventionally fueled vehicles to operate on an alternative fuel *This credit was refundable for tax years 2000 and 2001 only.*
Credit: The amount of the credit is equal to:

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

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

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

FOR NONREFUNDABLE ALTERNATIVE FUEL VEHICLES EXCEPT NEIGHBORHOOD ELECTRIC VEHICLES:

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

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

- 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.

CLEAN ELECTIONS CREDIT

Statute: A.R.S. § 16-954B
Effective Date: For donations made in taxable years beginning on or after 1/1/98
Repealed: For donations made from and after 8/2/12
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
2009	228	$1,241	$1,241
2010	*256*	*$1,856*	*$1,856*

Italics indicate preliminary numbers.

COMMERCIAL AND INDUSTRIAL SOLAR ENERGY CREDIT

Statute: A.R.S. § 43-1164
Effective Date: For installing devices in taxable years beginning on or after 1/1/06.
Repealed: For taxable years beginning from and after 1/1/19. Repeal date set when credit enacted.
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	15	$2,948,897	$156,744
2008	45	$11,205,236	$602,074
2009	67	$21,760,115	$860,218
2010	62	$30,305,719	$997,786
2011	61	$19,040,920	$916,259

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
2009	8	$2,848,822	$146,995	$5,697	$87,118	$65,574
2010	11	$3,871,832	$129,150	$40,674	$104,528	$65,296

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

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

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 corporate income tax or insurance premium tax credit is allowed to taxpayers for voluntary cash contributions made to a school tuition organization.
Credit: The aggregate amount of the credit for both the corporate income tax and the insurance premium tax 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.

Donation amounts for corporate income tax credit and insurance premium tax credit approved by the Department of Revenue are as follows:

Fiscal Year	Credit Cap	Approved/Received
2007	$10,000,000	$9,535,800
2008	$12,000,000	$11,996,000
2009	$14,400,000	$10,495,506
2010	$17,280,000	$8,100,008
2011	$20,736,000	$11,324,351
2012	$24,883,200	$14,637,490[10]

	# of STOs[11] reporting donations	# of donors reported	Donations reported	# of STOs reporting scholarships	# of scholarships reported	Scholarships reported
2006	16	86	$7,260,800	3	35	$49,380
2007	17	84	$14,258,000	18	1,940	$4,597,823
2008	15	96	$9,122,121	19	2,979	$7,615,639
2009	17	93	$7,285,284	19	3,640	$7,849,824
2010	11	90	$11,123,657	18	4,226	$9,260,066
2011[12]	*12*	*34*	*$2,301,803*	*15*	*2,157*	*$3,379,685*

The figures below show corporate income tax credits claimed for these donations thus far. Information is not available on the insurance premium tax credit claimed.

Tax Year	# of claims	Credit claimed	Credit used	Carry forward
2005	5	$530,000	$526,260	$3,740
2006	57	$10,625,940	$10,369,546	$256,394
2007	62	$11,625,278	$10,823,475	$801,803
2008	74	$9,180,214	$6,147,240	$3,032,974
2009	69	$10,776,757	$8,873,043	$1,903,714
2010	57	$9,493,522	$6,929,494	$2,564,028

For more information, a report is available on the Arizona Department of Revenue website on all private school tuition organization-related credits.

[10] Through May 30, 2012.
[11] School Tuition Organizations
[12] These numbers are for the first 6 months of calendar year 2011. STOs are now required to report on a fiscal year basis.

CONTRIBUTIONS TO SCHOOL TUITION ORGANIZATIONS FOR DISPLACED STUDENTS OR STUDENTS WITH DISABILITIES

Statute: A.R.S. § 43-1184
Effective Date: For taxable years from and after 6/30/09
Provisions: A nonrefundable corporate income tax or insurance premium tax credit is allowed to each taxpayer for the amount of voluntary cash contributions made to a certified school tuition organization.
Credit: The aggregate amount of the credit for both the corporate income tax and insurance premium tax is limited to $5 million each fiscal year. 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.

Donation amounts for the corporate income tax credit and insurance premium tax credit approved by the Department of Revenue are as follows:

Fiscal Year	Credit Cap	Approved/Received
2010	$5,000,000	$1,478,880
2011	$5,000,000	$1,029,000

For the corporate income tax credit, one claim has been recorded in tax years 2009 and 2010. Therefore, additional information cannot be released.

Information is not available on the insurance premium tax credit claimed. For more information, a report is available on the Arizona Department of Revenue website on all private school tuition organization-related credits.

DEFENSE CONTRACTING CREDIT

Statute: A.R.S. § 43-1165 and 1166
Effective Date: For taxable years from and after 9/30/92
Repealed: Certification by the Arizona Department of Commerce was required by June 30, 2001, valid for five taxable years. No new credits could be claimed after tax year 2006.
Provisions: 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
1st year employment	////////	////////	////////	1,097	1,123	227	1,629
2nd year employment	////////	////////	////////	330	1,171	879	419
3rd year employment	////////	////////	////////	3,075	742	752	783
4th year employment	////////	////////	////////	634	56	886	695
5th 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	2009
# of claimants	3	2	2	2	2	2	2	2	2	1
1st year employment	1,447	////////	////////	////////	////////	////////	////////	////////	////////	////////
2nd year employment	1,416	////////	////////	////////	////////	////////	////////	////////	////////	////////
3rd year employment	283	////////	////////	////////	////////	////////	////////	////////	////////	////////
4th year employment	642	////////	////////	////////	////////	////////	////////	////////	////////	////////
5th 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.

EMPLOYING NATIONAL GUARD MEMBERS CREDIT

Statute: A.R.S. § 43-1167.01
Effective Date: For taxable years from and after 12/31/05
Provisions: A nonrefundable credit is allowed to each taxpayer whose employee is a member of the Arizona national guard if the employee is placed on active duty. The employee must be employed in a full-time equivalent position when the employee is placed on active duty. Each member of the Arizona national guard who is employed must have served during the taxable year on active duty for training that exceeds the required annual training period, including any activation for federal or state contingencies or emergencies.
Credit: The credit is equal to $1,000 for each employee who is placed on active duty by the Arizona national guard.
Carry forward: Five years.

Tax Year	# of claimants	# of employees	Credit	Credit Used	Carry Forward
2006	3	5	$5,000	$5,000	$0
2007	2	//////////////	//////////////	//////////////	//////////////
2008	5	9	$9,000	$3,100	$5,900
2009	6	9	$14,900	$7,000	$7,900
2010	6	8	$15,900	$15,900	$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.

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	11	34	$49,548	$54,562	$40,804	$13,758
2007	12	39	$44,514	$53,978	$45,064	$8,914
2008	9	110	$51,956	$60,870	$29,006	$31,864
2009	12	88	$100,448	$132,312	$43,178	$89,134
2010	*6*	*16*	*$38,809*	*$90,533*	*$31,289*	*$59,244*

- Since the creation of this credit, 36 taxpayers have claimed it.
- From 1998 through 2010, taxpayers reported 1,877 positions eligible for the credit, for a total credit of $1.7 million. This is a $926 credit per job.

Italics indicate preliminary numbers.

ENTERPRISE ZONE CREDIT

Statute: A.R.S. § 43-1161
Effective Date: For taxable years from and after 12/31/89.
Sunset Date: 6/30/2011.
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	$7,234,453	$12,647,800	$7,647,392	$4,345,843
2005	120	249	4,627	$7,692,984	$0	$3,989,542	$11,682,526	$7,887,054	$3,302,819
2006	104	240	4,009	$8,952,355	$0	$2,396,803	$11,349,158	$9,114,221	$2,232,712
2007	103	250	4,259	$8,351,524	$0	$1,952,499	$10,277,023	$6,910,484	$3,245,015
2008	105	241	3,966	$8,637,693	$0	$3,212,511	$11,850,204	$7,089,948	$4,666,379
2009	*94*	*232*	*2,645*	*$8,112,547*	*$0*	*$4,574,442*	*$12,686,989*	*$6,144,599*	*$6,430,349*

- Since the creation of this credit, 409 taxpayers have claimed it.
- Since 1990, 55,692 jobs have been claimed under this credit, for a total credit amount of $125.1 million. This is an average credit of $2,246 per job.

Italics indicate preliminary numbers.

ENVIRONMENTAL TECHNOLOGY FACILITY CREDIT

Statute: A.R.S. § 43-1169
Effective Date: For taxable years from and after 12/31/92
Provisions: A nonrefundable credit is allowed for expenses incurred in constructing a qualified technology manufacturing, producing or processing facility. The facility must be either owned by the manufacturer, producer or processor, or leased for a term of five years or more. The facility must be used predominantly to do a variety of things (set out in statute) that involve recycled materials or renewable energy. The facility must cost an aggregate of at least $20 million of new capital investment in Arizona within five years after construction begins or commencement of installation of improvements.
Credit: The credit is equal to 10% of the amount spent during the taxable year to construct the facility, including land acquisition, improvements, building improvements, machinery and equipment, but not exceeding 75% of the tax liability.
Carry forward: Fifteen years.

	# of claimants	Cost of equipment or property	New credit	Total credit	Used	Carry forward
1993	1	//////////////	//////////////	//////////////	//////////////	//////////////
1994	4	$112,903,166	$11,290,316	$16,245,878	$2,329,787	$13,916,091
1995	5	$278,383,768	$27,838,377	$41,754,468	$15,821,459	$25,933,009
1996	6	$97,162,732	$9,716,273	$35,649,281	$2,556,477	$33,092,804
1997	3	$18,739,637	$1,873,964	$34,966,768	$38	$34,966,730
1998	4	$15,537,470	$1,553,749	$36,520,479	$365,267	$36,155,212
1999	3	$6,815,794	$681,579	$36,836,791	$69,877	$36,766,914
2000	3	$0	$0	$36,766,914	$26,658	$36,740,256
2001	3	$0	$0	$37,088,205	$1,084,588	$36,003,617
2002	2	$0	$0	//////////////	//////////////	//////////////
2003	2	$0	$0	//////////////	//////////////	//////////////
2004	2	$0	$0	//////////////	//////////////	//////////////
2005	1	$0	$0	//////////////	//////////////	//////////////
2006	1	$0	$0	//////////////	//////////////	//////////////
2007	2	//////////////////	//////////////////	//////////////	//////////////	//////////////
2008	3	//////////////////	//////////////////	$38,719,232	//////////////	//////////////
2009	2	//////////////////	//////////////////	//////////////////	//////////////	//////////////
2010	1	//////////////////	//////////////////	//////////////////	//////////////	//////////////

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

- Since the creation of this credit, 9 taxpayers have claimed it.
- More than $84 million in credit has been created, an average of $9.4 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.
Repealed: For taxable years beginning from and after 1/1/15. 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 years 2007, 2008 and 2009. However, no data can be released due to confidentiality laws.

MILITARY REUSE ZONE CREDIT

Statute: A.R.S. § 43-1167
Effective Date: For taxable years from and after 12/31/92 (although no military reuse zones were designated until 1996)
Provisions: A nonrefundable credit is allowed for net increases in employment of full-time employees working in a military reuse zone, and who are primarily engaged in providing aviation or aerospace services or in manufacturing, assembling or fabricating aviation or aerospace products. A credit is also allowed for dislocated military base employees, which are civilians who previously had permanent full-time civilian employment on the military facility as of the date the closure of the facility was determined under federal law.
Credit: For each employee that is not a dislocated military base employee, the credit is $500 in the 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	//////////////	//////////////	//////////////	//////////////	//////////////
2009	2	//////////////	//////////////	//////////////	//////////////	//////////////
2010	2	//////////////	//////////////	//////////////	//////////////	//////////////

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- Since the creation of this credit, six taxpayers have claimed it.
- Slightly more than 211 jobs have been claimed under this credit, for about $750,000. This is $3,561 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)
Repealed: For taxable year beginning from and after 1/1/11. Repeal date set when enacted.
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 33 productions with an allowable credit of $26,148,214. 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
2009	*5*	10	$ 1,636,645	$ 1,811,033	$ 1,343,532	$467,501
2010	*9*	9	$ 7,963,172	$ 8,430,673	$ 7,499,298	$931,375

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 20 corporate taxpayers have claimed it.
- Since 2007, 23 productions have been claimed for a total credit amount of $17.9 million.
- Thirty post-approved productions have been sold or transferred to 35 taxpayers for $24,392,694 and 12 credits for $5,174,121 were then resold to 34 individual or corporate taxpayers.

NEW EMPLOYMENT CREDIT

Statute: A.R.S. § 43-1161
Effective Date: For taxable years from and after 6/30/11
Provisions: A nonrefundable credit is allowed for net increases in qualified employment positions in Arizona at an Arizona business location. To qualify for the credit, the taxpayer must either invest at least $5 million of capital investment and create at least 25 new qualified positions in an Arizona city or town with a population of 50,000 or invest at least $1 million of capital investment and create at least 5 new qualified positions in any other location in Arizona. The employer must also provide health insurance coverage for the employee (paying at least 65% of the cost) and pay a wage at least equal to the median wage for the county. The credit must be pre-approved by the Arizona Commerce Authority, who cannot approve more than 10,000 first-year positions for all taxpayers.
Credit: The credit is limited to 400 first-year qualified positions per year per taxpayer. The credit is equal to $3,000 for each employee in the 1st year or partial year of employment, $3,000 for each employee for the full taxable year in the 2nd year of continuous employment and $3,000 for each employee for the full taxable year in the 3rd year of continuous employment.
Carry forward: Five years.

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	$1.893.473
2008	17	$267,180,162	$3,104,912	$4,998,385	$1,418,256	$3,570,094
2009	15	$71,774,178	$2,340,353	$5,809,439	$1,715,431	$3,681,020
2010	*15*	*$71,744,886*	*$2,525,113*	*$5,706,043*	*$2,510,980*	*$2,673,160*

- Since the creation of this credit, 105 taxpayers have claimed it.
- The total cost of pollution control property over 16 years is $1.1 billion. Divided by 105 corporations, the average cost of the equipment has been $10.6 million.
- Based on a total $54.6 million in credit created, the average credit claimed per taxpayer for the 16-year period is $520,054.

Italics indicate preliminary numbers.

QUALIFIED HEALTH INSURANCE PLANS CREDIT

Statute: A.R.S. § 43-1185
Effective Date: For taxable years from and after 12/31/11.
Repealed: For taxable years beginning from and after 1/1/14. Repeal date set when credit enacted.
Provisions: A nonrefundable credit is allowed for employers who provide qualified health plans or contributions to health savings accounts for its employees who are Arizona residents. The taxpayer must employ at least 2 and not more than 50 employees. The employer cannot have provided health insurance coverage to its employees for the 90 days immediately preceding the offer of health insurance plans in the taxable year in which the employer initially claims the credit. The health insurance plan must be provided to enrolled employees for at least 12 consecutive months (and offered to all employees) and the employer must pay at least $360 during the taxable year for premiums or contributions to a health savings account.
Credit: The amount of the credit is $360 for every employee who is enrolled in the qualified health insurance plan.
Carry forward: Three years

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 as 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.

RENEWABLE ENERGY INDUSTRY CREDIT

Statute: A.R.S. § 43-1164.01
Effective Date: For taxable years from and after 12/31/09
Repealed: For taxable years beginning from and after 1/1/15. Repeal date set when enacted.
Provisions: This refundable credit is for expanding or locating qualified renewable energy operations in Arizona. Renewable energy operations are limited to manufacturers of, and headquarters for, systems and components that are used, or useful in manufacturing renewable energy equipment for the generation, storage, testing and research and development, transmission or distribution of electricity from renewable resources, including specialized crates necessary to package the renewable energy equipment manufactured at the facility. Approval from the Arizona Commerce Authority is required to take the credit. No more than $70 million can be approved by the Arizona Commerce Authority in a calendar year.
Credit: The credit is up to 10% of the taxpayer's total capital investment in Arizona if 1.5 new full-time employment positions are created for each $500,000 of capital investment for manufacturing operations or 1 new full-time employment position is created for each $200,000 in capital investment for headquarters. For other qualifying renewable energy investment, the credit is 10% of $500,000 for each 1.5 new full-time employment positions created in manufacturing operations or 10% of $200,000 for each 1 full-time employment position created for headquarters, neither of which can exceed 10% of the taxpayer's total capital investment. The credit is apportioned and claimed in five equal annual installments in each of five consecutive tax years.
Carry forward: Not applicable.

As of the date of this release on income tax credits, the Arizona Commerce Authority has pre-approved three companies for this credit. Since no post-approvals have yet been issued, no credit dollar amount is available.

RENEWABLE ENERGY PRODUCTION TAX CREDIT

Statute: A.R.S. § 43-1164.03
Effective Date: For taxable years from and after 12/31/10
Repealed: For taxable years beginning from and after 1/1/31. Repeal date set when enacted.
Provisions: This nonrefundable credit is for production of electricity by a qualified energy generator that produces energy using solar light, solar heat, wind or biomass. Qualified energy generator means a facility that has at least 5 megawatts generating capacity, that is located on land in Arizona owned or leased by the taxpayer, that produces electricity using solar, wind or biomass and that sells electricity to an unrelated entity, unless the electricity is sold to a public service corporation. Approval from the Arizona Department of Revenue is required to take the credit. No more than $20 million can be approved by the Arizona Department of Revenue in a calendar year.
Credit: The amount of the credit is based on electricity produced. The amount of the credit is certified by the Arizona Department of Revenue before the credit can be claimed.
Carry forward: Five years.

Four companies were approved by the Arizona Department of Revenue to take this credit in tax year 2011. The total credit amount approved was $1,276,521. However, as of the date of this credit information release, no companies had filed their 2011 tax return.

RESEARCH & DEVELOPMENT CREDIT – NONREFUNDABLE AND REFUNDABLE

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.

The percentages in paragraphs 2 and 3 above are different for tax year 2010 through 2017. In tax year 2010, the percentages change to 22% and 13%. For tax years 2011 through 2017, the percentages are 24% and 15%.

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.
Carry forward: Fifteen years.

Statute: A.R.S. § 43-1168(D)
Effective Date: For taxable years from and after 12/31/09
Provisions: This refundable research and development credit is only available to a taxpayer that employs fewer than 150 persons and if the allowable credit established under the nonrefundable credit exceeds the taxes due. The taxpayer must be pre-approved by the Arizona Commerce Authority to take the credit. No more than $5 million can be approved in a calendar year.
Credit: The refundable credit is limited to 75% of the amount by which the allowable nonrefundable research and development credit exceeds the taxpayer's tax liability in the taxable year. The remaining 25% of the unused credit is forfeited by the taxpayer.

The table on the following page presents statistics on both the refundable and nonrefundable pieces of the research & development tax credit.

- Since the creation of this credit, 627 taxpayers have claimed it.
- Over $10.0 billion in research & development expenses and payments have been claimed by taxpayers since 1993, for an average annual expense of $560.0 million (over 18 years).
- The average "New Credit' per taxpayer increased from $178,741 in 2000 to $254,736 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 $400,063. Preliminary 2010 numbers reflect an average of $436,519.

	# of claimants	Total r&d expenses and payments	New credit[13]	Total credit	Used	Credit value of limited expense carry forward	Unlimited carryforward	Amount Refunded	Forfeited Credit
1993	23	$5,558,699	$617,709	$617,709	$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	$274,661,539	$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	153	$598,440,866	$38,974,584	$43,758,246	$11,115,531	$483,816,482			
2002	169	$507,400,128	$39,737,186	$53,869,538	$12,499,682	$530,287,282			
2003	190	$586,166,868	$76,011,879	$94,773,457	$32,266,955	$541,904,054	$45,518,160		
2004	216	$728,989,044	$93,850,288	$133,143,853	$36,956,148	$538,986,014	$103,587,881		
2005	220	$820,390,121	$104,816,996	$217,244,106	$48,771,967	$529,463,347	$164,644,006		
2006	230	$895,499,784	$113,821,669	$274,019,477	$54,523,686	$513,658,763	$224,360,113		
2007	241	$847,451,486	$108,421,683	$286,392,768	$57,488,106	$502,503,092	$274,004,214		
2008	242	$791,344,013	$101,041,758	$347,948,817	$49,556,734	$495,678,926	$321,933,617		
2009	238	$675,702,418	$88,469,796	$331,006,615	$33,467,538	$328,329,339	$295,190,087		
2010	*215*	*$619,814,103*	*$93,851,657*	*$355,236,276*	*$52,554,681*	*$265,764,436*	*$231,835,755*	*$3,762,735*	*$1,328,995*

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

(ADDITIONAL) RESEARCH & DEVELOPMENT CREDIT FOR UNIVERSITY RESEARCH

Statute: A.R.S. § 43-1168(A)(1)(d)
Effective Date: For taxable years from and after 12/31/11
Provisions: This research and development credit for university research is in addition to the regular nonrefundable research and development credit. The credit may be allowed if the taxpayer made basic research payments to a university under the jurisdiction of the Arizona Board of Regents. The taxpayer must be pre-approved by the Arizona Department of Revenue to take the credit. No more than $10 million can be approved in a calendar year.
Credit: The credit is 10% of the excess basic research expenses over the base amount.
Carry forward: Five years.

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	0	$0	$0	$0	$0
2008	2	//////////////////	//////////////////	//////////////	//////////////////
2009	3	//////////////////	//////////////////	//////////////	//////////////////
2010	3	//////////////////	//////////////////	//////////////	//////////////////

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.

SOLAR LIQUID FUEL RESEARCH & DEVELOPMENT CREDIT

Statute: A.R.S. § 43-1164.02
Effective Date: For taxable years from and after 12/31/10
Repealed: For taxable years beginning from and after 1/1/22. Repeal date set when enacted.
Provisions: This nonrefundable credit is for increased research activities related to solar liquid fuel. Solar liquid fuel means liquid fuel that is generated through processes that use sunlight, carbon dioxide and water to produce infrastructure compatible liquid hydrocarbon fuels.
Credit: The credit is 40% of the excess of Arizona qualified research expenses for the taxable year over a base amount.
Carry forward: None.

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
2008	4	//////////////////	//////////////////	//////////////////	//////////////////	//////////////////
2009	4	$6,474,053	$1,943,116	$6,296,204	$668,252	$5,281,480
2010	*4*	*$6,738,031*	*$2,021,409*	*$7,305,889*	*$2,182,237*	*$4,777,067*

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 13 year period, more than $67 million in transaction privilege or use tax has been paid on coal consumed in generating electrical power.

Italics indicate preliminary numbers.

TECHNOLOGY TRAINING CREDIT

Statute: A.R.S. § 43-1179
Effective Date: For taxable years from and after 12/31/00.
Repealed: For taxable years beginning from and after 1/1/06. Repeal date set when 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.

	# 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.

VEHICLE REFUELING APPARATUS CREDIT

Statute: A.R.S. § 43-1174.01
Effective Date: For taxable years from and after 12/31/98
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.
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.
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[14]	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	

[14] 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.
Repealed: For taxable years beginning from and after 1/1/12. 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 other tax years.