

REFERENCE TITLE: **income tax; instant depreciation**

State of Arizona
House of Representatives
Fifty-first Legislature
First Regular Session
2013

HB 2531

Introduced by
Representatives Mesnard, Orr, Senator Yee: Representatives Gray, Pierce J,
Shope, Thorpe

AN ACT

**AMENDING SECTIONS 43-1021, 43-1022 AND 43-1121, ARIZONA REVISED STATUTES;
RELATING TO INCOME TAX DEPRECIATION.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 43-1021, Arizona Revised Statutes, is amended to
3 read:

4 43-1021. Additions to Arizona gross income

5 In computing Arizona adjusted gross income, the following amounts shall
6 be added to Arizona gross income:

7 1. A beneficiary's share of the fiduciary adjustment to the extent
8 that the amount determined by section 43-1333 increases the beneficiary's
9 Arizona gross income.

10 2. An amount equal to the ~~"ordinary income portion"~~ of a lump sum
11 distribution that was excluded from federal adjusted gross income pursuant to
12 section 402(d) of the internal revenue code.

13 3. The amount of interest income received on obligations of any state,
14 territory or possession of the United States, or any political subdivision
15 thereof, located outside the state of Arizona, reduced, for tax years
16 beginning from and after December 31, 1996, by the amount of any interest on
17 indebtedness and other related expenses that were incurred or continued to
18 purchase or carry those obligations and that are not otherwise deducted or
19 subtracted in arriving at Arizona gross income.

20 4. Annuity income received during the taxable year to the extent that
21 the sum of the proceeds received from such annuity in all taxable years prior
22 to and including the current taxable year exceeds the total consideration and
23 premiums paid by the taxpayer. This paragraph applies only to those
24 annuities with respect to which the first payment was received prior to
25 December 31, 1978.

26 5. The excess of a partner's share of partnership taxable income
27 required to be included under chapter 14, article 2 of this title over the
28 income required to be reported under section 702(a)(8) of the internal
29 revenue code.

30 6. The excess of a partner's share of partnership losses determined
31 pursuant to section 702(a)(8) of the internal revenue code over the losses
32 allowable under chapter 14, article 2 of this title.

33 7. The amount by which the adjusted basis of property described in
34 this paragraph and computed pursuant to the internal revenue code exceeds the
35 adjusted basis of such property computed pursuant to this title and the
36 income tax act of 1954, as amended. This paragraph shall apply to all
37 property ~~which~~ THAT is held for the production of income and ~~which~~ THAT is
38 sold or otherwise disposed of during the taxable year, except depreciable
39 property used in a trade or business.

40 8. The amount of depreciation or amortization of costs of any capital
41 investment that is deducted pursuant to section 167 or 179 of the internal
42 revenue code by a qualified defense contractor with respect to which an
43 election is made to amortize pursuant to section 43-1024.

1 9. The amount of gain from the sale or other disposition of a capital
2 investment ~~which~~ THAT a qualified defense contractor has elected to amortize
3 pursuant to section 43-1024.

4 10. Amounts withdrawn from the Arizona state retirement system, the
5 corrections officer retirement plan, the public safety personnel retirement
6 system, the elected officials' retirement plan or a county or city retirement
7 plan by an employee ~~upon~~ ON termination of employment before retirement to
8 the extent they were deducted in arriving at Arizona taxable income in any
9 year.

10 11. That portion of the net operating loss included in federal adjusted
11 gross income ~~which~~ THAT has already been taken as a net operating loss for
12 Arizona purposes or ~~which~~ THAT is separately taken as a subtraction under the
13 special net operating loss transition rule.

14 12. Any nonitemized amount deducted pursuant to section 170 of the
15 internal revenue code representing contributions to an educational
16 institution ~~which~~ THAT denies admission, enrollment or board and room
17 accommodations on the basis of race, color or ethnic background except those
18 institutions primarily established for the education of American Indians.

19 13. Amounts withdrawn from a medical savings account by the individual
20 during the taxable year computed pursuant to section 220(f) of the internal
21 revenue code and not included in federal adjusted gross income.

22 14. Any amount of agricultural water conservation expenses that were
23 deducted pursuant to the internal revenue code for which a credit is claimed
24 under section 43-1084.

25 15. The amount by which the depreciation or amortization computed under
26 the internal revenue code with respect to property for which a credit was
27 taken under section 43-1080 exceeds the amount of depreciation or
28 amortization computed pursuant to the internal revenue code on the Arizona
29 adjusted basis of the property.

30 16. The amount by which the adjusted basis computed under the internal
31 revenue code with respect to property for which a credit was claimed under
32 section 43-1080 and ~~which~~ THAT is sold or otherwise disposed of during the
33 taxable year exceeds the adjusted basis of the property computed under
34 section 43-1080.

35 17. The amount by which the depreciation or amortization computed under
36 the internal revenue code with respect to property for which a credit was
37 taken under either section 43-1081 or 43-1081.01 exceeds the amount of
38 depreciation or amortization computed pursuant to the internal revenue code
39 on the Arizona adjusted basis of the property.

40 18. The amount by which the adjusted basis computed under the internal
41 revenue code with respect to property for which a credit was claimed under
42 section 43-1074.02, 43-1081 or 43-1081.01 and ~~which~~ THAT is sold or otherwise
43 disposed of during the taxable year exceeds the adjusted basis of the
44 property computed under section 43-1074.02, 43-1081 or 43-1081.01, as
45 applicable.

1 19. The deduction referred to in section 1341(a)(4) of the internal
2 revenue code for restoration of a substantial amount held under a claim of
3 right.

4 20. The amount by which a net operating loss carryover or capital loss
5 carryover allowable pursuant to section 1341(b)(5) of the internal revenue
6 code exceeds the net operating loss carryover or capital loss carryover
7 allowable pursuant to section 43-1029, subsection F.

8 21. Any amount deducted pursuant to section 170 of the internal revenue
9 code representing contributions to a school tuition organization or a public
10 school for which a credit is claimed under section 43-1089, 43-1089.01 or
11 43-1089.03.

12 22. Any amount deducted in computing Arizona gross income as expenses
13 for installing solar stub outs or electric vehicle recharge outlets in this
14 state with respect to which a credit is claimed pursuant to section 43-1090.

15 23. Any wage expenses deducted pursuant to the internal revenue code
16 for which a credit is claimed under section 43-1087 and representing net
17 increases in qualified employment positions for employment of temporary
18 assistance for needy families recipients.

19 24. Any amount deducted for conveying ownership or development rights
20 of property to an agricultural preservation district under section 48-5702
21 for which a credit is claimed under section 43-1081.02.

22 25. The amount of any depreciation allowance allowed pursuant to
23 section 167(a) of the internal revenue code to the extent not previously
24 added.

25 26. With respect to property **THAT WAS PURCHASED AND PLACED IN SERVICE**
26 **BEFORE JANUARY 1, 2013 AND** for which an expense deduction was taken pursuant
27 to section 179 of the internal revenue code, the amount in excess of
28 twenty-five thousand dollars.

29 ~~27. The amount of any deductions that are claimed in computing federal~~
30 ~~adjusted gross income representing expenses for which a credit is claimed~~
31 ~~under either section 43-1075 or 43-1075.01 or both.~~

32 ~~28.~~ 27. The amount by which the depreciation or amortization computed
33 under the internal revenue code with respect to property for which a credit
34 was taken under section 43-1090.01 exceeds the amount of depreciation or
35 amortization computed pursuant to the internal revenue code on the Arizona
36 adjusted basis of the property.

37 ~~29.~~ 28. The amount by which the adjusted basis computed under the
38 internal revenue code with respect to property for which a credit was claimed
39 under section 43-1090.01 and ~~which~~ **THAT** is sold or otherwise disposed of
40 during the taxable year exceeds the adjusted basis of the property computed
41 under section 43-1090.01.

42 ~~30.~~ 29. The amount of a nonqualified withdrawal, as defined in section
43 15-1871, from a college savings plan established pursuant to section 529 of
44 the internal revenue code that is made to a distributee to the extent the
45 amount is not included in computing federal adjusted gross income, except

1 that the amount added under this paragraph shall not exceed the difference
2 between the amount subtracted under section 43-1022 in prior taxable years
3 and the amount added under this section in any prior taxable years.

4 ~~31.~~ 30. The amount of unemployment compensation that is excluded from
5 federal adjusted gross income pursuant to section 85(c) of the internal
6 revenue code as added by section 1007 of the American recovery and
7 reinvestment act of 2009 (P.L. 111-5).

8 ~~32.~~ 31. The amount of discharge of indebtedness income that is
9 deferred and excluded from the computation of federal adjusted gross income
10 or federal taxable income in the current taxable year pursuant to section
11 108(i) of the internal revenue code as added by section 1231 of the American
12 recovery and reinvestment act of 2009 (P.L. 111-5).

13 ~~33.~~ 32. The amount of any previously deferred original issue discount
14 that was deducted in computing federal adjusted gross income or federal
15 taxable income in the current year pursuant to section 108(i) of the internal
16 revenue code as added by section 1231 of the American recovery and
17 reinvestment act of 2009 (P.L. 111-5), to the extent that the amount was
18 previously subtracted from Arizona gross income pursuant to section 43-1022,
19 paragraph 31.

20 ~~34.~~ 33. For taxable years beginning from and after December 31, 2011
21 through December 31, 2014, the amount of any deduction that is claimed in
22 computing federal adjusted gross income for health insurance premiums or
23 contributions to a health savings account for which a credit is claimed under
24 section 43-1087.01.

25 Sec. 2. Section 43-1022, Arizona Revised Statutes, is amended to read:

26 43-1022. Subtractions from Arizona gross income

27 In computing Arizona adjusted gross income, the following amounts shall
28 be subtracted from Arizona gross income:

29 1. The amount of exemptions allowed by section 43-1023.

30 2. Benefits, annuities and pensions in an amount totaling not more
31 than two thousand five hundred dollars received from one or more of the
32 following:

33 (a) The United States government service retirement and disability
34 fund, retired or retainer pay of the uniformed services of the United States,
35 the United States foreign service retirement and disability system and any
36 other retirement system or plan established by federal law.

37 (b) The Arizona state retirement system, the corrections officer
38 retirement plan, the public safety personnel retirement system, the elected
39 officials' retirement plan, an optional retirement program established by the
40 Arizona board of regents under section 15-1628, an optional retirement
41 program established by a community college district board under section
42 15-1451 or a retirement plan established for employees of a county, city or
43 town in this state.

1 3. A beneficiary's share of the fiduciary adjustment to the extent
2 that the amount determined by section 43-1333 decreases the beneficiary's
3 Arizona gross income.

4 4. The amount of any distributions from an individual retirement
5 account as provided for in section 408 of the internal revenue code or from a
6 qualified retirement plan of a self-employed individual as provided for in
7 section 401 of the internal revenue code to the extent that total adjustments
8 made pursuant to this paragraph in all tax years do not exceed the total of
9 all contributions made by the taxpayer to such plans before December 31,
10 1975, which were included in computing Arizona taxable income.

11 5. The amount of income on an installment receivable that is
12 recognized pursuant to the internal revenue code and that has already been
13 recognized on the death of the taxpayer for purposes of this title for tax
14 years ending before January 1, 1990.

15 6. Interest income received on obligations of the United States, less
16 any interest on indebtedness, or other related expenses, and deducted in
17 arriving at Arizona gross income, which were incurred or continued to
18 purchase or carry such obligations.

19 7. The amount of any income tax refunds that were received from states
20 other than Arizona and that were included as income in computing federal
21 adjusted gross income.

22 8. Annuity income included in federal adjusted gross income pursuant
23 to section 72 of the internal revenue code if the first payment with respect
24 to such annuity was received before December 31, 1978.

25 9. The excess of a partner's share of income required to be included
26 under section 702(a)(8) of the internal revenue code over the income required
27 to be included under chapter 14, article 2 of this title.

28 10. The excess of a partner's share of partnership losses determined
29 pursuant to chapter 14, article 2 of this title over the losses allowable
30 under section 702(a)(8) of the internal revenue code.

31 11. The amount by which the adjusted basis of property described in
32 this paragraph and computed pursuant to this title and the income tax act of
33 1954, as amended, exceeds the adjusted basis of such property computed
34 pursuant to the internal revenue code. This paragraph shall apply to all
35 property that is held for the production of income and that is sold or
36 otherwise disposed of during the taxable year other than depreciable property
37 used in a trade or business.

38 12. The amount allowed by section 43-1024 for amortization, by a
39 qualified defense contractor certified by the Arizona commerce authority
40 under section 41-1508, of a capital investment for private commercial
41 activities.

42 13. The amount of gain included in federal adjusted gross income on the
43 sale or other disposition of a capital investment that a qualified defense
44 contractor has elected to amortize pursuant to section 43-1024.

1 14. The amount allowed by section 43-1025 for contributions during the
2 taxable year of agricultural crops to charitable organizations.

3 15. The portion of any wages or salaries paid or incurred by the
4 taxpayer for the taxable year that is equal to the amount of the federal work
5 opportunity credit, the empowerment zone employment credit, the credit for
6 employer paid social security taxes on employee cash tips and the Indian
7 employment credit that the taxpayer received under sections 45A, 45B, 51(a)
8 and 1396 of the internal revenue code.

9 16. The amount of prizes or winnings less than five thousand dollars in
10 a single taxable year from any of the state lotteries established and
11 operated pursuant to title 5, chapter 5.1, article 1, except that all such
12 winnings before March 22, 1983, including periodic distributions from such
13 winnings made after March 22, 1983, may be subtracted.

14 17. The amount of exploration expenses that is determined pursuant to
15 section 617 of the internal revenue code, that has been deferred in a taxable
16 year ending before January 1, 1990 and for which a subtraction has not
17 previously been made. The subtraction shall be made on a ratable basis as
18 the units of produced ores or minerals discovered or explored as a result of
19 this exploration are sold.

20 18. The amount included in federal adjusted gross income pursuant to
21 section 86 of the internal revenue code, relating to taxation of social
22 security and railroad retirement benefits.

23 19. To the extent not already excluded from Arizona gross income under
24 the internal revenue code, compensation received for active service as a
25 member of the reserves, the national guard or the armed forces of the United
26 States, including compensation for service in a combat zone as determined
27 under section 112 of the internal revenue code.

28 20. The amount of unreimbursed medical and hospital costs, adoption
29 counseling, legal and agency fees and other nonrecurring costs of adoption
30 not to exceed three thousand dollars. In the case of a husband and wife who
31 file separate returns, the subtraction may be taken by either taxpayer or may
32 be divided between them, but the total subtractions allowed both husband and
33 wife shall not exceed three thousand dollars. The subtraction under this
34 paragraph may be taken for the costs that are described in this paragraph and
35 that are incurred in prior years, but the subtraction may be taken only in
36 the year during which the final adoption order is granted.

37 21. The amount authorized by section 43-1027 for the taxable year
38 relating to qualified wood stoves, wood fireplaces or gas fired fireplaces.

39 22. With respect to a medical savings account established pursuant to
40 section 43-1028:

41 (a) An eligible individual may subtract:

42 (i) The amount of contributions made by the individual's employer
43 during the taxable year to the individual's medical savings account pursuant
44 to section 43-1028 to the extent that the employer contributions are included
45 in the individual's federal adjusted gross income.

1 (ii) The amount deposited by the individual in the account during the
2 taxable year to the extent that the individual's contributions are included
3 in the individual's federal adjusted gross income.

4 (b) The individual's employer may subtract the amount of contributions
5 made by the employer to a medical savings account established on the
6 individual's behalf to the extent that the contributions are not deductible
7 under the internal revenue code.

8 23. The amount by which a net operating loss carryover or capital loss
9 carryover allowable pursuant to section 43-1029, subsection F exceeds the net
10 operating loss carryover or capital loss carryover allowable pursuant to
11 section 1341(b)(5) of the internal revenue code.

12 24. Any amount of qualified educational expenses that is distributed
13 from a qualified state tuition program determined pursuant to section 529 of
14 the internal revenue code and that is included in income in computing federal
15 adjusted gross income.

16 25. Any item of income resulting from an installment sale that has been
17 properly subjected to income tax in another state in a previous taxable year
18 and that is included in Arizona gross income in the current taxable year.

19 26. The amount authorized by section 43-1030 relating to holocaust
20 survivors.

21 27. For property placed in service:

22 (a) In taxable years ending through December 31, 2012, an amount equal
23 to the depreciation allowable pursuant to section 167(a) of the internal
24 revenue code for the taxable year computed as if the election described in
25 section 168(k)(2)(D)(iii) of the internal revenue code had been made for each
26 applicable class of property in the year the property was placed in service.

27 (b) In taxable years beginning from and after December 31, 2012
28 through December 31, 2013, an amount determined in the year the asset was
29 placed in service based on the calculation in subdivision (a) of this
30 paragraph. In the first taxable year beginning from and after December 31,
31 2013, the amount necessary to make the depreciation claimed to date for the
32 purposes of this title the same as it would have been if subdivision (c) of
33 this paragraph had applied for the entire time the asset was in service.
34 Subdivision (c) of this paragraph applies for the remainder of the asset's
35 life.

36 (c) In taxable years beginning from and after December 31, 2013, an
37 amount equal to the depreciation allowable pursuant to section 167(a) of the
38 internal revenue code for the taxable year as computed as if the additional
39 allowance for depreciation had been ten per cent of the amount allowed
40 pursuant to section 168(k) of the internal revenue code.

41 28. With respect to property that is sold or otherwise disposed of
42 during the taxable year by a taxpayer that complied with section 43-1021,
43 paragraph 25 with respect to that property, the amount of depreciation that
44 has been allowed pursuant to section 167(a) of the internal revenue code to

1 the extent that the amount has not already reduced Arizona taxable income in
2 the current or prior taxable years.

3 29. With respect to property for which an adjustment was made under
4 section 43-1021, paragraph 26, an amount equal to one-fifth of the amount of
5 the adjustment pursuant to section 43-1021, paragraph 26 in the year in which
6 the amount was adjusted under section 43-1021, paragraph 26 and in each of
7 the following four years.

8 30. The amount contributed during the taxable year to college savings
9 plans established pursuant to section 529 of the internal revenue code to the
10 extent that the contributions were not deducted in computing federal adjusted
11 gross income. The amount subtracted shall not exceed:

12 (a) Seven hundred fifty dollars for a single individual or a head of
13 household.

14 (b) One thousand five hundred dollars for a married couple filing a
15 joint return. In the case of a husband and wife who file separate returns,
16 the subtraction may be taken by either taxpayer or may be divided between
17 them, but the total subtractions allowed both husband and wife shall not
18 exceed one thousand five hundred dollars.

19 31. The amount of any original issue discount that was deferred and not
20 allowed to be deducted in computing federal adjusted gross income or federal
21 taxable income in the current taxable year pursuant to section 108(i) of the
22 internal revenue code as added by section 1231 of the American recovery and
23 reinvestment act of 2009 (P.L. 111-5).

24 32. The amount of previously deferred discharge of indebtedness income
25 that is included in the computation of federal adjusted gross income or
26 federal taxable income in the current taxable year pursuant to section 108(i)
27 of the internal revenue code as added by section 1231 of the American
28 recovery and reinvestment act of 2009 (P.L. 111-5), to the extent that the
29 amount was previously added to Arizona gross income pursuant to section
30 43-1021, paragraph ~~32~~ 31.

31 33. The portion of the net operating loss carryforward that would have
32 been allowed as a deduction in the current year pursuant to section 172 of
33 the internal revenue code if the election described in section 172(b)(1)(H)
34 of the internal revenue code had not been made in the year of the loss that
35 exceeds the actual net operating loss carryforward that was deducted in
36 arriving at federal adjusted gross income. This subtraction only applies to
37 taxpayers who made an election under section 172(b)(1)(H) of the internal
38 revenue code as amended by section 1211 of the American recovery and
39 reinvestment act of 2009 (P.L. 111-5) or as amended by section 13 of the
40 worker, homeownership, and business assistance act of 2009 (P.L. 111-92).

41 34. For taxable years beginning from and after December 31, 2013, the
42 amount of any net capital gain included in federal adjusted gross income for
43 the taxable year derived from investment in a qualified small business as
44 determined by the Arizona commerce authority pursuant to section 41-1518.

1 35. An amount of any net long-term capital gain included in federal
2 adjusted gross income for the taxable year that is derived from an investment
3 in an asset acquired after December 31, 2011, as follows:

4 (a) For taxable years beginning from and after December 31, 2012
5 through December 31, 2013, ten per cent of the net long-term capital gain
6 included in federal adjusted gross income.

7 (b) For taxable years beginning from and after December 31, 2013
8 through December 31, 2014, twenty per cent of the net long-term capital gain
9 included in federal adjusted gross income.

10 (c) For taxable years beginning from and after December 31, 2014,
11 twenty-five per cent of the net long-term capital gain included in federal
12 adjusted gross income.

13 36. If an individual is not claiming itemized deductions pursuant to
14 section 43-1042, the amount of premium costs for long-term care insurance, as
15 defined in section 20-1691.

16 37. With respect to a long-term health care savings account established
17 pursuant to section 43-1032, the amount deposited by the taxpayer in the
18 account during the taxable year to the extent that the taxpayer's
19 contributions are included in the taxpayer's federal adjusted gross income.

20 Sec. 3. Section 43-1121, Arizona Revised Statutes, is amended to read:

21 43-1121. Additions to Arizona gross income; corporations

22 In computing Arizona taxable income for a corporation, the following
23 amounts shall be added to Arizona gross income:

24 1. The amounts computed pursuant to section 43-1021, paragraphs 3
25 through 9, 12, 25, 26, 31, 32, ~~AND 33 and 34.~~

26 2. The amount of dividend income received from corporations and
27 allowed as a deduction pursuant to sections 243, 244 and 245 of the internal
28 revenue code.

29 3. Taxes which are based on income paid to states, local governments
30 or foreign governments and which were deducted in computing federal taxable
31 income.

32 4. Expenses and interest relating to tax-exempt income on indebtedness
33 incurred or continued to purchase or carry obligations the interest on which
34 is wholly exempt from the tax imposed by this title. Financial institutions,
35 as defined in section 6-101, shall be governed by section 43-961,
36 paragraph 2.

37 5. Commissions, rentals and other amounts paid or accrued to a
38 domestic international sales corporation controlled by the payor corporation
39 if the domestic international sales corporation is not required to report its
40 taxable income to this state because its income is not derived from or
41 attributable to sources within this state. If the domestic international
42 sales corporation is subject to article 4 of this chapter, the department
43 shall prescribe by rule the method of determining the portion of the
44 commissions, rentals and other amounts which are paid or accrued to the
45 controlled domestic international sales corporation and which shall be

1 deducted by the payor. For the purposes of this paragraph, "control" means
2 direct or indirect ownership or control of fifty per cent or more of the
3 voting stock of the domestic international sales corporation by the payor
4 corporation.

5 6. Federal income tax refunds received during the taxable year to the
6 extent they were deducted in arriving at Arizona taxable income in a previous
7 year.

8 7. The amount of net operating loss taken pursuant to section 172 of
9 the internal revenue code.

10 8. The amount of exploration expenses determined pursuant to section
11 617 of the internal revenue code to the extent that they exceed seventy-five
12 thousand dollars and to the extent that the election is made to defer those
13 expenses not in excess of seventy-five thousand dollars.

14 9. Amortization of costs incurred to install pollution control devices
15 and deducted pursuant to the internal revenue code or the amount of deduction
16 for depreciation taken pursuant to the internal revenue code on pollution
17 control devices for which an election is made pursuant to section 43-1129.

18 10. The amount of depreciation or amortization of costs of child care
19 facilities deducted pursuant to section 167 or 188 of the internal revenue
20 code for which an election is made to amortize pursuant to section 43-1130.

21 11. Arizona state income tax refunds received, to the extent the amount
22 of the refunds is not already included in Arizona gross income, if a tax
23 benefit was derived by deduction of this amount in a prior year.

24 12. The loss of an insurance company that is exempt under section
25 43-1201 to the extent that it is included in computing Arizona gross income
26 on a consolidated return pursuant to section 43-947.

27 13. The amount by which the depreciation or amortization computed under
28 the internal revenue code with respect to property for which a credit was
29 taken under section 43-1169 exceeds the amount of depreciation or
30 amortization computed pursuant to the internal revenue code on the Arizona
31 adjusted basis of the property.

32 14. The amount by which the adjusted basis computed under the internal
33 revenue code with respect to property for which a credit was claimed under
34 section 43-1169 and which is sold or otherwise disposed of during the taxable
35 year exceeds the adjusted basis of the property computed under section
36 43-1169.

37 15. The amount by which the depreciation or amortization computed under
38 the internal revenue code with respect to property for which a credit was
39 taken under either section 43-1170 or 43-1170.01 exceeds the amount of
40 depreciation or amortization computed pursuant to the internal revenue code
41 on the Arizona adjusted basis of the property.

42 16. The amount by which the adjusted basis computed under the internal
43 revenue code with respect to property for which a credit was claimed under
44 either section 43-1170 or 43-1170.01 and which is sold or otherwise disposed

1 of during the taxable year exceeds the adjusted basis of the property
2 computed under section 43-1170 or 43-1170.01, as applicable.

3 17. The deduction referred to in section 1341(a)(4) of the internal
4 revenue code for restoration of a substantial amount held under a claim of
5 right.

6 18. The amount by which a capital loss carryover allowable pursuant to
7 section 1341(b)(5) of the internal revenue code exceeds the capital loss
8 carryover allowable pursuant to section 43-1130.01, subsection F.

9 19. Any amount deducted in computing Arizona taxable income as expenses
10 for installing solar stub outs or electric vehicle recharge outlets in this
11 state with respect to which a credit is claimed pursuant to section 43-1176.

12 20. Any wage expenses deducted pursuant to the internal revenue code
13 for which a credit is claimed under section 43-1175 and representing net
14 increases in qualified employment positions for employment of temporary
15 assistance for needy families recipients.

16 21. Any amount of expenses that were deducted pursuant to the internal
17 revenue code and for which a credit is claimed under section 43-1178.

18 22. Any amount deducted for conveying ownership or development rights
19 of property to an agricultural preservation district under section 48-5702
20 for which a credit is claimed under section 43-1180.

21 23. The amount of any deduction that is claimed in computing Arizona
22 gross income and that represents a donation of a school site for which a
23 credit is claimed under section 43-1181.

24 ~~24. The amount of any deductions that are claimed in computing federal~~
25 ~~taxable income representing expenses for which a credit is claimed under~~
26 ~~either section 43-1163 or 43-1163.01 or both.~~

27 ~~25.~~ 24. Any amount deducted in computing Arizona taxable income as
28 expenses for installing water conservation system plumbing stub outs in this
29 state with respect to which a credit is claimed pursuant to section 43-1182.

30 ~~26.~~ 25. Any amount deducted pursuant to section 170 of the internal
31 revenue code representing contributions to a school tuition organization for
32 which a credit is claimed under section 43-1183 or 43-1184.