

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

HOUSE BILL 2342

AN ACT

AMENDING SECTION 41-1507, ARIZONA REVISED STATUTES; RELATING TO TAX CREDIT REFUNDS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 41-1507, Arizona Revised Statutes, is amended to
3 read:

4 41-1507. Tax credit for increased research activity:
5 qualification for refund

6 A. The authority shall receive applications and evaluate and certify
7 taxpayers who otherwise qualify for income tax credits for increased research
8 activities to further qualify for income tax refunds.

9 B. An application for a refund of the taxpayer's credit must include:

10 1. The taxpayer's name, address and taxpayer identification number and
11 a telephone number and e-mail address of a person responsible for the
12 application.

13 2. A general description of the taxpayer's business and the research
14 activities conducted by the taxpayer.

15 3. The number of full-time employees on the taxpayer's payroll on
16 December 31 of the taxable year. Only taxpayers employing fewer than one
17 hundred fifty full-time employees qualify for a refund of the taxpayer's
18 income tax credit.

19 4. The amount of the taxpayer's income tax credit for the taxable
20 year.

21 5. Any other information required by the authority.

22 C. Each application shall include a processing fee equal to one per
23 cent of the taxpayer's tax credit being refunded.

24 D. The authority shall process and evaluate each application and
25 within thirty days after receiving the application either:

26 1. Issue to the applicant a certificate of qualification for the
27 refund.

28 2. Notify the applicant of denial of the application with specific
29 reasons for the denial. A denial of the application does not preclude a
30 subsequent application if the applicant is able to correct any error or
31 deficiency.

32 E. SUBJECT TO SUBSECTION F OF THIS SECTION, the authority shall not
33 approve refunds exceeding ~~a total of five million dollars in any calendar~~
34 ~~year.:~~

35 1. TEN MILLION DOLLARS IN CALENDAR YEAR 2014.

36 2. FIFTEEN MILLION DOLLARS IN CALENDAR YEAR 2015 AND EACH CALENDAR
37 YEAR AFTER 2015.

38 F. DURING THE FIRST SIX MONTHS OF ANY CALENDAR YEAR, THE AUTHORITY
39 SHALL NOT APPROVE REFUNDS THAT EXCEED FIFTY PER CENT OF THE DOLLAR LIMIT
40 PRESCRIBED IN SUBSECTION E OF THIS SECTION. DURING THE SECOND SIX MONTHS OF
41 THE CALENDAR YEAR, THE REMAINING FIFTY PER CENT OF THE DOLLAR LIMIT PLUS ANY
42 UNUSED BALANCE OF THE LIMIT FOR THE FIRST SIX MONTHS OF THE CALENDAR YEAR MAY
43 BE APPROVED FOR NEW APPLICANTS. Refunds are allowed on a first come, first
44 served basis, according to the date of application. An approved amount

1 applies against the dollar limit for the CALENDAR year in which the
2 application was submitted. If, at the end of any CALENDAR year, an unused
3 balance occurs under the dollar limit prescribed by this subsection, the
4 balance shall be reallocated for the purposes of this section in the
5 following CALENDAR year.

6 ~~F.~~ G. The authority, with the cooperation of the department of
7 revenue, shall adopt rules and publish and prescribe forms and procedures as
8 necessary to effectuate the purposes of this section.

9 Sec. 2. Effective date

10 Section 41-1507, Arizona Revised Statutes, as amended by this act, is
11 effective from and after December 31, 2013.