

REFERENCE TITLE: foster youth employment; tax credit

State of Arizona
Senate
Fifty-fifth Legislature
First Regular Session
2021

SB 1077

Introduced by
Senator Livingston

AN ACT

AMENDING SECTIONS 43-222 AND 43-1021, ARIZONA REVISED STATUTES; AMENDING TITLE 43, CHAPTER 10, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-1075; AMENDING SECTION 43-1121, ARIZONA REVISED STATUTES; AMENDING TITLE 43, CHAPTER 11, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 43-1162; RELATING TO INCOME TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 43-222, Arizona Revised Statutes, is amended to
3 read:

4 43-222. Income tax credit review schedule

5 The joint legislative income tax credit review committee shall
6 review the following income tax credits:

7 1. For years ending in 0 and 5, sections 43-1079.01, 43-1087,
8 43-1088, 43-1089.04, 43-1167.01 and 43-1175.

9 2. For years ending in 1 and 6, sections 43-1072.02, 43-1074.02,
10 43-1075, 43-1083, 43-1083.02, 43-1162, 43-1164.03 and 43-1183.

11 3. For years ending in 2 and 7, sections 43-1073, 43-1085, 43-1086,
12 43-1089, 43-1089.01, 43-1089.02, 43-1089.03, 43-1164 and 43-1169.

13 4. For years ending in 3 and 8, sections 43-1074.01, 43-1081,
14 43-1168, 43-1170 and 43-1178.

15 5. For years ending in 4 and 9, sections 43-1073.01, 43-1076,
16 43-1081.01, 43-1083.03, 43-1084, 43-1164.04, 43-1164.05, and 43-1184.

17 Sec. 2. Section 43-1021, Arizona Revised Statutes, is amended to
18 read:

19 43-1021. Addition to Arizona gross income

20 In computing Arizona adjusted gross income, the following amounts
21 shall be added to Arizona gross income:

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

25 2. An amount equal to the ordinary income portion of a lump sum
26 distribution that was excluded from federal adjusted gross income pursuant
27 to the special rule for individuals who attained fifty years of age before
28 January 1, 1986 under Public Law 99-514, section 1122(h)(3).

29 3. The amount of interest income received on obligations of any
30 state, territory or possession of the United States, or any political
31 subdivision thereof, located outside the state of Arizona, reduced, for
32 taxable years beginning from and after December 31, 1996, by the amount of
33 any interest on indebtedness and other related expenses that were incurred
34 or continued to purchase or carry those obligations and that are not
35 otherwise deducted or subtracted in arriving at Arizona gross income.

36 4. The excess of a partner's share of partnership taxable income
37 required to be included under chapter 14, article 2 of this title over the
38 income required to be reported under section 702(a)(8) of the internal
39 revenue code.

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

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

1 7. The amount by which the depreciation or amortization computed
2 under the internal revenue code with respect to property for which a
3 credit was taken under either section 43-1081 or 43-1081.01 exceeds the
4 amount of depreciation or amortization computed pursuant to the internal
5 revenue code on the Arizona adjusted basis of the property.

6 8. The amount by which the adjusted basis computed under the
7 internal revenue code with respect to property for which a credit was
8 claimed under section 43-1074.02, 43-1081 or 43-1081.01 and that is sold
9 or otherwise disposed of during the taxable year exceeds the adjusted
10 basis of the property computed under section 43-1074.02, 43-1081 or
11 43-1081.01, as applicable.

12 9. The deduction referred to in section 1341(a)(4) of the internal
13 revenue code for restoration of a substantial amount held under a claim of
14 right.

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

19 11. Any wage expenses deducted pursuant to the internal revenue
20 code for which a credit is claimed under section 43-1087 and representing
21 net increases in qualified employment positions for employment of
22 temporary assistance for needy families recipients.

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

26 13. The amount of a nonqualified withdrawal, as defined in section
27 15-1871, from a college savings plan established pursuant to section 529
28 of the internal revenue code that is made to a distributee to the extent
29 the amount is not included in computing federal adjusted gross income,
30 except that the amount added under this paragraph shall not exceed the
31 difference between the amount subtracted under section 43-1022 in prior
32 taxable years and the amount added under this section in any prior taxable
33 years.

34 14. If a subtraction is or has been taken by the taxpayer under
35 section 43-1024, in the current or a prior taxable year for the full
36 amount of eligible access expenditures paid or incurred to comply with the
37 requirements of the Americans with disabilities act of 1990 (P.L. 101-336)
38 or title 41, chapter 9, article 8, any amount of eligible access
39 expenditures that is recognized under the internal revenue code, including
40 any amount that is amortized according to federal amortization schedules,
41 and that is included in computing taxable income for the current taxable
42 year.

43 15. For taxable years beginning from and after December 31, 2017,
44 the amount of any net capital loss included in Arizona gross income for
45 the taxable year that is derived from the exchange of one kind of legal

1 tender for another kind of legal tender. For the purposes of this
2 paragraph:

3 (a) "Legal tender" means a medium of exchange, including specie,
4 that is authorized by the United States Constitution or Congress to pay
5 debts, public charges, taxes and dues.

6 (b) "Specie" means coins having precious metal content.

7 16. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2021,
8 ANY WAGE EXPENSES DEDUCTED PURSUANT TO THE INTERNAL REVENUE CODE FOR WHICH
9 A CREDIT IS CLAIMED UNDER SECTION 43-1075.

10 Sec. 3. Title 43, chapter 10, article 5, Arizona Revised Statutes,
11 is amended by adding section 43-1075, to read:

12 43-1075. Credit for employing foster youth; definition

13 A. A CREDIT IS ALLOWED AGAINST THE TAXES IMPOSED BY THIS TITLE FOR
14 A TAXPAYER WHO EMPLOYS AT LEAST ONE INDIVIDUAL WHO IS A QUALIFIED FOSTER
15 YOUTH.

16 B. THE AMOUNT OF THE CREDIT IS AN AMOUNT UP TO \$1,000 OF THE GROSS
17 WAGES PAID TO EACH QUALIFIED FOSTER YOUTH BY THE TAXPAYER DURING THE
18 TAXABLE YEAR FOR WHICH THE RETURN IS FILED, NOT TO EXCEED \$5,000 PER
19 TAXPAYER. A TAXPAYER WHO EMPLOYS A QUALIFIED FOSTER YOUTH FOR LESS THAN
20 THE FULL TAXABLE YEAR IS ELIGIBLE FOR A CREDIT AMOUNT EQUAL TO \$1,000
21 MULTIPLIED BY THE FRACTION OF A FULL YEAR FOR WHICH THE QUALIFIED FOSTER
22 YOUTH WAS EMPLOYED.

23 C. SPOUSES WHO FILE SEPARATE RETURNS FOR A TAXABLE YEAR IN WHICH
24 THEY COULD HAVE FILED A JOINT RETURN MAY EACH CLAIM ONLY ONE-HALF OF THE
25 TAX CREDIT THAT WOULD HAVE BEEN ALLOWED ON A JOINT RETURN.

26 D. A TAXPAYER MAY CLAIM THE CREDIT ALLOWED UNDER THIS SECTION FOR
27 EACH TAXABLE YEAR IN WHICH THE TAXPAYER EMPLOYS ONE OR MORE QUALIFIED
28 FOSTER YOUTHS. THE TAXPAYER MAY NOT CLAIM THE CREDIT ALLOWED UNDER THIS
29 SECTION FOR ANY QUALIFIED FOSTER YOUTH FOR MORE THAN ONE CALENDAR YEAR
30 FROM THE DATE OF HIRE OR FOR A QUALIFIED FOSTER YOUTH FOR WHOM A DIFFERENT
31 TAXPAYER HAS ALREADY CLAIMED THE CREDIT ALLOWED UNDER THIS SECTION OR
32 SECTION 43-1162.

33 E. CREDITS ARE ALLOWED UNDER THIS SECTION ON A FIRST-COME,
34 FIRST-SERVED BASIS. THE DEPARTMENT MAY NOT AUTHORIZE TAX CREDITS UNDER
35 THIS SECTION AND SECTION 43-1162 THAT EXCEED IN THE AGGREGATE A TOTAL OF
36 \$1,000,000 FOR ANY CALENDAR YEAR.

37 F. THE TAXPAYER SHALL SUBMIT TO THE DEPARTMENT WITH RESPECT TO EACH
38 EMPLOYEE FOR WHOM THE CREDIT ALLOWED UNDER THIS SECTION IS CLAIMED
39 INFORMATION WITH RESPECT TO THE QUALIFIED FOSTER YOUTH'S EMPLOYMENT BY THE
40 TAXPAYER DURING THE TAXABLE YEAR FOR WHICH THE CREDIT IS CLAIMED,
41 INCLUDING INFORMATION THAT ESTABLISHES THE EMPLOYEE IS A QUALIFIED FOSTER
42 YOUTH AND THAT CAN BE USED TO DETERMINE THAT THE EMPLOYEE WAS NOT ALSO
43 EMPLOYED IN THE SAME TAXABLE YEAR BY ANOTHER TAXPAYER CLAIMING A TAX
44 CREDIT UNDER THIS SECTION OR SECTION 43-1162 FOR THAT EMPLOYEE.

45 G. THE TAX CREDIT ALLOWED IN THIS SECTION IS IN LIEU OF ANY WAGE

1 EXPENSE DEDUCTION TAKEN FOR STATE INCOME TAX PURPOSES.

2 H. IF THE ALLOWABLE TAX CREDIT EXCEEDS THE TAXES OTHERWISE DUE
3 UNDER THIS TITLE ON THE CLAIMANT'S INCOME, OR IF THERE ARE NO TAXES DUE
4 UNDER THIS TITLE, THE TAXPAYER MAY CARRY THE AMOUNT OF THE CLAIM NOT USED
5 TO OFFSET THE TAXES UNDER THIS TITLE FORWARD FOR NOT MORE THAN FIVE
6 CONSECUTIVE TAXABLE YEARS' INCOME TAX LIABILITY.

7 I. CO-OWNERS OF A BUSINESS, INCLUDING PARTNERS IN A PARTNERSHIP AND
8 SHAREHOLDERS OF AN S CORPORATION, AS DEFINED IN SECTION 1361 OF THE
9 INTERNAL REVENUE CODE, MAY EACH CLAIM ONLY THE PRO RATA SHARE OF THE
10 CREDIT ALLOWED UNDER THIS SECTION BASED ON OWNERSHIP INTEREST. THE TOTAL
11 OF THE CREDITS ALLOWED ALL SUCH OWNERS MAY NOT EXCEED THE AMOUNT THAT
12 WOULD HAVE BEEN ALLOWED A SOLE OWNER OF THE BUSINESS.

13 J. THE DEPARTMENT SHALL:

14 1. ADOPT RULES AND PRESCRIBE FORMS AND PROCEDURES AS NECESSARY TO
15 ADMINISTER THIS SECTION.

16 2. COLLABORATE WITH THE DEPARTMENT OF CHILD SERVICES, INDIAN TRIBES
17 IN THIS STATE AND THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF
18 INDIAN AFFAIRS, DIVISION OF HUMAN SERVICES, AS NECESSARY TO IMPLEMENT THIS
19 SECTION.

20 K. FOR THE PURPOSES OF THIS SECTION, "QUALIFIED FOSTER YOUTH" MEANS
21 AN INDIVIDUAL WHO:

22 1. EITHER:

23 (a) IS CURRENTLY IN THE LEGAL CUSTODY OF THE DEPARTMENT OF CHILD
24 SAFETY, AN INDIAN TRIBE IN THIS STATE OR THE UNITED STATES DEPARTMENT OF
25 THE INTERIOR, BUREAU OF INDIAN AFFAIRS, DIVISION OF HUMAN SERVICES.

26 (b) WITHIN THE SEVEN YEARS BEFORE THE TAXABLE YEAR FOR WHICH THE
27 TAX CREDIT IS CLAIMED, WAS AT LEAST FOURTEEN YEARS OF AGE AND WAS IN THE
28 LEGAL CUSTODY OF THE DEPARTMENT OF CHILD SAFETY, AN INDIAN TRIBE IN THIS
29 STATE OR THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF INDIAN
30 AFFAIRS, DIVISION OF HUMAN SERVICES.

31 2. WORKS AT LEAST TWENTY HOURS PER WEEK DURING THE TAXABLE YEAR FOR
32 WHICH THE FOSTER YOUTH EMPLOYMENT INCOME TAX CREDIT IS CLAIMED.

33 3. WAS NOT PREVIOUSLY EMPLOYED BY THE TAXPAYER BEFORE THE TAXABLE
34 YEAR FOR WHICH THE FOSTER YOUTH EMPLOYMENT INCOME TAX CREDIT IS CLAIMED.

35 Sec. 4. Section 43-1121, Arizona Revised Statutes, is amended to
36 read:

37 43-1121. Additions to Arizona gross income; corporations

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

40 1. The amount of interest income received on obligations of any
41 state, territory or possession of the United States, or any political
42 subdivision thereof, located outside this state, reduced, for taxable
43 years beginning from and after December 31, 1996, by the amount of any
44 interest on indebtedness and other related expenses that were incurred or

1 continued to purchase or carry those obligations and that are not
2 otherwise deducted or subtracted in arriving at Arizona gross income.

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

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

10 4. The amount of any depreciation allowance allowed pursuant to
11 section 167(a) of the internal revenue code to the extent not previously
12 added.

13 5. The amount of dividend income received from corporations and
14 allowed as a deduction pursuant to sections 243, 245, 245A and
15 250(a)(1)(B) of the internal revenue code.

16 6. Taxes that are based on income paid to states, local governments
17 or foreign governments and that were deducted in computing federal taxable
18 income.

19 7. Expenses and interest relating to tax-exempt income on
20 indebtedness incurred or continued to purchase or carry obligations the
21 interest on which is wholly exempt from the tax imposed by this title.
22 Financial institutions, as defined in section 6-101, shall be governed by
23 section 43-961, paragraph 2.

24 8. Commissions, rentals and other amounts paid or accrued to a
25 domestic international sales corporation controlled by the payor
26 corporation if the domestic international sales corporation is not
27 required to report its taxable income to this state because its income is
28 not derived from or attributable to sources within this state. If the
29 domestic international sales corporation is subject to article 4 of this
30 chapter, the department shall prescribe by rule the method of determining
31 the portion of the commissions, rentals and other amounts that are paid or
32 accrued to the controlled domestic international sales corporation and
33 that shall be deducted by the payor. For the purposes of this paragraph,
34 "control" means direct or indirect ownership or control of fifty percent
35 or more of the voting stock of the domestic international sales
36 corporation by the payor corporation.

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

39 10. The amount of exploration expenses determined pursuant to
40 section 617 of the internal revenue code to the extent that they exceed
41 \$75,000 and to the extent that the election is made to defer those
42 expenses not in excess of \$75,000.

43 11. Amortization of costs incurred to install pollution control
44 devices and deducted pursuant to the internal revenue code or the amount
45 of deduction for depreciation taken pursuant to the internal revenue code

1 on pollution control devices for which an election is made pursuant to
2 section 43-1129.

3 12. The amount of depreciation or amortization of costs of child
4 care facilities deducted pursuant to section 167 or 188 of the internal
5 revenue code for which an election is made to amortize pursuant to section
6 43-1130.

7 13. The loss of an insurance company that is exempt under section
8 43-1201 to the extent that it is included in computing Arizona gross
9 income on a consolidated return pursuant to section 43-947.

10 14. The amount by which the depreciation or amortization computed
11 under the internal revenue code with respect to property for which a
12 credit was taken under section 43-1169 exceeds the amount of depreciation
13 or amortization computed pursuant to the internal revenue code on the
14 Arizona adjusted basis of the property.

15 15. The amount by which the adjusted basis computed under the
16 internal revenue code with respect to property for which a credit was
17 claimed under section 43-1169 and that is sold or otherwise disposed of
18 during the taxable year exceeds the adjusted basis of the property
19 computed under section 43-1169.

20 16. The amount by which the depreciation or amortization computed
21 under the internal revenue code with respect to property for which a
22 credit was taken under section 43-1170 exceeds the amount of depreciation
23 or amortization computed pursuant to the internal revenue code on the
24 Arizona adjusted basis of the property.

25 17. The amount by which the adjusted basis computed under the
26 internal revenue code with respect to property for which a credit was
27 claimed under section 43-1170 and that is sold or otherwise disposed of
28 during the taxable year exceeds the adjusted basis of the property
29 computed under section 43-1170.

30 18. The deduction referred to in section 1341(a)(4) of the internal
31 revenue code for restoration of a substantial amount held under a claim of
32 right.

33 19. The amount by which a capital loss carryover allowable pursuant
34 to section 1341(b)(5) of the internal revenue code exceeds the capital
35 loss carryover allowable pursuant to section 43-1130.01, subsection F.

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

40 21. Any amount of expenses that were deducted pursuant to the
41 internal revenue code and for which a credit is claimed under section
42 43-1178.

43 22. Any amount deducted pursuant to section 170 of the internal
44 revenue code representing contributions to a school tuition organization
45 for which a credit is claimed under section 43-1183 or 43-1184.

1 23. If a subtraction is or has been taken by the taxpayer under
2 section 43-1124, in the current or a prior taxable year for the full
3 amount of eligible access expenditures paid or incurred to comply with the
4 requirements of the Americans with disabilities act of 1990 (P.L. 101-336)
5 or title 41, chapter 9, article 8, any amount of eligible access
6 expenditures that is recognized under the internal revenue code, including
7 any amount that is amortized according to federal amortization schedules,
8 and that is included in computing Arizona taxable income for the current
9 taxable year.

10 24. For taxable years beginning from and after December 31, 2017,
11 the amount of any net capital loss included in Arizona gross income for
12 the taxable year that is derived from the exchange of one kind of legal
13 tender for another kind of legal tender. For the purposes of this
14 paragraph:

15 (a) "Legal tender" means a medium of exchange, including specie,
16 that is authorized by the United States Constitution or Congress to pay
17 debts, public charges, taxes and dues.

18 (b) "Specie" means coins having precious metal content.

19 25. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2021,
20 ANY WAGE EXPENSES DEDUCTED PURSUANT TO THE INTERNAL REVENUE CODE FOR WHICH
21 A CREDIT IS CLAIMED UNDER SECTION 43-1162.

22 Sec. 5. Title 43, chapter 11, article 6, Arizona Revised Statutes,
23 is amended by adding section 43-1162, to read:

24 43-1162. Credit for employing foster youth; definition

25 A. A CREDIT IS ALLOWED AGAINST THE TAXES IMPOSED BY THIS TITLE FOR
26 A TAXPAYER THAT EMPLOYS AT LEAST ONE INDIVIDUAL WHO IS A QUALIFIED FOSTER
27 YOUTH.

28 B. THE AMOUNT OF THE CREDIT IS AN AMOUNT UP TO \$1,000 OF THE GROSS
29 WAGES PAID TO EACH QUALIFIED FOSTER YOUTH BY THE TAXPAYER DURING THE
30 TAXABLE YEAR FOR WHICH THE RETURN IS FILED, NOT TO EXCEED \$5,000 PER
31 TAXPAYER. A TAXPAYER THAT EMPLOYS A QUALIFIED FOSTER YOUTH FOR LESS THAN
32 THE FULL TAXABLE YEAR IS ELIGIBLE FOR A CREDIT AMOUNT EQUAL TO \$1,000
33 MULTIPLIED BY THE FRACTION OF A FULL YEAR FOR WHICH THE QUALIFIED FOSTER
34 YOUTH WAS EMPLOYED.

35 C. A TAXPAYER MAY CLAIM THE CREDIT ALLOWED UNDER THIS SECTION FOR
36 EACH TAXABLE YEAR IN WHICH THE TAXPAYER EMPLOYS ONE OR MORE QUALIFIED
37 FOSTER YOUTHS. THE TAXPAYER MAY NOT CLAIM THE CREDIT ALLOWED UNDER THIS
38 SECTION FOR ANY QUALIFIED FOSTER YOUTH FOR MORE THAN ONE CALENDAR YEAR
39 FROM THE DATE OF HIRE OR FOR A QUALIFIED FOSTER YOUTH FOR WHOM A DIFFERENT
40 TAXPAYER HAS ALREADY CLAIMED THE CREDIT ALLOWED UNDER THIS SECTION OR
41 SECTION 43-1075.

42 D. CREDITS ARE ALLOWED UNDER THIS SECTION ON A FIRST-COME,
43 FIRST-SERVED BASIS. THE DEPARTMENT MAY NOT AUTHORIZE TAX CREDITS UNDER
44 THIS SECTION AND SECTION 43-1075 THAT EXCEED IN THE AGGREGATE A TOTAL OF
45 \$1,000,000 FOR ANY CALENDAR YEAR.

1 E. THE TAXPAYER SHALL SUBMIT TO THE DEPARTMENT WITH RESPECT TO EACH
2 EMPLOYEE FOR WHOM THE CREDIT ALLOWED UNDER THIS SECTION IS CLAIMED
3 INFORMATION WITH RESPECT TO THE QUALIFIED FOSTER YOUTH'S EMPLOYMENT BY THE
4 TAXPAYER DURING THE TAXABLE YEAR FOR WHICH THE CREDIT IS CLAIMED,
5 INCLUDING INFORMATION THAT ESTABLISHES THE EMPLOYEE IS A QUALIFIED FOSTER
6 YOUTH AND THAT CAN BE USED TO DETERMINE THAT THE EMPLOYEE WAS NOT ALSO
7 EMPLOYED IN THE SAME TAXABLE YEAR BY ANOTHER TAXPAYER CLAIMING A TAX
8 CREDIT UNDER THIS SECTION OR SECTION 43-1075 FOR THAT EMPLOYEE.

9 F. THE TAX CREDIT ALLOWED IN THIS SECTION IS IN LIEU OF ANY WAGE
10 EXPENSE DEDUCTION TAKEN FOR STATE INCOME TAX PURPOSES.

11 G. IF THE ALLOWABLE TAX CREDIT EXCEEDS THE TAXES OTHERWISE DUE
12 UNDER THIS TITLE ON THE CLAIMANT'S INCOME, OR IF THERE ARE NO TAXES DUE
13 UNDER THIS TITLE, THE TAXPAYER MAY CARRY THE AMOUNT OF THE CLAIM NOT USED
14 TO OFFSET THE TAXES UNDER THIS TITLE FORWARD FOR NOT MORE THAN FIVE
15 CONSECUTIVE TAXABLE YEARS' INCOME TAX LIABILITY.

16 H. CO-OWNERS OF A BUSINESS, INCLUDING CORPORATE PARTNERS IN A
17 PARTNERSHIP, MAY EACH CLAIM ONLY THE PRO RATA SHARE OF THE CREDIT ALLOWED
18 UNDER THIS SECTION BASED ON OWNERSHIP INTEREST. THE TOTAL OF THE CREDITS
19 ALLOWED ALL SUCH OWNERS MAY NOT EXCEED THE AMOUNT THAT WOULD HAVE BEEN
20 ALLOWED A SOLE OWNER OF THE BUSINESS.

21 I. THE DEPARTMENT SHALL:

22 1. ADOPT RULES AND PRESCRIBE FORMS AND PROCEDURES AS NECESSARY TO
23 ADMINISTER THIS SECTION.

24 2. COLLABORATE WITH THE DEPARTMENT OF CHILD SERVICES, INDIAN TRIBES
25 IN THIS STATE AND THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF
26 INDIAN AFFAIRS, DIVISION OF HUMAN SERVICES, AS NECESSARY TO IMPLEMENT THIS
27 SECTION.

28 J. FOR THE PURPOSES OF THIS SECTION, "QUALIFIED FOSTER YOUTH" MEANS
29 AN INDIVIDUAL:

30 1. EITHER:

31 (a) IS CURRENTLY IN THE LEGAL CUSTODY OF THE DEPARTMENT OF CHILD
32 SAFETY, AN INDIAN TRIBE IN THIS STATE OR THE UNITED STATES DEPARTMENT OF
33 THE INTERIOR, BUREAU OF INDIAN AFFAIRS, DIVISION OF HUMAN SERVICES.

34 (b) WITHIN THE SEVEN YEARS BEFORE THE TAXABLE YEAR FOR WHICH THE
35 TAX CREDIT IS CLAIMED, WAS AT LEAST FOURTEEN YEARS OF AGE AND WAS IN THE
36 LEGAL CUSTODY OF THE DEPARTMENT OF CHILD SAFETY, AN INDIAN TRIBE IN THIS
37 STATE OR THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF INDIAN
38 AFFAIRS, DIVISION OF HUMAN SERVICES.

39 2. WORKS AT LEAST TWENTY HOURS PER WEEK DURING THE TAXABLE YEAR FOR
40 WHICH THE FOSTER YOUTH EMPLOYMENT INCOME TAX CREDIT IS CLAIMED.

41 3. WAS NOT PREVIOUSLY EMPLOYED BY THE TAXPAYER BEFORE THE TAXABLE
42 YEAR FOR WHICH THE FOSTER YOUTH EMPLOYMENT INCOME TAX CREDIT IS CLAIMED.

1 Sec. 6. Purpose

2 Pursuant to section 43-223, Arizona Revised Statutes, the
3 legislature enacts sections 43-1075 and 43-1162, Arizona Revised Statutes,
4 as added by this act, to encourage taxpayers in this state to employ
5 individuals who as youth were in the legal custody of the of the
6 department of child safety, an Indian tribe in this state or the United
7 States department of the interior, bureau of Indian affairs, division of
8 human services.

9 Sec. 7. Applicability

10 This act applies to taxable years beginning from and after December
11 31, 2021.