REFERENCE TITLE: income tax credit; resource officers

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HB 2425

Introduced by
Representative Willoughby

AN ACT

AMENDING SECTION 43-1089.01, ARIZONA REVISED STATUTES; RELATING TO INDIVIDUAL INCOME TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 43-1089.01, Arizona Revised Statutes, is amended to read:

43-1089.01. Tax credit; public school fees and contributions; definitions

A. A credit is allowed against the taxes imposed by this title for the amount of any fees paid or cash contributions made by a taxpayer or on the taxpayer's behalf pursuant to section 43-401, subsection G during the taxable year to a public school located in this state for the following public school purposes:

1. Standardized testing for college credit or readiness offered by a widely recognized and accepted educational testing organization.

2. The career and technical education industry certification assessment.

3. Preparation courses and materials for standardized testing.

4. Cardiopulmonary resuscitation training pursuant to section 15-718.01.

5. Extracurricular activities.

6. Character education programs.

7. PROVIDING FULL-TIME OR PART-TIME SCHOOL RESOURCE OFFICERS.

~~7.~~ 8. From and after June 30, 2019 through June 30, 2024:

(a) Acquiring capital items, as defined in the uniform system of financial records, including those items listed in section 15-903, subsection C, paragraphs 2 through 8.

(b) Community school meal programs. An amount paid by an individual to receive a meal or a meal card does not qualify as a fee or donation for community school meal programs.

(c) Student consumable health care supplies.

(d) Playground equipment and shade structures for playground equipment.

B. The amount of the credit shall not exceed:

1. $200 for a single individual or a head of household.

2. $400 for a married couple filing a joint return.

C. A husband and wife who file separate returns for a taxable year in which they could have filed a joint return may each claim only one-half of the tax credit that would have been allowed for a joint return.

D. The credit allowed by this section is in lieu of any deduction pursuant to section 170 of the internal revenue code and taken for state tax purposes.

E. If the allowable tax credit exceeds the taxes otherwise due under this title on the claimant's income, or if there are no taxes due under this title, the taxpayer may carry the amount of the claim not used to offset the taxes under this title forward for not more than five consecutive taxable years' income tax liability.

F. The site council of the public school that receives contributions that are not designated for a specific purpose shall determine how the contributions are used at the school site. If a charter school does not have a site council, the principal, director or chief administrator of the charter school shall determine how the contributions that are not designated for a specific purpose are used at the school site. If at the end of a fiscal year a public school has unspent contributions that were previously designated for a specific purpose or program and that purpose or program has been discontinued or has not been used for two consecutive fiscal years, these contributions shall be considered undesignated in the following fiscal year for the purposes of this subsection, and the site council may transfer these undesignated contributions to any school within the same school district.

G. A public school that receives fees or a cash contribution pursuant to subsection A of this section shall report to the department, in a form prescribed by the department, by February 28 of each year the following information:

1. The total number of fee and cash contribution payments received during the previous calendar year.

2. The total dollar amount of fees and contributions received during the previous calendar year.

3. The total dollar amount of fees and contributions spent by the school during the previous calendar year, categorized by specific standardized testing, preparation courses and materials for standardized testing, extracurricular activity or character education program.

H. For the purposes of this section, a contribution for which a credit is claimed and that is made on or before the fifteenth day of the fourth month following the close of the taxable year may be applied to either the current or preceding taxable year and is considered to have been made on the last day of that taxable year.

I. For the purposes of this section:

1. "Career and technical education industry certification assessment" means an assessment for career and technical preparation programs for pupils.

2. "Character education programs" means a program described in section 15-719.

3. "Community school meal program" means a school meal program that takes place before or after the regular school day on school property.

4. "Extracurricular activities" means school-sponsored activities that may require enrolled students to pay a fee in order to participate, including fees for:

(a) Band uniforms.

(b) Equipment or uniforms for varsity athletic activities.

(c) Scientific laboratory materials.

(d) In-state or out-of-state trips that are solely for competitive events. Extracurricular activities do not include any senior trips or events that are recreational, amusement or tourist activities.

5. "Public school" means a school that is part of a school district, a career technical education district or a charter school.

6. "Standardized testing for college credit or readiness" includes the SAT, PSAT, ACT, advanced placement and international baccalaureate diploma tests and other similar tests.

7. "Student consumable health care supplies" includes tissues, hand wipes, bandages and other health care consumables that are generally used by children.

8. "Widely recognized and accepted educational testing organization" means the college board, the ACT, the international baccalaureate and other organizations that are widely recognized and accepted by colleges and universities in the United States and that offer college credit and readiness examinations.