

REVISED IMPLEMENTATION OF THE CORPORATE INCOME TAX TUITION CREDIT

1. Corporations contact the School Tuition Organization (STO) to which they wish to donate. The corporation tells the STO the amount of the donation they will make. The STO must then fill out a Pre-Approval form, created by the Arizona Department of Revenue (ADOR).
2. No letters from an STO for pre-approval for a corporate donation will be accepted by ADOR after **June 30, 2011**.
3. All requests from an STO for pre-approval shall be for one corporation per request.
4. All requests from an STO for pre-approval shall be by EXPRESS mail that is date and time stamped as to the time of mailing¹. The date and time on the letter shall dictate the order in which the requests are considered. No other form of request for pre-approval, such as e-mail, hand delivery or regular delivery mail, will be accepted by ADOR.
5. All requests shall be logged in by the date and time noted by the United States Post Office on the request at the time of mailing and shall be applied against the cap in this order. The cap for Fiscal Year 2009 is \$14.4 million.
6. All requests for pre-approval shall be sent to:
Georganna Meyer
Chief Economist
Arizona Department of Revenue
P.O. Box 25248
Phoenix, Arizona 85002
7. ADOR shall respond to the request for pre-approval within twenty days of receiving the request. The request shall be approved if there is credit available under the **\$14.4 million** cap. ADOR pre-approval of an STO request does not constitute ADOR verification that the contribution meets all of the statutory requirements for a credit under A.R.S. § 43-1183.
8. ADOR will respond to the STO, either approving or denying the application, by fax. Approval or denial will be noted on the pre-approval application, along with an indication as to when the 10-day period ends that is allowed for receipt of a check from the corporation. The STO should notify the donor corporation on the same day ADOR notifies the STO.
9. In the event a request is received for an amount that is greater than the remaining amount under the cap, ADOR shall approve only that amount that is remaining. For example, if \$500,000 is left under the cap and a request is received for \$750,000, ADOR shall approve only \$500,000. Any requests received after this point shall be denied.
10. A.R.S. § 43-1183 D. states that if a taxpayer fails to make the donation to the STO within ten days after being notified by the STO, the STO must immediately notify ADOR. If the donation is not made within the ten day period, the taxpayer is no longer pre-approved for the donation. Please notify ADOR by telephone upon receipt of the donation or upon expiration of the 10-day period with no donation made. Notification to ADOR of failure to make a donation must occur no later than the eleventh day after the STO notifies the taxpayer of pre-approval. (If the eleventh day falls on a weekend or holiday, the STO should call on the next business day.) Notification should occur by telephone. The STO must call Georganna Meyer at 602-716-6927.
11. Although requests after the cap has been reached will be denied by ADOR, ADOR will continue to log in requests in the order received. In the event ADOR is notified by an STO that a corporation did not make an approved donation, ADOR shall pre-approve those requests that were previously denied, in the order received, until the cap is again reached. The cap will revert to the **NEW level (\$14.4 million for FY09, \$17.28 million for FY10 and \$20.736 million for FY11)** each year on July 1 until the credit expires.

¹ EXPRESS mail costs \$16.25 per letter. I apologize for the expense, but it's the only way I can think of to administer the "first-come, first-served" cap fairly.