

House Engrossed

**FILED**  
**MICHELE REAGAN**  
**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Fifty-second Legislature  
First Regular Session  
2015

CHAPTER 47

## **HOUSE BILL 2066**

AN ACT

AMENDING SECTION 43-1089.01, ARIZONA REVISED STATUTES; RELATING TO THE PUBLIC SCHOOL TAX CREDIT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

4 43-1089.01. Tax credit; public school fees and contributions;  
5 definitions

6 A. A credit is allowed against the taxes imposed by this title for the  
7 amount of any fees or cash contributions by a taxpayer or on the taxpayer's  
8 behalf pursuant to section 43-401, subsection G during the taxable year to a  
9 public school located in this state for the support of STANDARDIZED TESTING  
10 FEES FOR COLLEGE CREDIT OR READINESS OFFERED BY A WIDELY RECOGNIZED AND  
11 ACCEPTED EDUCATIONAL TESTING ORGANIZATION, THE CAREER AND TECHNICAL EDUCATION  
12 INDUSTRY CERTIFICATION ASSESSMENT, PREPARATION COURSES AND MATERIALS FOR  
13 STANDARDIZED TESTING, extracurricular activities or character education  
14 programs of the public school, but not exceeding:

15 1. Two hundred dollars for a single individual or a head of household.

16 2. Three hundred dollars in taxable year 2005 for a married couple  
17 filing a joint return.

18 3. Four hundred dollars in taxable year 2006 and any subsequent  
19 taxable year for a married couple filing a joint return.

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

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

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

31 E. The site council of the public school that receives contributions  
32 that are not designated for a specific purpose shall determine how the  
33 contributions are used at the school site. If a charter school does not have  
34 a site council, the principal, director or chief administrator of the charter  
35 school shall determine how the contributions that are not designated for a  
36 specific purpose are used at the school site. If at the end of a fiscal year  
37 a public school has unspent contributions that were previously designated for  
38 a specific purpose or program and that purpose or program has been  
39 discontinued or has not been used for two consecutive fiscal years, these  
40 contributions shall be considered undesignated in the following fiscal year  
41 for the purposes of this subsection.

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

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

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

5           3. The total dollar amount of fees and contributions spent by the  
6 school during the previous calendar year, categorized by specific  
7 STANDARDIZED TESTING, PREPARATION COURSES AND MATERIALS FOR STANDARDIZED  
8 TESTING, extracurricular activity or character education program.

9           G. For the purposes of this section:

10          1. "CAREER AND TECHNICAL EDUCATION INDUSTRY CERTIFICATION ASSESSMENT"  
11 MEANS AN ASSESSMENT FOR CAREER AND TECHNICAL PREPARATION PROGRAMS FOR PUPILS.

12          ~~1.~~ 2. "Character education programs" means a program described in  
13 section 15-719.

14          ~~2.~~ 3. "Extracurricular activities" means school-sponsored activities  
15 that require enrolled students to pay a fee in order to participate,  
16 including fees for:

17           (a) Band uniforms.

18           (b) Equipment or uniforms for varsity athletic activities.

19           (c) Scientific laboratory materials.

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

23          ~~3.~~ 4. "Public school" means a school that is part of a school  
24 district, a joint technical education district or a charter school.

25          ~~4.~~ 5. "STANDARDIZED TESTING FOR COLLEGE CREDIT OR READINESS" INCLUDES  
26 THE SAT, PSAT, ACT, ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE  
27 DIPLOMA TESTS AND OTHER SIMILAR TESTS.

28          ~~5.~~ 6. "WIDELY RECOGNIZED AND ACCEPTED EDUCATIONAL TESTING  
29 ORGANIZATION" MEANS THE COLLEGE BOARD, THE ACT, THE INTERNATIONAL  
30 BACCALAUREATE AND OTHER ORGANIZATIONS THAT ARE WIDELY RECOGNIZED AND ACCEPTED  
31 BY COLLEGES AND UNIVERSITIES IN THE UNITED STATES AND THAT OFFER COLLEGE  
32 CREDIT AND READINESS EXAMINATIONS.

33          Sec. 2. Retroactivity

34          This act applies retroactively to taxable years beginning from and  
35 after December 31, 2014.

APPROVED BY THE GOVERNOR MARCH 23, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 23, 2015.

Passed the House February 10, 20 15

by the following vote: 41 Ayes,

16 Nays, 3 Not Voting

[Signature]  
Speaker of the House

[Signature]  
Chief Clerk of the House

Passed the Senate March 11, 20 15

by the following vote: 24 Ayes,

3 Nays, 3 Not Voting

[Signature]  
President of the Senate

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

19th day of March, 20 15

at 8:35 o'clock A. M.

[Signature]  
Secretary to the Governor

Approved this 23rd day of

March

at 10:50 o'clock A. M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 23rd day of March, 20 15

at 3:30 o'clock P. M.

[Signature]  
Secretary of State

H.B. 2066