

**Credit Donation Pre-Approval Process for the
Corporate Income Tax Credit for Low-Income Students (A.R.S. §20-224.06 and § 43-1183) and for
Disabled/Displaced Students (A.R.S. §20-224.07 and § 43-1184)
Fiscal Year 2018/19**

- Pre-approval applications will be accepted beginning **Monday July 2, 2018 at 10:00 am.**
- The low-income corporate credit cap for Fiscal Year 2018/19 is **\$89,161,006.**
The disabled/displaced corporate credit cap for Fiscal Year 2018/19 is **\$5,000,000.**
- Corporations must 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 complete a pre-approval form, created by the Arizona Department of Revenue (ADOR). **ALL applications for pre-approval must be submitted by the STO.** Any applications submitted directly by a corporation will not be processed.
- All requests from an STO for pre-approval shall be sent by email using an email address associated with the STO. No other form of request for approval, such as hand delivery or regular delivery mail, will be accepted by ADOR.
- All applications are to be emailed to DOROERA@azdor.gov.
- Only ONE application for pre-approval per email.
- The pre-approval applications are processed in the order received. The date and time on the email shall dictate the order in which the requests are considered. All requests shall be logged in by the date and time noted by receipt of email and shall be applied against the cap in this order.
- There are 3 email methods to submit the donation pre-approval applications:
 - 1) Complete the application, save the application as a PDF, then attach PDF to an email and create a delayed delivery of email and set time to **10:00 am July 2, 2018.** It is recommended that text is included on the subject line of the email and to include text in the email. When using the delayed delivery method, it is suggested that the computer not be shut down. STOs may test the delayed delivery from June 25th-29th. ; *OR*
 - 2) Complete the application, save the application as a PDF, then attach PDF to an email and send the email at **10:00 am July 2nd.** It is recommended that text is included on the subject line of the email and to include text in the email; *OR*
 - 3) Complete the application at **10:00 am July 2nd** and use the email submit button on the application form to email the application.
- All emails should receive an automatic reply indicating that it was received. **If you do not receive an automatic reply to one of your emails, please resubmit the application.** You may also call us at 602-716-6923 or 602-716-6459 to confirm the application was received if you did not receive an automatic reply but please still resubmit the application.
- For tracking purposes, make sure the subject line of the email contains text – for example: XYZ STO application #1. Please identify any Disabled/Displaced applications as “DD” in the subject line (for example: XYZ STO DD application #1).

- For time verification: the ADOR computers are synced with the US Naval Observatory atomic clock.
- If the email with application arrives in the DOROERA inbox with a timestamp earlier than 10:00 am July 2, 2018, the application will be denied.
- ADOR shall respond to the request for pre-approval within twenty days of receiving the application. The request shall be approved if there is credit available under the cap. ADOR 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. §§ 20-224.06, 20-224.07, 43-1183, 43-1184 and 43-1089.04.
- ADOR will respond to the STO, either approving or denying the application, by email. Approval will be noted on the approval form, along with an indication as to when the 20-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.* A copy of the approval form should be provided to the corporation.
 - If the donating corporation is an S corporation, an additional form is to be completed by the S corporation to list their shareholders' pro rata share of the approved credit. The form is to be returned directly to ADOR, not to the STO.
- 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 and the application will be closed. If the corporation wishes to re-apply for the un-approved portion of the donation request, a new application must be submitted to be placed on the waitlist.
- If the taxpayer does not make the donation within the twenty day period, the taxpayer is no longer approved for the donation. STOs must notify ADOR by email upon receipt or non- receipt of the donation by the end of the 20-day period. (If the 20th day falls on a weekend or holiday, the STO may email ADOR on the next business day.) Email notification to DOROERA@azdor.gov and include the approval identification number, the amount of donation received (which may differ from approved amount), and the receipt date. The STO must verify that the donation received was made by the company named on the pre-approval application.
- Although requests received after the cap has been reached will not be processed, ADOR will maintain a waitlist of applications in the order received. At the end of the first 20 day period, in the event ADOR is notified by an STO that a corporation did not make an approved donation, ADOR shall process those requests on the waitlist, in the order received, until the cap is again reached. The cap will revert to the new amount each year on July 1.

➔ Due to the volume of applications expected on Monday July 2nd and the state holiday on Wednesday July 4th, it is anticipated that approvals will be sent out beginning Monday July 9th.