

**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 2025/2026

- The Low-Income (LI) corporate credit cap for FY2026 is **\$135,000,000**.
- The Disabled/Displaced (DD) corporate credit cap for FY2026 is **\$6,000,000**.
- NO CHANGES FOR ROUND 1: For Round 1 Approvals, pre-approval application forms **will not** be submitted. The Declaration of Donors spreadsheet captures all application data for each donor for Round 1.
- NO CHANGES FOR ROUND 2: For Round 2 Approvals, pre-approval applications will be processed on a weekly basis every **Wednesday** if applications are received and can be approved. Applications received after 4pm on Tuesdays will be processed the following Wednesday.

OVERVIEW OF LI AND DD CORPORATE CREDIT PRE-APPROVAL PROCESS

Round 1 (Pre-approval application forms ARE NOT required)	
<ul style="list-style-type: none"> STOs to submit Declaration of Donors spreadsheet – Due Tuesday July 1 @ 10:00:00 AM ADOR will determine if program caps are met in Round 1 using the Declaration of Donors spreadsheets. On July 1, ADOR will notify STOs of cap status and provide instructions on which process to follow for each program. 	
If Program Cap is met in Round 1 (Claims Submittal and Application Queue)	If Program Cap is NOT met in Round 1
<ul style="list-style-type: none"> STOs will send Claim Emails to determine Queue Positions. ADOR will begin accepting Claim Emails on Wednesday July 2 @ 10:00:00 AM 	<ul style="list-style-type: none"> ADOR will use the STO Declaration of Donors spreadsheets to prepare and distribute Round 1 Approvals. STOs will NOT submit claim emails or pre-approval application forms. ADOR will establish the date for Round 2 on which STOs can begin to submit new donation pre-approval application forms.
<ul style="list-style-type: none"> Beginning the week of July 7th, ADOR will notify STOs of their Queue Position Numbers in the program Application Queue. 	
<ul style="list-style-type: none"> STOs will have until the close of the next business day following notification to resubmit their Declaration of Donors spreadsheet that has been updated with their unique Queue Position Numbers. STOs will NOT submit pre-approval application forms in Round 1. 	
<ul style="list-style-type: none"> ADOR will prepare and distribute Round 1 Approvals. Applications with Queue Position Numbers not approved under the cap will be placed on the waitlist. 	
<ul style="list-style-type: none"> At the end of the first 20 day donation period, if funds are available under the cap the waitlist applications will be processed in Queue Position order. 	
<ul style="list-style-type: none"> If after all waitlist applications are processed and funds are still available under the cap, ADOR will establish the date for Round 2 on which STOs can begin to submit new donation pre-approval application forms. 	

Round 2 (Pre-approval application forms ARE required)
<ul style="list-style-type: none"> ADOR will notify STOs of the date and time on which STOs can begin to submit new donation pre-approval application forms for the remainder of the cap.
<ul style="list-style-type: none"> Starting on the determined date and time, STOs will submit ONE pre-approval application form per email.
<ul style="list-style-type: none"> ADOR will process the pre-approval application forms in the order received. The applications will be processed and approvals will be sent out on a weekly basis.
<ul style="list-style-type: none"> ADOR will continue to accept and process pre-approval application forms in the order until the cap is met or the end of the fiscal year, whichever comes first.

INSTRUCTIONS FOR LI AND DD CORPORATE CREDIT PRE-APPROVAL PROCESS

ROUND 1 Instructions

➤ Declaration of Donors spreadsheet

- By **Tuesday, July 1, 2025 at 10:00 AM**, STOs must submit to ADOR a spreadsheet (the "Declaration of Donors" spreadsheet) listing the following information for each donor seeking Pre-Approval to make tax-credit eligible donations to eligible STOs:
 - Which program (L or D) the donation pre-approval is requested under
 - Name, address, EIN of corporation
 - Identify if donor is S corporation
 - Identify if donor will be claiming the credit against the Insurance Premium tax and provide the corporation's NAICS number
 - Dollar amount corporation is seeking to donate
- Please rename and save the spreadsheet with the STO Name.
- No STO is allowed to request positions in the Queue for which the STO does not already have a corporation seeking Pre-Approval to donate.
- It is the sole responsibility of each STO to confirm their submission of the Declaration of Donors spreadsheet is sent successfully by verifying that an auto-reply message from DOROERA@azdor.gov is received.
- It is the sole responsibility of each STO to **ensure that the information contained within the Declaration is accurate and complete.**

➤ Determination of Cap Availability

- ADOR will provide a summary of the Declared Donation pre-approval requests and specify whether or not the **Claim Email Submittal and Application Queue** step is required for either the Low-Income or Disabled Displaced Application Queues, depending on whether the cap availability would be met or exceeded based on the total of Declared Donation requests. ADOR will send the email notification to all STOs certified to receive corporate contributions on **Tuesday, July 1, 2025.**

Instructions If Program Cap is met in Round 1

➤ Claims Submittal and Application Queue

- Claims for position in the Queue shall be accepted beginning **Wednesday, July 2, 2025 at 10:00:00AM**. Any claim emails ADOR receives showing a received time prior to 10:00:00AM shall not be processed.
- Claims for position in the Queue must be sent by email to DOROERA@azdor.gov.
 - STOs shall be allowed to submit one or more claim emails per Pre-Approval applicant listed in the Declaration of Donors spreadsheet.
 - Each claim email must be sent with a subject line adhering to a format discussed in the [Claim Email Subject Line Format section \(see page 6\)](#) (this is to distinguish whether an

email is a duplicate of one that has already been received). **Any claim email sent with a subject line that does not conform to the specified format shall not be processed.**

- ADOR will award Queue position numbers in order of claim email received time. If duplicate claim email numbers are received, the one with the earliest received time shall be processed and all remaining duplicates shall be ignored.
- Beginning **the week of July 7th**, ADOR shall notify each STO of the Queue position numbers awarded.
- STOs shall have until close of business on the next business day following notification of Queue position numbers awarded to identify which Queue position number is assigned to a specific donor request on the Declaration and to email the revised Declaration of Donors spreadsheet to ADOR.
 - Each Queue position number an STO is awarded can be assigned to exactly one Pre-Approval request to be processed for approval in the Queue. In the Declaration of Donors spreadsheet, STOs will assign the Queue numbers awarded in an order of the STO's preference.
 - ADOR shall include the date of this submission deadline in the email notification of awarded Queue position numbers.
 - STOs will not submit Pre-approval application forms in Round 1.
 - Approvals will be processed using the Declaration of Donors spreadsheet.
- 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.

➤ **Donation Approval Process**

- ADOR shall approve applications by *Application Queue* position number order until the applicable credit caps are met.
- ADOR will respond to the STO 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.
 - The STO should not be accepting checks from donors which are dated before the Approval date listed on the approval form. The donation is not valid for tax credit redemption unless made ON OR AFTER the approval date.
- Applications that are not approved under the applicable caps shall be waitlisted, preserving the Queue position number. If funds are released from applications approved under the cap, the funds shall be released to the waitlisted pre-approval applications by order of Queue position number.
- Upon receipt of approval, STOs must notify ADOR that the donation was received within 20 days.
 - STOs must notify ADOR by email upon receipt. 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 must include the following:
 - Approval #
 - Corporation name
 - \$ amount of donation received (**indicate if amount donated is less than approved**)
 - Date donation was received
 - Include dated donation verification (copy of check, verification of wire transfer initiation or receipt, credit card transaction, or cash deposit slip with company name)
 - The STO must verify that the donation received was made by the company named on the pre-approval application.
 - **ALL transactions (checks, credit cards, wire transfer, cash receipt deposit slip) MUST be dated on or after the approval date and before the end of the 20 day period.**
- **If the donation is not received by the end of the 20-day period, STOs MUST notify ADOR that the donation was NOT made.**
 - If the taxpayer does not make the donation within the twenty day period, the taxpayer is no longer approved for the donation and the STO must submit a new request for pre-approval.

- 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.
- 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.

➤ **Remaining STO Monies**

- At the end of the first 20 day donation period, in the event money has become available under the cap, ADOR shall process those requests on the waitlist, in the order received, until the cap is again reached.
- If there are no requests on the waitlist, ADOR shall set a date and time on which STOs can begin to submit previously undeclared donation pre-approval applications for Round 2.

Instructions If Program Cap is NOT met in Round 1

➤ **Donation Approval Process**

- ADOR will use the STO Declaration of Donors spreadsheets to prepare and distribute Round 1 Approvals. STOs will not submit pre-approval application forms.
- ADOR will respond to the STO 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.
 - The STO should not be accepting checks from donors which are dated before the Approval date listed on the approval form. The donation is not valid for tax credit redemption unless made ON OR AFTER the approval date.
- Upon receipt of approval, STOs must notify ADOR that the donation was received within 20 days.
 - STOs must notify ADOR by email upon receipt. 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 must include the following:
 - Approval #
 - Corporation name
 - \$ amount of donation received (indicate if amount donated is less than approved)
 - Date donation was received
 - Include dated donation verification (copy of check, verification of wire transfer initiation or receipt, credit card transaction, or cash deposit slip with company name)
 - The STO must verify that the donation received was made by the company named on the pre-approval application.
 - **ALL transactions (checks, credit cards, wire transfer, cash receipt deposit slip) MUST be dated on or after the approval date and before the end of the 20 day period.**
- **If the donation is not received by the end of the 20-day period, STOs MUST notify ADOR that the donation was NOT made.**
 - If the taxpayer does not make the donation within the twenty day period, the taxpayer is no longer approved for the donation and the STO must submit a new request for pre-approval.
- 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.

➤ **Remaining STO Monies**

- ADOR shall set a date and time on which STOs can begin to submit previously undeclared donation pre-approval applications for Round 2.

ROUND 2 Instructions

➤ **Pre-Approval Application Submittal**

- ADOR will notify STOs the date and time that new donation pre-approval application forms for Round 2 may be submitted.
- Pre-approval application forms **WILL BE** required for Round 2.
- Name the PDF form the name of the corporation requesting the donation approval.
- Save each pre-approval application as a PDF. DO NOT print to PDF.
- STOs are to submit pre-approval application forms in the following manner:
 - Send **ONE** pre-approval application form per email attached as a PDF to DOROERA@azdor.gov
 - In each email's subject line, enter the STO name and 'Donation Request-Company Name'
 - *Example subject line for XYZ STO: 'XYZ STO Donation Request-ABC Co.'*
- ALL requests for donation pre-approval must be submitted to ADOR by the STOs. Any applications submitted directly by a corporation will not be processed

➤ **Donation Approval Process**

- ADOR shall process and approve applications in the order received.
- ADOR will respond to the STO 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.
 - The STO should not be accepting checks from donors which are dated before the Approval date listed on the approval form. The donation is not valid for tax credit redemption unless made ON OR AFTER the approval date.
- Applications received that are not approved under the applicable caps shall be waitlisted in the order received. If funds are released from applications approved under the cap, the funds shall be released to the waitlisted pre-approval applications.
- Upon receipt of approval, STOs must notify ADOR that the donation was received within 20 days.
 - STOs must notify ADOR by email upon receipt. 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 must include the following:
 - Approval #
 - Corporation name
 - \$ amount of donation received (**indicate if amount donated is less than approved**)
 - Date donation was received
 - Include dated donation verification (copy of check, verification of wire transfer initiation or receipt, credit card transaction, or cash deposit slip with company name)
 - The STO must verify that the donation received was made by the company named on the pre-approval application.
 - **ALL transactions (checks, credit cards, wire transfer, cash receipt deposit slip) MUST be dated on or after the approval date and before the end of the 20 day period.**
- **If the donation is not received by the end of the 20-day period, STOs MUST notify ADOR that the donation was NOT made.**
 - If the taxpayer does not make the donation within the twenty day period, the taxpayer is no longer approved for the donation and the STO must submit a new request for pre-approval.
- 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.

- 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 continue to accept and process pre-approval application forms in the order received until the cap is met or until the end of the fiscal year, whichever comes first.
 - ADOR will process all Round 2 pre-approval applications on a weekly basis and approvals (if money is available) will be sent out to the STOs every **Wednesday** morning.
 - Applications received after 4pm on Tuesday will be processed the following Wednesday. If there is a state holiday on Tuesday the applications will be processed and approvals sent out on Thursday.

Claim Email Subject Line Format

Emails sent to claim positions in the Application Queue shall abide by the following criteria:

1. **Message Body:** <blank> (simply leave the body of the message blank)
2. **Email Subject Line:** include the following information in the following format:

[STOName];[DonationType];[ClaimEmail#]

- Each piece of information is separated by a semicolon “;”
- **[STOName]** – The name of the STO
- **[DonationType]** – Either “L” for Low-Income or “D” for Disabled/Displaced
- **[ClaimEmail#]** – Enumeration of the claim email – This number is used to uniquely identify each STOs’ claims for position in the Queue.
 - For each program for which an STO may have donors requesting to donate (L and D), the claim email numbers must start from 1 (see example below).

EXAMPLE:

1. **An STO called STOXYZ submits a Declaration of Donors spreadsheet listing 3 donors requesting to donate for tax credit under the Low-Income credit cap and 2 requesting to donate under the Disabled/Displaced cap.**

In order to claim 3 Low-Income and 2 D/D positions in the Application Queue, STOXYZ would have to submit 5 claim emails with the following subject lines:

- Email1 subject line: *STOXYZ;L;1*
- Email2 subject line: *STOXYZ;L;2*
- Email3 subject line: *STOXYZ;L;3*
- Email4 subject line: *STOXYZ;D;1*
- Email5 subject line: *STOXYZ;D;2*

ADOR shall award a Queue position number for the first instance each of the above subject lines is received in the DOROERA@azdor.gov inbox at or after **10:00:00AM on Wednesday, July 2, 2025**.