



Quality Jobs Tax Credit Program Update

The following noteworthy changes have been made to the Quality Jobs Tax Credit Program commencing in 2013:

1. A taxpayer has a 12-month period within which to satisfy the statutory thresholds relating to capital investment and job creation. Previously, a taxpayer was required to satisfy the statutory thresholds within a single taxable year.
2. A taxpayer may claim first-year credits for three years beginning with the taxable year in which the statutory requirements are satisfied. Previously, a taxpayer could claim first-year credits only in a single taxable year.
3. The prior “cap” on a taxpayer’s ability to claim for more than 400 jobs in any taxable year has been deleted.
4. The annual Program cap of 10,000 credits is based on a calendar year. Previously, the annual Program cap of 10,000 credits was based on Commerce’s fiscal year.
5. Pre-approval is now required by statute; it is no longer optional. A taxpayer may seek pre-approval if it intends to satisfy the statutory thresholds within a 12-month period ending on or before the close of the calendar year first following the calendar year in which pre-approval is granted.
6. An initial processing fee equal to \$90 per credit must be paid at the time of pre-approval. All or a portion of the processing fee is refundable in certain cases.
7. An employee working at a temporary work site in Arizona while the designated location is under construction is considered working at the designated location if all of the following occur:
 - a) The employee is hired after the start of the required capital investment at the designated location;
 - b) The employee is hired to work at the designated location after it is completed;
 - c) The payroll for each the employees destined for the designated location is segregated from other employees; and
 - d) The employee is moved to the designated location within 30 days after its completion.

Each of the items above, and more, are discussed in the newly posted ACA Ruling 13-04 (QJTC) document online at: <http://www.azcommerce.com/assets/Notice-of-Rule-Making-13-04.pdf>