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