

APPROVAL

Corporate Income Tax Credit or Insurance Premium Tax Credit

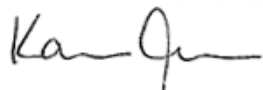
- ☒ This approval is for the corporate income or insurance premium tax credit for donations to school tuition organization (A.R.S. § 43-1183 or A.R.S. § 20-224.06).
- ☐ This approval is for the corporate income or insurance premium tax credit for disabled / displaced students (A.R.S. § 43-1184 or A.R.S. § 20-224.07).

Credit Approval Number: F23		
School Tuition Organization Name: Arizona Private Education Scholarship Fund, Inc.		
Donating Corporation: ABC Fake LLC		
Approved Amount of Donation*: \$ 5,000	<input type="checkbox"/> Identified as corporation paying insurance premium tax (see note below)	<input checked="" type="checkbox"/> Identified as S corporation donating pursuant to A.R.S. § 43-1089.04 (see note below)
Date of Notification: 7/13/2022		
20-Day Period for Transfer of Money From Corporation to School Tuition Organization Ends: 8/2/2022		

The School Tuition Organization shall notify the Arizona Department of Revenue no later than 8/2/2022 as to whether or not the above-named corporation made the donation to the school tuition organization (pursuant to A.R.S. § 43-1183, § 43-1184, § 20-224.06 and § 20-224.07). The School Tuition Organization shall send notification by email to DOROERA@azdor.gov and include the credit approval number, the donation amount and donation date.

***NOTE:** An insurer is only able to claim the credit against premium tax liability when the insurer files its annual tax report. Arizona law does not allow an insurer to reduce installment payments that an insurer is required to make in advance of its annual tax filing.

S corporations must have made approved aggregate contributions to School Tuition Organizations of at least \$5,000 within their taxable year in order to pass the low-income and/or disabled/displaced credits through to their individual shareholders.



Karen Jacobs, Senior Economist
Office of Economic Research and Analysis
Arizona Department of Revenue
PO Box 29099
Phoenix, AZ 85038

2021 Credit for Corporate Contributions to School Tuition Organizations

Arizona Form 335

For information or help, call one of the numbers listed:

Phoenix (602) 255-3381

From area codes 520 and 928, toll-free (800) 352-4090

Tax forms, instructions, and other tax information

If you need tax forms, instructions, and other tax information, go to the department's website at www.azdor.gov.

Income Tax Procedures and Rulings

These instructions may refer to the department's income tax procedures and rulings for more information. To view or print these, go to our website and select *Reports & Legal Research* from the main menu, then click on *Legal Research* and select a Document Type and a Category from the drop down menus.

Publications

To view or print the department's publications, go to our website, select *Reports & Legal Research* from the main menu, and click on *Publications* in the left hand column.

General Information

This credit provides a nonrefundable corporate income tax credit for contributions made to a school tuition organization (STO), authorized to receive corporate donations, that provides scholarships or grants to qualified schools. This credit must be pre-approved by the Arizona Department of Revenue. The STO must be certified pursuant to Chapter 15 of Title 43 at the time of donation.

Contributions designated for the direct benefit of a specific student will not qualify for the credit.

This credit is in lieu of any deduction taken under Internal Revenue Code § 170 for state tax purposes.

A taxpayer cannot claim this credit and the credit claimed on Form 341 for the same contribution.

The tax credit is equal to the amount the department has pre-approved. Once pre-approved, the taxpayer has 20 days in which to make the contribution to the STO.

The tax credit is available to corporate taxpayers, corporate partners, exempt organizations subject to corporate income tax on unrelated business taxable income (UBTI), or S Corporation individual shareholders.

- A partnership may pass this credit through only to its corporate partners, each of which may claim a *pro rata* share of the credit based on their ownership interest.
- An exempt organization may utilize this credit only if it results from activities that generate UBTI.
- An S Corporation may claim this credit against income Arizona is taxing at the corporate level, or it may make an irrevocable election to pass this credit through to its individual shareholders.
 - To pass this credit through to its individual shareholders, the S Corporation must make minimum contributions of \$5,000 to School Tuition Organizations or to School Tuition Organizations for Displaced Students or Students With Disabilities in a taxable year.
 - Each individual shareholder may claim only a *pro rata* share of the credit based on the individual's ownership interest in the S Corporation.

Any *pro rata* shares that would be distributed to non-eligible partners (individual partners in a partnership), or estates or trusts (shareholders in an S Corporation) is lost.

The total of the credits allowed to all owners may not exceed the amount that would have been allowed to a sole owner of the business.

If the allowable tax credit exceeds the taxes otherwise due, or if there are no taxes due, the amount of the credit not used to offset taxes may be carried forward for not more than five consecutive taxable years as a credit against subsequent years' income tax liability.

Claiming the Credit

This credit must be pre-approved by the Arizona Department of Revenue before it can be claimed. The process for obtaining pre-approval for the credit is available on our website: www.azdor.gov. Click on "Tax Credits", then click on "Corporate Tuition Tax Credits."

Before claiming the credit, obtain a copy of the STO's pre-approved application. Include a copy of the pre-approved application with Form 335. Failure to do so could result in a disallowance of this credit.

The department will preapprove the credits on a first-come, first-served basis. The pre-approval process works as follows:

- Before making the contribution, the taxpayer notifies the STO of the intended amount.
- The STO requests pre-approval from the Arizona Department of Revenue.
- The Arizona Department of Revenue pre-approves or denies the request within twenty days after it has received the request, and notifies the STO.
- If the request is pre-approved, the STO notifies the taxpayer immediately.
- The taxpayer must make the contribution within twenty days of receiving notice from the STO.

QUALIFIED SCHOOL TUITION ORGANIZATION REQUIREMENTS

The STO receiving contributions under this program must be certified pursuant to Chapter 15 of Title 43 at the time of donation.

A listing of certified School Tuition Organizations is available at www.azdor.gov. Click on "Tax Credits", then click on "Corporate Tuition Tax Credits", and then click on "School Tuition Organizations Certified to Receive Corporate Donations."

Completing the Form

Complete the name and employer identification number (EIN) section at the top of the form. Indicate the period covered by the taxable year. Include the completed form with the tax return.

NOTE: *If the entity passing this credit through has a different tax year-end than the taxpayer, the taxpayer may only claim this credit on its tax return for that year. For example, if the entity passing this credit through has a tax year end of February 2021, claim this credit on the taxpayer's 2021 return.*

All returns, statements, and other documents filed with the department require a taxpayer identification number (TIN). The TIN for a corporation, an exempt organization with UBTI, an S Corporation, or a partnership is the taxpayer's EIN. Taxpayers that fail to include their TIN may be subject to a penalty.

NOTE – To claim this credit:

- **Individual taxpayers that did not make the Small Business Income election**, complete Form 335-I and Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture. Include both completed forms with your tax return.
- **Individual taxpayers that made the Small Business Income election**, complete Form 335-I-SBI and Arizona Form 301-SBI, Nonrefundable Individual Tax Credits and Recapture for Form 140-SBI, 140PY-SBI, 140NR-SBI, or 140X-SBI. Include both completed forms with your tax return.
- **C Corporations, S Corporations claiming this credit at the corporate level, and exempt organizations with UBTI**, complete this credit form and Arizona Form 300, Nonrefundable Corporate Tax Credits and Recapture. Include both completed forms with your tax return.
- **S Corporations electing to pass this credit through to its shareholders**, complete this credit form. Also complete Form 335-S for each individual shareholder of the S Corporation. Provide each individual shareholder a copy of his or her completed Form 335-S. Include Form 335 and one copy of each completed Form 335-S with your tax return.
- **Partnerships**, complete this credit form. Also, complete Form 335-P for each corporate partner of the partnership. Provide each corporate partner a copy of its completed Form 335-P. Include Form 335 and one copy of each completed Form 335-P with your tax return.

Part 1 – Current Taxable Year's Credit Calculation

Lines 1 through 10

- List each STO's name and address in column (a).
- List the credit approval number(s) in column (b).
- List the approved contribution amount(s) in column (c).

Line 11

Add the amounts in column (c) on lines 1 through 10 and enter that amount on line 11.

If contributions are made to more than ten STOs, complete and include additional schedules.

Line 12

Corporate partners (only), enter the amount from Form 335-P, line 13. If none, enter "0."

Line 13

Add the amounts entered on lines 11 and 12. Enter the total.

Part 2 – Available Credit Carryover

Use Part 2 to calculate the taxpayer's total available credit carryover from prior taxable years.

S Corporations, if this credit was claimed at the corporate level in a prior taxable year and there is a carryover amount available, complete Part 2.

Lines 14 through 18

- In column (a), enter the taxable year(s) from which the taxpayer is carrying over the credit.
- In column (b), enter the credit originally computed for the taxable year listed in column (a).
- In column (c), enter the amount of the credit from the taxable year that was already used.
- In column (d), subtract the amount in column (c) from column (b). Enter the difference.

Line 19

Add the amounts entered on lines 14 through 18 and enter the amount in column (d).

Part 3 – Total Available Credit

Use Part 3 to calculate the taxpayer's total available credit for this tax year.

Line 20

- Partnerships passing through this credit to corporate partners, enter "0"
- Qualified S Corporations electing to pass this credit through to individual shareholders, enter "0." To determine if the S Corporation qualifies to pass this credit through to its individual shareholders, complete Part 4. If the S Corporation's total contributions to STOs on Form 335 and/or Form 341 exceed \$5,000, the S Corporation qualifies, and may elect, to pass this credit through to its individual shareholders.
- All other corporate entities, (C Corporations, exempt organizations subject to corporate income tax on UBTI, or **S Corporations claiming this credit at the corporate level**), enter the amount from line 13.
- Also, enter this amount on Form 300, Part 1, line 10, column (a).

Line 21

Enter the amount on line 19, column (d). If the amount is zero, enter "0." Also, enter this amount on Form 300, line 10, column (b).

Line 22

Add lines 20 and 21. Enter the total. This is the taxpayer's total credit for this tax year. Also, enter this amount on Form 300, line 10, column (c).

Partnerships: skip Part 4 and proceed to the instructions for completing Form 335-P on page 4.

S Corporations making the election to pass through this credit, proceed to Part 4.

Part 4 – S Corporation Credit Election

An S Corporation may elect to pass this credit through to its individual shareholders.

NOTE: *Trusts and estates which are shareholders of S Corporations, are not eligible to claim this credit. However, as S Corporation ownership share that is owned by a grantor trust that is disregarded for federal income tax purposes is treated as owned by the grantor. If the grantor is an individual, he or she may claim his or her share of the credit.*

To pass this credit through to its individual shareholders, the S Corporation must have made an aggregate contribution of \$5,000 or more on Forms 335 and 341 during the tax year.

Line 23

Enter the total contributions from line 11.

Line 24

Enter the total contributions from Form 341, line 1

Line 25

Add lines 23 and 24, enter the total.

Line 26

Is the amount on line 25 greater than, or equal to, \$5,000? If yes, check the "Yes" box and continue to line 27. If no, STOP, the S Corporation cannot pass this credit to its individual shareholders.

Line 27

If the S Corporation wishes to make an irrevocable election to pass this credit through to its individual shareholders, enter the ending date for this tax year, check the box indicating the S Corporation is passing this credit through to its individual shareholders, and have this form signed by an officer of the S Corporation who is also a signatory to Arizona Form 120S.

Proceed to the instructions on page 4 to complete Form 335-S.

Form 335-P, Distribution to Corporate Partners of a Partnership

Enter the name of the partnership and EIN at the top of Form 335-P. Enter the corporate partner's name, EIN, and ownership percentage on the next line. (Each corporate partner is entitled to a *pro rata* share of the credit, based on its ownership percentage.)

Complete Form 335-P for *each* corporate partner of the partnership.

Lines 1 through 10

- Enter the names of the STO(s) in column (a).
- Enter the Credit Approval Number(s) received in column (b).

If contributions are made to more than ten organizations, complete and include additional schedules.

Line 11

Enter the amount of the total current year's contributions from Form 335, Part 1, line 13.

Line 12

Enter the corporate partner's ownership percentage of the partnership.

Line 13

Multiply line 11 by line 12. Enter the result. This is the corporate partner's portion of this credit.

The partnership must furnish each corporate partner with its completed copy of Form 335-P, including additional schedules as needed.

The corporate partner will enter the amount on Form 335-P, line 13 on its own Form 335, line 12.

Form 335-S, Distribution to Individual Shareholders of an S Corporation

Enter the S Corporation name and TIN at the top of Form 335-S. Enter the individual shareholder's name, Social Security Number, and ownership percentage on the next line. (Each individual shareholder of the S Corporation is entitled to a *pro rata* share of the credit based on his/her ownership percentage.)

Complete Form 335-S for *each* shareholder except for trust or estate shareholders. However, an S Corporation ownership share that is owned by a grantor trust that is disregarded for federal income tax purposes is treated as owned by the grantor. If the grantor is an individual, he or she may claim his or her share of the credit.

Lines 1 through 10

- Enter the names of the STO(s) in column (a).
- Enter the Credit Approval Number(s) received in column (b).

If contributions are made to more than ten organizations, complete and include additional schedules.

Line 11

Enter the amount of the total current year's contributions from Form 335, Part 1, line 13.

Line 12

Enter the shareholder's ownership percentage of the S Corporation.

Line 13

Multiply line 11 by line 12. Enter the result. This is the individual shareholder's portion of this credit.

The S Corporation must furnish each shareholder with their completed copy of Form 335-S, including additional schedules as needed.

The individual shareholder will use this form to complete Form 335-I.

*Include with your return.*For the calendar year 2021 or fiscal year beginning MM/DD/2021 and ending MM/DD/YYYY.

Name as shown on Form 99T, 120, 120A, 120S, 120X or 165

Employer Identification Number

Part 1 Current Taxable Year's Credit Calculation

	(a) School Tuition Organization Name and Address	(b) Credit Approval Number	(c) Contribution Amount
1			00
2			00
3			00
4			00
5			00
6			00
7			00
8			00
9			00
10			00
11	Current year's contributions: Add lines 1 through 10 and any amounts on additional schedules. Enter the total		11 00
12	Flow-through from a partnership from <i>Form 335-P, line 13</i>		12 00
13	Total Current Year's Contributions: Add lines 11 and 12. Enter the total		13 00

Continued on page 2 ➔

Name (as shown on page 1)	EIN
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Part 2

Available Credit Carryover

	(a) Taxable Year	(b) Original Credit Amount	(c) Amount Previously Used	(d) Available Carryover: Subtract column (c) from column (b).
14		00	00	00
15		00	00	00
16		00	00	00
17		00	00	00
18		00	00	00
19	Total Available Carryover: Add lines 14 through 18 in column (d)			00

Part 3

Total Available Credit

C Corporations, S Corporations claiming this credit at the corporate level, and exempt organizations with UBTI:

<p>20 Total current year's contributions:</p> <ul style="list-style-type: none"> Partnerships passing through this credit: Enter "0". Qualified S Corporations electing to pass through this credit: Enter "0". (Complete Part 4 to determine if qualified.) All others: Enter the amount from line 13. Also enter this amount <i>on Form 300, Part 1, line 10, column (a)</i>..... <p>21 Available credit carryover from Part 2, line 19, column (d).</p> <ul style="list-style-type: none"> Also enter this amount <i>on Form 300, Part 1, line 10, column (b)</i>..... <p>22 Total available credit: Add lines 20 and 21. Enter the total.</p> <ul style="list-style-type: none"> Also enter this amount <i>on Form 300, Part 1, line 10, column (c)</i> 	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">20</td> <td style="width: 80%;"></td> <td style="width: 10%; text-align: right;">00</td> </tr> <tr> <td>21</td> <td></td> <td style="text-align: right;">00</td> </tr> <tr> <td>22</td> <td></td> <td style="text-align: right;">00</td> </tr> </table>	20		00	21		00	22		00
20		00								
21		00								
22		00								

NOTE: Partnerships proceed to the instruction box at the bottom of this page. S Corporations, continue to Part 4.

Part 4

S Corporation Credit Election

S Corporations may elect to pass this credit through to its shareholders if its combined contributions to School Tuition Organizations and School Tuition Organizations for Displaced Students or Students With Disabilities, Forms 335 and 341, are greater than, or equal to, \$5,000.00.

23 Total contributions from line 11	23	00	
24 Total contributions from Form 341, line 11.....	24	00	
25 Total contributions: Add lines 23 and 24. Enter the total.....	25	00	

26 Is line 25 greater than or equal to \$5,000.00?..... Yes ☐ No ☐

If "Yes", you qualify and may elect to pass this credit through to the individual shareholders of the S Corporation.
To do this, complete the authorization below.

If "No", STOP, the S Corporation cannot pass this credit through to its individual shareholders.

27 The S Corporation has made an irrevocable election for the taxable year ending M M D D Y Y Y Y to:
(check only one box):

27a ☐ Pass the credit as shown on line 13, for the taxable year indicated above, through to its individual shareholders.
OR

27b ☐ Claim this credit as shown on line 13, for the taxable year indicated above, at the corporate level.

Signature _____	Title _____	Date _____
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S Corporations making the election to pass on this credit to its shareholders, proceed to the instructions below.

INSTRUCTIONS:

- Partnerships passing this credit through to its corporate partners, complete Form 335-P for each corporate partner, and include a copy of this form with your return. Provide a copy of Form 335-P to each corporate partner.
- S Corporations passing this credit through to its individual shareholders, complete Form 335-S for each shareholder, and include a copy of this form with your return. Provide a copy of Form 335-S to each shareholder.

2021 Credit for Business Contributions by an S Corporation to School Tuition Organizations - Individual

Arizona Form 335-I

For information or help, call one of the numbers listed:

Phoenix (602) 255-3381
From area codes 520 and 928, toll-free (800) 352-4090

Tax forms, instructions, and other tax information

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Income Tax Procedures and Rulings

These instructions may refer to the department's income tax procedures and rulings for more information. To view or print these, go to our website select *Reports, Statistics and Legal Research* from the main menu, then click on *Legal Research* and select a *Document Type* and *Category* from the drop down menus.

Publications

To view or print the department's publications, go to our website select *Reports, Statistics and Legal Research* from the main menu then click on *Publications* in the left hand column.

General Instructions

NOTE – To claim this credit:

- **Individual taxpayers that did not make the Small Business Income election**, complete this credit form and Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture. Include both completed forms with your Individual Income Tax Return, (Form 140, 140PY, 140NR or 140X).
- **Individual taxpayers that made the Small Business Income election**, complete this credit form and Arizona Form 301-SBI, Nonrefundable Individual Tax Credits and Recapture for Form 140-SBI, 140PY-SBI, 140NR-SBI and 140X-SBI. Include both completed forms with your SBI Tax Return (Form 140-SBI, 140PY-SBI, 140NR-SBI or 140X-SBI).

Arizona law allows an individual shareholder to claim a nonrefundable tax credit for the *pro rata* amount of contributions made by an S Corporation to a school tuition organization (STO).

The S Corporation must make an irrevocable election on Arizona Form 335, *Credit for Contributions to School Tuition Organization*, to pass-through the credit to its individual shareholder(s). The S Corporation making the election should give you Arizona Form 335-S, *Credit for Corporate Contributions to School Tuition Organizations - Distribution to Shareholders of an S Corporation*, showing your *pro rata* share of the available credit for the taxable year. The amount of the allowable credit you may claim is reported on Form 335-S.

An individual shareholder may claim a corporate STO credit passed through from an S Corporation even if the individual is claiming the maximum amount allowed under the two individual private school tuition credits (Arizona Forms 323 and 348.) The corporate STO credit passed through from the

S Corporation is a different credit that is not subject to the limitations under the two individual private school tuition credits.

NOTE: Individual Shareholders of an S Corporation with a Fiscal Year-End - If you file your tax return on a calendar year basis, but the corporation files a return for a fiscal year, claim the credit on your tax return for the year in which the corporation's fiscal year ends. For example, if the corporation's tax year ends in February 2022, claim the credit on your 2022 tax return.

Co-owners of the S Corporation may each claim the *pro rata* share of the credit allowed based on the taxpayers ownership interest. The total of the credits allowed all owners of the corporation may not exceed the amount that would have been allowed a sole owner of the business.

If the allowable tax credit exceeds the taxes otherwise due, or if there are no taxes due, you may carry the unused credit forward for a period not to exceed the next five consecutive taxable years' income tax liability.

NOTE: The maximum amount of credit established for the current taxable year does **not** include any unused valid carryover amount(s) from prior taxable years. Because this is a nonrefundable tax credit, the total amount of available credit [current year plus any valid carryover amount(s)] that a taxpayer may **use** for the taxable year cannot be greater than the tax liability shown.

You cannot claim both a tax credit and an Arizona itemized deduction for the amount of contributions made to a STO for which you are claiming a credit.

NOTE: This tax credit is not allowed if the S Corporation or a shareholder designates the contribution to the STO for the direct benefit of any dependent of a shareholder of the corporation claiming a credit under this section or if the corporation or a shareholder designates a student beneficiary as a condition of the contribution to the STO.

The tax credit is not allowed if the S Corporation or a shareholder, with the intent to benefit a shareholder's dependent, agrees with one or more other taxpayers to designate reciprocal contributions to school tuition organizations for the direct benefit of the other taxpayer's dependent.

For Arizona purposes, "dependent" has the same meaning provided in § 152 of the Internal Revenue Code. For the purpose of this credit, it does not matter if the shareholder qualifies to take the dependent deduction.

Line-by-Line Instructions

Enter your name and taxpayer identification number (TIN) as shown on Arizona Forms 140, 140NR, 140PY, or 140X. Indicate the period covered by the taxable year. Include the completed form with the income tax return.

All returns, statements, and other documents filed with the department require a TIN. The TIN for an individual is the taxpayer's Social Security Number (SSN) or an Internal

Revenue Service (IRS) individual taxpayer identification number (ITIN). Taxpayers that fail to include their identification number may be subject to a penalty.

NOTE: Complete Parts 1, 2 and 4 if you are claiming a new credit for the current tax year.

If you are **only** claiming a carryover amount available from a previous credit, complete Parts 3 and 4.

Part 1 - School Tuition Organization Information

NOTE: If you are claiming a pro rata share of credit from more than one S Corporation, check the box in Part 1. Complete and include a separate Part 1 for each S Corporation.

In the space provided, enter the S Corporation's name and employer identification number (EIN) for which you are claiming a pro rata share of credit for contributions made during the taxable year.

Lines 1 through 10

On lines 1 through 10, enter the name and credit approval number for **all** STOs the S Corporation made a contribution to for which you are claiming a pro rata share of credit for the current taxable year.

This information is shown on page 1 of the S Corporation's Arizona Form 335-S.

If you need more space to list **all** STOs for which contributions were made by the S Corporation, include a separate schedule showing the name and credit approval number for each and include with the credit form.

Line 11 - Taxpayer's Pro Rata Share of Contributions Made by the S Corporation Named in Part 1

Enter the amount from the S Corporation's Arizona Form 335-S, line 13.

Part 2 - Current Year's Credit

Line 12

Enter the amount of your pro rata share of the contributions made to the STOs listed in Part 1.

If you are claiming a pro rata share of credit from more than one S Corporation, add all amounts on line 11 from each separate Part 1, and enter the total.

Part 3 - Available Credit Carryover

Lines 13 through 18

Complete Part 3, lines 13 through 18 to figure your available credit carryover from taxable years 2016 through 2020 if you claimed this credit and the credit was more than your tax.

- In column (b) enter the credit originally computed for that taxable year listed in column (a).
- In column (c) enter the amount of the credit from that taxable year which you have already used.
- Subtract the amount in column (c) from column (b) and enter the difference in column (d).
- Add lines 13 through 17, column (d).

Enter the total on line 18, column (d).

Part 4 - Total Available Credit

Line 19 -

Enter the amount from Part 2, line 12.

Individuals that did not make the Small Business Income election: Also enter this amount on Form 301, Part 1, line 15, column (a).

Individuals that made the Small Business Income election: Also enter this amount on Form 301-SBI, Part 1, line 11, column (a).

Line 20 -

Enter the amount from Part 3, line 18, column (d).

Individuals that did not make the Small Business Income election: Also enter this amount on Form 301, Part 1, line 15, column (b).

Individuals that made the Small Business Income election: Also enter this amount on Form 301-SBI, Part 1, line 11, column (b).

Line 21 - Total Available Credit

Add line 19 and line 20. Enter the total.

Individuals that did not make the Small Business Income election: Also enter this amount on Form 301, Part 1, line 15, column (c).

Individuals that made the Small Business Income election: Also enter this amount on Form 301-SBI, Part 1, line 11, column (c).

Include with your return.For the calendar year 2021 or fiscal year beginning MM,DD,2021 and ending MM,DD,YYYY.

Your Name as shown on Form 140, 140NR, 140PY, 140X, 140-SBI, 140NR-SBI, 140PY-SBI or 140X-SBI

Your Social Security Number

Spouse's Name as shown on Form 140, 140NR, 140PY, 140X, 140-SBI, 140NR-SBI, 140PY-SBI or 140X-SBI (if a joint return)

Spouse's Social Security Number

Part 1 School Tuition Organization Information

- ☐ Check if you are claiming a pro rata share of credit from more than one S corporation. Complete and include a separate Part 1 for each additional S corporation.

I am claiming a credit for my pro rata share of contributions made by the S corporation named below to the following school tuition organizations:

S corporation name: _____ EIN: _____

If you need more space to list all school tuition organizations for which contributions were made by the S corporations identified above, complete an additional schedule and include it with the credit form.

	(a) School Tuition Organization Name	(b) Credit Approval Number
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11	Amount of individual shareholder's pro rata share of qualified contributions made to school tuition organizations from the S corporation listed above.....	11

00

Continued on page 2 →

Your Name (as shown on page 1)	Your Social Security Number
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Part 2 Current Year's Credit

12 Current year's credit: Enter the amount from Part 1, line 11. If you are claiming a current year's credit from more than one S corporation, include the amount(s) on line 11 from each additional Part 1 schedule and enter the total..... **12** 00

Part 3 Available Credit Carryover

	(a) Taxable Year from which you are carrying the credit	(b) Original Credit Amount	(c) Amount Previously Used	(d) Available Carryover: Subtract column (c) from column (b).
13	2016	00	00	00
14	2017	00	00	00
15	2018	00	00	00
16	2019	00	00	00
17	2020	00	00	00
18	Total Available Carryover: Add lines 13 through 17, column (d).....			00

Part 4 Total Available Credit

<p>19 Current year's credit: Enter the amount from Part 2, line 12.</p> <ul style="list-style-type: none"> • If you <i>did not make the Small Business Income election</i>: Enter this amount on <i>Arizona Form 301, Part 1, line 15, column (a)</i>. • If you <i>made the Small Business Income election</i>: Enter this amount on <i>Arizona Form 301-SBI, Part 1, line 11, column (a)</i>..... 	19	00
<p>20 Available credit carryover: Enter the amount from Part 3, line 18, column (d).</p> <ul style="list-style-type: none"> • If you <i>did not make the Small Business Income election</i>: Enter this amount on <i>Arizona Form 301, Part 1, line 15, column (b)</i>. • If you <i>made the Small Business Income election</i>: Enter this amount on <i>Arizona Form 301-SBI, Part 1, line 11, column (b)</i>..... 	20	00
<p>21 Total Available Credit: Add lines 19 and 20. Enter the total.</p> <ul style="list-style-type: none"> • If you <i>did not make the Small Business Income election</i>: Enter this amount on <i>Arizona Form 301, Part 1, line 15, column (c)</i>. • If you <i>made the Small Business Income election</i>: Enter this amount on <i>Arizona Form 301-SBI, Part 1, line 11, column (c)</i>..... 	21	00

For the calendar year 2021 or fiscal year beginning MM/DD/2021 and ending MM/DD/YYYY.

S Corporation Name

Employer Identification Number

S Corporations:

- Complete Form 335-S for each individual shareholder in the S Corporation.
- Include a copy of this form with your return.
- Provide a copy of this form to each individual shareholder.
- Keep one copy for your records.

Individual Shareholders:

- Use this form to complete your Form 335-I.
- If you file your tax return on a calendar year basis but the corporation files a return for a fiscal year, claim this credit on your tax return for the year in which the corporation's fiscal year ends. For example, if the corporation's tax year ends in February 2022, claim this credit on your 2022 tax return.

Individual Shareholder's Name	Social Security Number	Ownership Percentage %
-------------------------------	------------------------	---------------------------

	(a) School Tuition Organization Name	(b) Credit Approval Number
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

11	Total contributions to school tuition organizations from Form 335, Part 1, line 13	11		00
12	Individual shareholder's ownership percentage.....	12		%
13	Individual shareholder's portion of the credit: Multiply line 11 by line 12. Enter the result here and on Form 335-I, Part 1, line 11. This is the amount of credit available to the individual shareholder	13		00

NOTE: If you claim the credit and itemize deductions on federal Schedule A, add back the lesser of the amount on line 13 or the amount that was deducted on Arizona Schedule A. See instructions for more details.

APPROVAL

Corporate Income Tax Credit or Insurance Premium Tax Credit

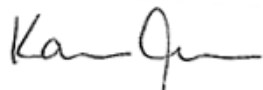
- ☐ This approval is for the corporate income or insurance premium tax credit for donations to school tuition organization (A.R.S. § 43-1183 or A.R.S. § 20-224.06).
- ☒ This approval is for the corporate income or insurance premium tax credit for disabled / displaced students (A.R.S. § 43-1184 or A.R.S. § 20-224.07).

Credit Approval Number: F23DD-		
School Tuition Organization Name: Arizona Private Education Scholarship Fund, Inc.		
Donating Corporation: ABC Fake LLC		
Approved Amount of Donation*: \$ 11,000	<input type="checkbox"/> Identified as corporation paying insurance premium tax (see note below)	<input checked="" type="checkbox"/> Identified as S corporation donating pursuant to A.R.S. § 43-1089.04 (see note below)
Date of Notification: 8/11/2022		
20-Day Period for Transfer of Money From Corporation to School Tuition Organization Ends: 8/31/2022		

The School Tuition Organization shall notify the Arizona Department of Revenue no later than 8/31/2022 as to whether or not the above-named corporation made the donation to the school tuition organization (pursuant to A.R.S. § 43-1183, § 43-1184, § 20-224.06 and § 20-224.07). The School Tuition Organization shall send notification by email to DOROERA@azdor.gov and include the credit approval number, the donation amount and donation date.

***NOTE:** An insurer is only able to claim the credit against premium tax liability when the insurer files its annual tax report. Arizona law does not allow an insurer to reduce installment payments that an insurer is required to make in advance of its annual tax filing.

S corporations must have made approved aggregate contributions to School Tuition Organizations of at least \$5,000 within their taxable year in order to pass the low-income and/or disabled/displaced credits through to their individual shareholders.



Karen Jacobs, Senior Economist
Office of Economic Research and Analysis
Arizona Department of Revenue
PO Box 29099
Phoenix, AZ 85038

2021 Credit for Corporate Contributions to School Tuition Organizations for Displaced Students or Students with Disabilities

**Arizona Form
341**

For information or help, call one of the numbers listed:

Phoenix (602) 255-3381
From area codes 520 and 928, toll-free (800) 352-4090

Tax forms, instructions, and other tax information

If you need tax forms, instructions, and other tax information, go to the department's website at www.azdor.gov.

Income Tax Procedures and Rulings

These instructions may refer to the department's income tax procedures and rulings for more information. To view or print these, go to our website and select *Reports & Legal Research* from the main menu, then click on *Legal Research* and select a Document Type and a Category from the drop down menus.

Publications

To view or print the department's publications, go to our website, select *Reports & Legal Research* from the main menu, and click on *Publications* in the left hand column.

General Information

This credit provides a nonrefundable corporate income tax credit for contributions made to a school tuition organization (STO) authorized to receive corporation donations that provides scholarships or grants to displaced students or students with disabilities. This credit must be pre-approved by the Arizona Department of Revenue. The STO must be certified pursuant to Chapter 15 of Title 43 at the time of donation.

Contributions designated for the direct benefit of a specific student will not qualify for the credit.

This credit is in lieu of any deduction taken under Internal Revenue Code § 170 for state tax purposes.

A taxpayer cannot claim this credit and the credit claimed on Form 335 for the same contribution.

The tax credit is equal to the amount the department has pre-approved. Once pre-approved, the taxpayer has 20 days in which to make the contribution to the STO.

The tax credit is available only to corporate taxpayers, corporate partners, exempt organizations subject to corporate income tax on unrelated business taxable income (UBTI), or S Corporation individual shareholders.

- A partnership may pass this credit through only to its corporate partners, each of which may claim a *pro rata* share of the credit based on their ownership interest.
- An exempt organization may utilize this credit only if it results from activities that generate UBTI.
- An S Corporation may claim this credit against income Arizona is taxing at the corporate level, or it may make an irrevocable election to pass this credit through to its individual shareholders.
 - To pass this credit through to its individual shareholders, the S Corporation must make minimum contributions of \$5,000 to School Tuition Organizations or to School Tuition Organizations for Displaced Students or Students With Disabilities in a taxable year.

- Each individual shareholder may claim only a *pro rata* share of the credit based on the individual's ownership interest in the S Corporation.

Any *pro rata* shares that would be distributed to non-eligible partners (individual partners in a partnership), or estates or trusts (shareholders in an S Corporation) is lost.

The total of the credits allowed to all owners may not exceed the amount that would have been allowed to a sole owner of the business.

If the allowable tax credit exceeds the taxes otherwise due, or if there are no taxes due, the amount of the credit not used to offset taxes may be carried forward for not more than five consecutive taxable years as a credit against subsequent years' income tax liability.

Claiming the Credit

This credit must be pre-approved by the Arizona Department of Revenue before it can be claimed. The process for obtaining pre-approval for the credit is available on our website: www.azdor.gov. Click on "Tax Credits", then click on "Corporate Tuition Tax Credits."

Before claiming the credit, obtain a copy of the STO's pre-approved application. Include a copy of the pre-approved application with Form 341. Failure to do so could result in a disallowance of this credit.

The department will preapprove the credits on a first-come, first-served basis. The pre-approval process works as follows:

- Before making the contribution, the taxpayer notifies the STO of the intended amount.
- The STO requests pre-approval from the Arizona Department of Revenue.
- The Arizona Department of Revenue preapproves or denies the request within twenty days after it has received the request, and notifies the STO.
- If the request is pre-approved, the STO notifies the taxpayer immediately.
- The taxpayer must make the contribution within twenty days of receiving notice from the STO.

QUALIFIED SCHOOL TUITION ORGANIZATION REQUIREMENTS

The school tuition organization receiving contributions under this program must be certified pursuant to Chapter 15 of Title 43 at the time of donation

A listing of certified School Tuition Organizations is available at www.azdor.gov. Click on "Tax Credits", then click on "Corporate Tuition Tax Credits", and then click on "School Tuition Organizations Certified to Receive Corporate Donations."

Completing the Form

Complete the name and employer identification number (EIN) section at the top of the form. Indicate the period covered by the taxable year. Include the completed form with the tax return.

NOTE: If the entity passing this credit through has a different tax year-end than the taxpayer, the taxpayer may only claim this credit on its tax return for that year. For example, if the entity passing this credit through has a tax year end of February 2021, claim this credit on the taxpayer's 2021 return.

All returns, statements, and other documents filed with the department require a taxpayer identification number (TIN). The TIN for a corporation, an exempt organization with UBTI, an S Corporation, or a partnership is the taxpayer's EIN. Taxpayers that fail to include their TIN may be subject to a penalty.

NOTE – To claim this credit:

- **Individual taxpayers that did not make the Small Business Income election**, complete Form 341-I and Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture. Include both completed forms with your tax return.
- **Individual taxpayers that made the Small Business Income election**, complete Form 341-I-SBI and Arizona Form 301-SBI, Nonrefundable Individual Tax Credits and Recapture for Form 140-SBI, 140PY-SBI, 140NR-SBI, or 140X-SBI. Include both completed forms with your tax return.
- **C Corporations, S Corporations claiming this credit at the corporate level, and exempt organizations with UBTI**, complete this credit form and Arizona Form 300, Nonrefundable Corporate Tax Credits and Recapture. Include both completed forms with your tax return.
- **S Corporations electing to pass this credit through to its shareholders**, complete this credit form. Also complete Form 341-S for each individual shareholder of the S Corporation. Provide each individual shareholder a copy of his or her completed Form 341-S. Include Form 341 and one copy of each completed Form 341-S with your tax return.
- **Partnerships**, complete this credit form. Also, complete Form 341-P for each corporate partner of the partnership. Provide each corporate partner a copy of its completed Form 341-P. Include Form 341 and one copy of each completed Form 341-P with your tax return.

Part 1 – Current Taxable Year's Credit Calculation

Lines 1 through 10

- List each STO's name and address in column (a).
- List the credit approval number(s) in column (b).
- List the approved contribution amount in column (c).

Line 11

Add the amounts in column (c) on lines 1 through 10 and enter that amount on line 11.

If contributions are made to more than ten organizations, complete and include additional schedules.

Line 12

Corporate partners (only), enter the amount from Form 341-P, line 13. If none, enter "0".

Line 13

Add the amounts entered on lines 11 and 12. Enter the total.

Part 2 – Available Credit Carryover

Use Part 2 to calculate the taxpayer's total available credit carryover from prior taxable years.

S Corporations, if this credit was claimed at the corporate level in a prior taxable year and there is a carryover amount available, complete Part 2.

Lines 14 through 18

- In column (a), enter the taxable year(s) from which the taxpayer is carrying over the credit
- In column (b), enter the credit originally computed for the taxable year listed in column (a)
- In column (c), enter the amount of the credit from the taxable year which was already used
- In column (d), subtract the amount in column (c) from column (b), enter the difference

Line 19

Add the amounts entered on lines 14 through 18. Enter the total in column(d).

Part 3 – Total Available Credit

Use Part 3 to calculate the taxpayer's total available credit for this tax year.

Line 20

- Partnerships passing through this credit to corporate partners, enter "0".
- Qualified S Corporations electing to pass this credit through to individual shareholders, enter "0". To determine if the S Corporation qualifies to pass this credit through to its individual shareholders, complete Part 4. If the S Corporation's total contributions to STOs from Form 335 and/or Form 341 exceed \$5,000, the S Corporation qualifies, and may elect, to pass this credit through to its individual shareholders.
- All other corporate entities, (C Corporations, exempt organizations subject to corporate income tax on UBTI, or **S Corporations claiming this credit at the corporate level**), enter the amount from line 13.
- Also, enter this amount on Form 300, Line 12, column (a).

Line 21

Enter the amount on line 19, column (d). If the amount is zero, enter "0". Also, enter this amount on Form 300, line 12, column (b).

Line 22

Add lines 20 and 21. Enter the total. This is the taxpayer's total credit for this tax year. Also, enter this amount on Form 300, line 12, column (c).

Partnerships: skip Part 4 and proceed to the instructions for completing Form 341-P on page 4.

S Corporations making the election to pass through this credit, proceed to Part 4.

Part 4 – S Corporation Credit Election

An S Corporation may elect to pass this credit through to its individual shareholders.

NOTE: *Trusts and estates which are shareholders of S Corporations, are not eligible to claim this credit. However, as S Corporation ownership share that is owned by a grantor trust that is disregarded for federal income tax purposes is treated as owned by the grantor. If the grantor is an individual, he or she may claim his or her share of the credit.*

To pass this credit through to its individual shareholders, the S Corporation must have made an aggregate contribution of \$5,000 or more on Forms 335 and 341 during the tax year.

Line 23

Enter the total contributions from line 11.

Line 24

Enter the total contributions from Form 335, line 11.

Line 25

Add lines 23 and 24. Enter the total.

Line 26

Is the amount on line 25 greater than, or equal to, \$5,000? If yes, check the "Yes" box and continue to line 27. If no, STOP, the S Corporation cannot pass this credit to its individual shareholders.

Line 27

If the S Corporation wishes to make an irrevocable election to pass this credit through to its individual shareholders, enter the ending date for this tax year, check the box indicating the S Corporation is passing this credit through to its individual shareholders, and have this form signed by an officer of the S Corporation who is also a signatory to Arizona Form 120S.

Proceed to the instructions on page 4 to complete Form 341-S.

Form 341-P, Distribution to Corporate Partners of a Partnership

Enter the name of the partnership and EIN at the top of Form 341-P. Enter the corporate partner's name, EIN, and ownership percentage on the next line. (Each corporate partner is entitled to a *pro rata* share of the credit, based on its ownership percentage.)

Complete Form 341-P for *each* corporate partner of the partnership.

Lines 1 through 10

- Enter the names of the STO(s) in column (a).
- Enter the Credit Approval Number(s) received in column (b).

If contributions are made to more than ten organizations, complete and include additional schedules.

Line 11

Enter the amount of the total current year's contributions from Form 341, Part 1, line 13.

Line 12

Enter the corporate partner's ownership percentage of the S Corporation.

Line 13

Multiply line 11 by line 12. Enter the result. This is the corporate partner's portion of this credit.

The partnership must furnish each corporate partner with its completed copy of Form 341-P, including additional schedules as needed.

The corporate partner will enter the amount on Form 341-P, line 13 on its own Form 341, line 12.

Form 341-S, Distribution to Individual Shareholders of an S Corporation

Enter the S Corporation name and TIN at the top of Form 341-S. Enter the individual shareholder's name, Social Security Number, and ownership percentage on the next line. (Each individual shareholder of the S Corporation is entitled to a *pro rata* share of the credit based on his/her ownership percentage.)

Complete Form 341-S for *each* shareholder except for trust or estate shareholders. However, an S Corporation ownership share that is owned by a grantor trust that is disregarded for federal income tax purposes is treated as owned by the grantor. If the grantor is an individual, he or she may claim his or her share of the credit.

Lines 1 through 10

- Enter the names of the STO(s) in column (a).
- Enter the Credit Approval Number(s) received in column (b).

If contributions are made to more than ten organizations, complete and include additional schedules.

Line 11

Enter the amount of the total current year's contributions from Form 341, Part 1, line 13.

Line 12

Enter the shareholder's ownership percentage of the S Corporation.

Line 13

Multiply line 11 by line 12. Enter the result. This is the individual shareholder's portion of this credit.

The S Corporation must furnish each shareholder with their copy of Form 341-S, including additional schedules as needed.

The individual shareholder will use this form to complete Form 341-I.

Credit for Corporate Contributions to School Tuition Organizations for Displaced Students or Students with Disabilities

2021*Include with your return.*For the calendar year 2021 or fiscal year beginning MM/DD/2021 and ending MM/DD/YYYY.

Name as shown on Form 99T, 120, 120A, 120S, 120X or 165

Employer Identification Number

Part 1 Current Taxable Year's Credit Calculation

	(a) School Tuition Organization Name and Address	(b) Credit Approval Number	(c) Contribution Amount
1			00
2			00
3			00
4			00
5			00
6			00
7			00
8			00
9			00
10			00
11	Current year's contributions: Add lines 1 through 10 and any amounts on additional schedules. Enter the total	11	00
12	Flow-through from a partnership from Form 341-P, line 13.....	12	00
13	Total Current Year's Contributions: Add lines 11 and 12. Enter the total	13	00

Name (as shown on page 1)	EIN
---------------------------	-----

Part 2 Available Credit Carryover

	(a) Taxable Year	(b) Original Credit Amount	(c) Amount Previously Used	(d) Available Carryover: Subtract column (c) from column (b).
14		00	00	00
15		00	00	00
16		00	00	00
17		00	00	00
18		00	00	00
19	Total Available Carryover: Add lines 14 through 18 in column (d). Enter the total.....			00

Part 3 Total Available Credit

C Corporations, S Corporations claiming the credit at the corporate level, and exempt organizations with UBTI:

20 Total current year's contributions:

- Partnerships passing through this credit: Enter "0".
- Qualified S Corporations electing to pass through this credit: Enter "0". (Complete Part 4 to determine if qualified.)
- All others: Enter the amount from line 13.
- Also enter this amount *on Form 300, Part 1, line 12, column (a)*.....

21 Available credit carryover from Part 2, line 19, column (d).

- Also enter this amount *on Form 300, Part 1, line 12, column (b)*.....

22 **Total available credit:** Add lines 20 and 21. Enter the total.

- Also enter this amount *on Form 300, Part 1, line 12, column (c)*.....

		00
20		00
21		00
22		00

NOTE: Partnerships proceed to the instruction box at the bottom of this page. S Corporations, continue to Part 4.

Part 4 S Corporation Credit Election

S Corporations may elect to pass this credit through to its shareholders if its combined contributions to School Tuition Organizations and School Tuition Organizations for Displaced Students or Students With Disabilities, Forms 335 and 341, are greater than, or equal to, \$5,000.00.

23 Total contributions from line 11	23	00		
24 Total contributions from Form 335, line 11.....	24	00		
25 Total contributions: Add lines 23 and 24. Enter the total.....	25			00

- 26** Is line 25 greater than or equal to \$5,000.00?..... Yes ☐ No ☐
- If "Yes", you qualify and may elect to pass this credit through to the individual shareholders of the S Corporation.
To do this, complete the authorization below.
- If "No", STOP, the S Corporation cannot pass this credit through to its individual shareholders.

27 The S Corporation has made an irrevocable election for the taxable year ending MMDDYYYY to:
(check only one box):

- 27a** ☐ Pass the credit as shown on line 13, for the taxable year indicated above, through to its individual shareholders.
OR
- 27b** ☐ Claim this credit as shown on line 13, for the taxable year indicated above, at the corporate level.

Signature Title Date

S Corporations making the election to pass on this credit to its shareholders, proceed to the instructions below.

INSTRUCTIONS:

- Partnerships passing this credit through to its corporate partners, complete Form 341-P for each corporate partner, and include a copy of this form with your return. Provide a copy of Form 341-P to each corporate partner.
- S Corporations passing this credit through to its individual shareholders, complete Form 341-S for each shareholder, and include a copy of this form with your return. Provide a copy of Form 341-S to each shareholder.

2021 Credit for Business Contributions by an S Corporation to School Tuition Organizations for Displaced Students or Students with Disabilities - Individual

Arizona Form 341-I

For information or help, call one of the numbers listed:

Phoenix (602) 255-3381
From area codes 520 and 928, toll-free (800) 352-4090

Tax forms, instructions, and other tax information

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Income Tax Procedures and Rulings

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To view or print the department's publications, go to our website select *Reports, Statistics and Legal Research* from the main menu then click on *Publications* in the left hand column.

General Instructions

NOTE:

- **Individual taxpayers that did not make the Small Business Income election**, complete this credit form and Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture. Include both completed forms with your Individual Income Tax Return, (Form 140, 140PY, 140NR or 140X).
- **Individual taxpayers that made the Small Business Income election**, complete this credit form and Arizona Form 301-SBI, Nonrefundable Individual Tax Credits and Recapture for Form 140-SBI, 140PY-SBI, 140NR-SBI and 140X-SBI. Include both completed forms with your SBI Tax Return (Form 140-SBI, 140PY-SBI, 140NR-SBI or 140X-SBI).

Arizona law allows an individual shareholder to claim a nonrefundable tax credit for the *pro rata* share of contributions made by an S Corporation to a school tuition organization (STO).

The S Corporation must make an irrevocable election on Arizona Form 341, *Credit for Contributions to School Tuition Organization for Displaced Students or Students with Disabilities*, to pass-through the credit to its individual shareholder(s). The S Corporation making the election should give you Arizona Form 341-S, *Credit for Corporate Contributions to School Tuition Organizations for Displaced Students or Students with Disabilities - Distribution to Shareholders of an S Corporation*, showing your *pro rata* share of the available credit for the taxable year. The amount of the allowable credit you may claim is reported on Form 341-S.

An individual shareholder may claim a corporate STO credit passed through from an S Corporation even if the individual is claiming the maximum amount allowed under the two individual private school tuition credits (Arizona Forms 323 and 348).

The corporate STO credit passed through from the S Corporation is a different credit that is not subject to the limitations under the two individual private school tuition credits.

Individual Shareholders of an S Corporation with a Fiscal Year-End - If you file your tax return on a calendar year basis, but the corporation files a return for a fiscal year, claim the credit on your tax return for the year in which the corporation's fiscal year ends. For example, if the corporation's tax year ends in February 2022, claim the credit on your 2022 tax return.

Co-owners of the S Corporation may each claim the *pro rata* share of the credit allowed based on the taxpayers ownership interest. The total of the credits allowed all owners of the corporation may not exceed the amount that would have been allowed a sole owner of the business.

If the allowable tax credit exceeds the taxes otherwise due, or if there are no taxes due, you may carry the unused credit forward for a period not to exceed the next five consecutive taxable years' income tax liability.

NOTE: The maximum amount of credit established for the current taxable year does **not** include any unused valid carryover amount(s) from prior taxable years. Because this is a nonrefundable tax credit, the total amount of available credit [current year plus any valid carryover amount(s)] that a taxpayer may **use** for the taxable year cannot be greater than the tax liability shown.

You cannot claim both a tax credit and an Arizona itemized deduction for the amount of contributions made to a STO for which you are claiming a credit.

NOTE: This tax credit is not allowed if the S Corporation or a shareholder designates the contribution to the STO for the direct benefit of any dependent of a shareholder of the corporation claiming a credit under this section or if the corporation or a shareholder designates a student beneficiary as a condition of the contribution to the STO.

The tax credit is not allowed if the S Corporation or a shareholder, with the intent to benefit a shareholder's dependent, agrees with one or more other taxpayers to designate reciprocal contributions to school tuition organizations for the direct benefit of the other taxpayer's dependent.

For Arizona purposes, "dependent" has the same meaning provided in section § 152 of the Internal Revenue Code. For the purpose of this credit, it does not matter if the shareholder qualifies to take the dependent deduction.

Line-by-Line Instructions

Enter your name and taxpayer identification number (TIN) as shown on Arizona Forms 140, 140NR, 140PY, or 140X. Indicate the period covered by the taxable year. Include the completed form with the income tax return.

All returns, statements, and other documents filed with the department require a TIN. The TIN for an individual is the taxpayer's Social Security Number (SSN) or for a business, the employer identification number (EIN). Taxpayers that fail to include their identification number may be subject to a penalty.

NOTE: Complete Parts 1, 2 and 4 if you are claiming a new credit for the current tax year.

If you are **only** claiming a carryover amount from a previous credit, complete Parts 3 and 4.

Part 1 - School Tuition Organization Information

NOTE: If you are claiming a pro rata credit from more than one S Corporation, check the box in Part 1. Complete and include a separate Part 1 for each S Corporation.

In the space provided, enter the S Corporation's name and EIN for which you are claiming a *pro rata* share of credit for contributions made during the taxable year.

Lines 1 through 10

On lines 1 through 10, enter the name and credit approval number for **all** STOs the S Corporation made a contribution to for which you are claiming a *pro rata* share of credit for the current taxable year.

This information is shown on page 1 of the S Corporation's Arizona Form 341-S.

If you need additional space to list **all** STOs for which contributions were made by a specific S Corporation, include a separate schedule showing the names and credit approval number for each and include with the form.

Line 11 - Taxpayer's Pro Rata Share of Contributions Made by the S Corporation named in Part 1

Enter the amount from the S Corporation's Arizona Form 341-S, line 13.

Part 2 - Current Year's Credit

Line 12

Enter the amount of your *pro rata* share of the contributions made to the STOs listed in Part 1.

If you are claiming a *pro rata* share of credit from more than one S Corporation, add all amounts on line 11 from each separate Part 1, and enter the total.

Part 3 - Available Credit Carryover

Lines 13 through 18

Complete Part 3, lines 13 through 18 to figure your available credit carryover from taxable years 2016 through 2020 if you claimed this credit and the credit was more than your tax.

- In column (b) enter the credit originally computed for that taxable year listed in column (a).
- In column (c) enter the amount of the credit from that taxable year which you have already used.
- Subtract the amount in column (c) from column (b) and enter the difference in column (d).
- Add lines 13 through 17, column (d).

Enter the total on line 18, column (d).

Part 4 - Total Available Credit

Line 19

Enter the amount from Part 2, line 12.

Individuals that did not make the Small Business Income election: Also enter this amount on Form 301, Part 1, line 19, column (a).

Individuals that made the Small Business Income election: Also enter this amount on Form 301-SBI, Part 1, line 14, column (a).

Line 20

Enter the amount from Part 3, line 18, column (d).

Individuals that did not make the Small Business Income election: Also enter this amount on Form 301, Part 1, line 19, column (b).

Individuals that made the Small Business Income election: Also enter this amount on Form 301-SBI, Part 1, line 14, column (b).

Line 21 - Total Available Credit

Add line 19 and line 20. Enter the total.

Individuals that did not make the Small Business Income election: Also enter this amount on Form 301, Part 1, line 19, column (c).

Individuals that made the Small Business Income election: Also enter this amount on Form 301-SBI, Part 1, line 14, column (c).

Credit for Business Contributions by an S Corporation to School Tuition Organizations for Displaced Students or Students with Disabilities - Individual

2021**Include with your return.**For the calendar year 2021 or fiscal year beginning MM,DD,2021 and ending MM,DD,YYYY.

Your Name as shown on Form 140, 140PY, 140NR, 140X, 140-SBI, 140NR-SBI, 140PY-SBI or 140X-SBI

Your Social Security Number

Spouse's Name as shown on Form 140, 140PY, 140NR, 140X, 140-SBI, 140NR-SBI, 140PY-SBI or 140X-SBI (if a joint return)

Spouse's Social Security Number

Part 1 School Tuition Organization Information

- ☐ Check if you are claiming a pro rata credit from more than one S corporation. Complete and include a separate Part 1 for each additional S corporation.

I am claiming a credit for my pro rata share of contributions made by the S corporation named below to the following school tuition organizations:

S corporation name: _____ EIN: _____

If you need more space to list all school tuition organizations for which contributions were made by the S corporation identified above, complete an additional schedule and include it with the credit form.

	(a) School Tuition Organization Name	(b) Credit Approval Number
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11	Amount of individual shareholder's pro rata share of qualified contributions made to school tuition organizations from the S corporation listed above	11 00

Continued on page 2 →

Your Name (as shown on page 1)	Your Social Security Number
--------------------------------	-----------------------------

Part 2 Current Year's Credit

12 Current year's credit: Enter the amount from Part 1, line 11. If you are claiming a current year's credit from more than one S corporation, include the amount(s) on line 11 from each additional Part 1 schedule and enter the total..... **12** 00

Part 3 Available Credit Carryover

	(a) Taxable Year from which you are carrying the credit	(b) Original Credit Amount	(c) Amount Previously Used	(d) Available Carryover: Subtract column (c) from column (b).
13	2016	00	00	00
14	2017	00	00	00
15	2018	00	00	00
16	2019	00	00	00
17	2020	00	00	00
18	Total Available Carryover: Add lines 13 through 17, column (d).....			18 00

Part 4 Total Available Credit

<p>19 Current year's credit: Enter the amount from Part 2, line 12.</p> <ul style="list-style-type: none"> • If you <i>did not make the Small Business Income election</i>: Enter this amount on <i>Arizona Form 301, Part 1, line 19, column (a)</i>. • If you <i>made the Small Business Income election</i>: Enter this amount on <i>Arizona Form 301-SBI, Part 1, line 14, column (a)</i>..... 	19	00
<p>20 Available Carryover: Enter the amount Part 3, line 18.</p> <ul style="list-style-type: none"> • If you <i>did not make the Small Business Income election</i>: Enter this amount on <i>Arizona Form 301, Part 1, line 19, column (b)</i>. • If you <i>made the Small Business Income election</i>: Enter this amount on <i>Arizona Form 301-SBI, Part 1, line 14, column (b)</i>..... 	20	00
<p>21 Total Available Credit: Add lines 19 and 20.</p> <ul style="list-style-type: none"> • If you <i>did not make the Small Business Income election</i>: Enter this amount on <i>Arizona Form 301, Part 1, line 19, column (c)</i>. • If you <i>made the Small Business Income election</i>: Enter this amount on <i>Arizona Form 301-SBI, Part 1, line 14, column (c)</i>..... 	21	00

For the calendar year 2021 or fiscal year beginning MM/DD/2021 and ending MM/DD/YYYY.

S Corporation Name	Employer Identification Number
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S Corporations:

- Complete Form 341-S for each individual shareholder in the S Corporation.
- Include a copy of this form with your return.
- Provide a copy of this form to each individual shareholder.
- Keep one copy for your records.

Individual Shareholders:

- Use this form to complete your Form 341-I.
- If you file your tax return on a calendar year basis but the corporation files a return for a fiscal year, claim this credit on your tax return for the year in which the corporation's fiscal year ends. For example, if the corporation's tax year ends in February 2021, claim this credit on your 2021 tax return.

Individual Shareholder's Name	Social Security Number	Ownership Percentage
		%

	(a) School Tuition Organization Name	(b) Credit Approval Number
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

11	Total contributions to school tuition organizations from Form 341, Part 1, line 13	11		00
12	Individual shareholder's ownership percentage	12		%
13	Individual shareholder's portion of credit: Multiply line 11 by line 12. Enter the result here and on Form 341-I, Part 1, line 11. This is the amount of credit available to the individual shareholder	13		00

NOTE: If you claim the credit and itemize deductions on federal Schedule A, add back the lesser of the amount on line 13 or the amount that was deducted on Arizona Schedule A. See instructions for more details.