

# 2017



## Arizona Form 140PY

### Part-Year Resident Personal Income Tax

#### This Booklet Contains:

- Form 140PY –  
Part-Year Resident  
Personal Income Tax Return
- Schedule A(PY) –  
Itemized Deductions
- Form 204 –  
Extension Request

#### Who must use

#### **Arizona Form 140PY?**

File a Form 140PY if you were  
an Arizona resident  
for less than 12 months  
during 2017.

## Where's my Refund?

Check your refund status at  
[www.AZTaxes.gov](http://www.AZTaxes.gov)

## View your 1099-G online at [AZTaxes.gov](http://AZTaxes.gov)

1099-Gs will no longer be mailed; print a copy of your 1099-G online at [AZTaxes.gov](http://AZTaxes.gov)

Before using paper,  
consider



### FILE ONLINE!

**Fast:** Faster processing of your refund and money in your account sooner.

**Accurate:** Fewer errors than paper forms. Online programs make it easy to ensure you don't miss anything important.

**Affordable:** If you qualify, it's free.

**Paperless:** Help the environment by reducing the paper usage.



### Pay your taxes by credit card!

American Express ♦ Visa ♦ Discover Card ♦ MasterCard

#### CAUTION

The federal adjusted gross income that you use on your Arizona return may not be the same as the federal adjusted gross income from your federal tax return. Also, the federal Schedule A deductions used on the Arizona return may be different from the federal Schedule A deductions taken on your federal return.

Each year the Arizona State Legislature considers if they will adopt changes made

to the federal tax law during the prior year. These forms assume the Legislature will adopt all federal law changes made after January 1, 2017. If you use the amounts from your 2017 federal tax return to complete your Arizona return and the Legislature does not adopt the 2017 federal changes, you may have to amend your return at a later date for any difference between Arizona and federal law. For more details, visit [www.azdor.gov](http://www.azdor.gov) and click on the link for 2017 conformity.

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# Notice

As a rule, the starting point for your Arizona Individual income tax return is your federal adjusted gross income. To take itemized deductions, you must start with the amount shown on the federal Schedule A. This is the case for 2017, except for changes Congress made to the federal tax code during 2017 and the following apply.

1. The changes affect how you figure your federal adjusted gross income.

## **AND/OR**

2. The changes affect how you figure your itemized deductions.

When federal changes are made, Arizona legislature must adopt those changes if the Arizona starting points are to be kept the same. The legislature will address this issue when it is in session during 2018. We must publish these forms before this issue will be addressed by the legislature. When we went to print, Arizona had not yet adopted any federal tax law changes made after January 1, 2017.

**What does this mean to you? It means that if any of the federal law changes made in 2017 apply to your 2017 return, you can opt to file your 2017 return using one of the following methods.**

1. You can wait and file your 2017 return after this issue has been addressed.
  - To do this, you may need to ask for a filing extension. You must pay 90% of the tax due by the due date of the return before any extension.
2. You can file your 2017 return assuming that the federal law changes will be adopted. The 2017 tax forms make this assumption.

## **If you opt for method 2, one of the following will apply.**

- If Arizona adopts those changes, you do not have to do anything more.
  - If Arizona does not adopt all those changes, you may need to amend your 2017 Arizona return. Your amended return will have to show the difference between the Arizona law and the federal law. If this happens, we will post more details on our Conformity to IRC webpage. To view this page go to <http://www.azdor.gov> and click on Legal Research on the left side, then click on Conformity to IRC. Generally, no penalties or interest will be assessed on these amended returns, if you follow the Department's instructions and pay any tax due when you file your original 2016 return and you file and pay the required amended return by the extended due date of your 2018 return.
3. You can file your 2017 return assuming that we will not adopt the federal law changes. If you opt for this method, you will have to do the following.
    - You will have to research all of the federal changes made after January 1, 2017.
    - You will have to figure out if any of those changes apply to you.
    - You will have figure out how to make adjustments for those changes on your return.

## **If you opt for method 3, one of the following will apply.**

- If Arizona does not adopt those changes, you do not have to do anything more.
- If Arizona adopts those changes, you may need to amend your 2017 Arizona return. Your amended return will have to show the difference between what you reported and what you should have reported. If this happens, we will post more details on our Conformity to IRC webpage. To view this page go to <http://www.azdor.gov> and click on Legal Research on the left side, then click on Conformity to IRC.

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## Form 1099-G available on Department’s website

One of the most common uses of Form 1099-G is to report state income tax refunds you received last year.

You may need to report some of the information it contains on your federal tax return. Beginning January 1, 2018, the Arizona Department of Revenue will no longer mail you a Form 1099-G. To get a copy of your 1099-G for tax year 2017, go to [www.AZTaxes.gov](http://www.AZTaxes.gov).

## Due date for calendar year filers

Because April 15, 2018, falls on a Sunday and District of Columbia Emancipation Day will be observed on Monday, April 16, 2018, you have until Tuesday, April 17, 2018, to file your income tax return.

## 2017 Individual Income Tax Brackets Adjusted for Inflation

For 2017, the Arizona individual income tax brackets were adjusted for inflation.

## 2017 Arizona Personal Exemption Amounts Adjusted for Inflation

For 2017, the Arizona personal exemption amounts were adjusted for inflation.

If your filing status is:	Personal Exemption Amount is:
• Single	\$2,150
• Married filing joint a return and claiming no dependents	\$4,300
• Married filing a joint return and claiming at least one dependent excluding persons who did not qualify as a dependent on your federal return	\$6,450
• Head of household and you are not married	\$4,300
• Head of household and you are a married person who qualifies to file as head of household	\$3,225, or complete Form 202*
• Married filing a separate return with neither spouse claiming any dependents	\$2,150, or complete Form 202*
• Married filing a separate return with one spouse claiming at least one dependent excluding persons listed who did not qualify as a dependent on your federal return	\$3,225, or complete Form 202*

\*Personal Exemption Allocation Election

## 2017 Arizona Standard Deduction Amount Adjusted for Inflation

For 2017, the Arizona standard deduction amounts were adjusted for inflation.

- \$5,183 for a single taxpayer or a married taxpayer filing a separate return
- \$10,336 for a head of household or a married couple filing a joint return

## Subtraction for Arizona Bonus Depreciation

For assets placed in service in taxable years beginning from and after December 31, 2016, the allowable subtraction for Arizona’s bonus depreciation is the full amount (100%) of the amount of federal bonus depreciation pursuant to Internal Revenue Code § 168(k).

## New voluntary contribution checkoff box for spaying and neutering of animals

Beginning 2017, a taxpayer who files Form 140, 140A, 140NR, or 140PY may designate an amount as a voluntary contribution to the Spaying and Neutering of Animals Fund. Donations made will be provided to qualifying entities who will help reduce the pet overpopulation by sterilizing, at minimal or no cost, dogs and cats in this state, including those that are impounded and sterilized.

## Credit for Contributions to Private School Tuition Organizations (Arizona Form 323)

The allowable current year’s credit for contributions to private school tuition organizations was adjusted for inflation purposes. For 2017, the maximum current year’s credit is:

- \$546 for single and head of household taxpayers
- \$1,092 for married taxpayers filing a joint return

## Credit for Contributions Made to Certified School Tuition Organization (Arizona Form 348)

The allowable current year’s credit for contributions to a certified school tuition organization was adjusted for inflation purposes. For 2017, the maximum current year’s credit is:

- \$543 for single and head of household taxpayers
- \$1,085 for married taxpayers filing a joint return

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# 2017 Part-Year Resident Personal Income Tax Return

**Arizona Form  
140PY**

## 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](http://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 click on *Legal Research* then click on *Procedures* or *Rulings* and select a tax type from the drop down menu.

## Publications

To view or print the department's publications, go to our website and click on *Publications*.

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- Accurate
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No more paper, math errors, or mailing delays when you *e-file!*

Get your refund quicker with direct deposit option.

*E-file* today, pay by April 17, 2018, to avoid penalties and interest.

*E-file* through an Authorized IRS/DOR *e-file* provider or by using your personal computer and the Internet.

Visit our website at [www.azdor.gov](http://www.azdor.gov) for a listing of approved *e-file* providers and on-line filing sources.

\*\* For free *e-file* requirements, check out our website at [www.azdor.gov](http://www.azdor.gov).

## Are You Subject to Tax in Arizona?

As a part-year resident, you are subject to tax on **all** of the following:

1. Any income you earned in 2017 while an Arizona resident. This includes any interest or dividends received from sources outside Arizona.
2. Any income you earned from an Arizona source in 2017 before moving to (or after leaving) the state.

**NOTE:** If you also have Arizona source income and deductions for the portion of the year you were an Arizona nonresident, file AZ Form 140PY for the entire taxable year.

## Do You Have to File?

### Arizona Filing Requirements

These rules apply to all Arizona taxpayers

You may still need to file even if you had income taxes withheld and paid to Arizona. See table below.

You must file if you are:	and your Arizona adjusted gross income is at least:	or your gross income is at least:
• Single	\$ 5,500	\$15,000
• Married filing joint	\$11,000	\$15,000
• Married filing separate	\$ 5,500	\$15,000
• Head of household	\$ 5,500	\$15,000

If you are a part-year resident, you must report all income for the part of the year you were an Arizona resident, plus any income from Arizona sources for the part of the year you were an Arizona nonresident.

To see if you have to file, figure your gross income the same as you would figure your gross income for federal income tax purposes. Then you should exclude income Arizona law does not tax.

You can find your Arizona adjusted gross income on line 54 of Arizona Form 140PY.

If you are not required to file an Arizona income tax return, but qualify to claim the credit for Arizona's increased excise taxes, do not file this form. You may complete and file Arizona Form 140ET to claim the credit.

**NOTE:** Even if you do not have to file, you must still file a return to get a refund of any Arizona income tax withheld.

## Do You Have to File if You Are an American Indian?

You must file if you meet the Arizona filing requirements unless **all** the following apply to you:

- You are an enrolled member of an Indian tribe.
- You live on the reservation established for that tribe.
- You earned **all** of your income on that reservation.

For more information on the Arizona tax treatment of American Indians, see the department's ruling, ITR 96-4, *Income Taxation of Indians and Spouses*.

### **Do You Have to File if You Are the Spouse of an American Indian and You Are Not an Enrolled Indian?**

You must file if you meet the Arizona filing requirements. For more information on the tax treatment of spouses of American Indians, see the department's ruling, ITR 96-4, *Income Taxation of Indians and Spouses*.

### **Do You Have to File if You Are in the Military?**

You must file if you meet the Arizona filing requirements unless **all** the following apply to you:

- You are an active duty member of the United States armed forces. Your only income for the taxable year is pay received for active duty military service.
- There was no Arizona tax withheld from your active duty military pay.

If Arizona tax was withheld from your active duty military pay, you must file an Arizona income tax return to claim any refund you may be due from that withholding.

You must also file an Arizona income tax return if you have any other income besides pay received for active duty military pay.

If you were an Arizona resident when you entered the service, you remain an Arizona resident, no matter where stationed, until you establish a new domicile.

As an Arizona part-year resident, you must report all of your income for the portion of the year you were an Arizona resident, no matter where stationed. You must include your military pay, but using Form 140PY, you may subtract all pay received for active duty military service; to the extent it is included in your Arizona gross income.

If you are **not** an Arizona resident, but stationed in Arizona, the following applies to you:

- You are not subject to Arizona income tax on your military pay.
- You must report any other income you earn in Arizona. Use Form 140NR, *Nonresident Personal Income Tax Return*, to report this income.

To find out more, see our publication, Pub. 704, *Taxpayers in the Military*.

### **If You Included Your Child's Unearned Income on Your Federal Return, Does Your Child Have to File an Arizona Return?**

No. In this case, the child should not file an Arizona return. The parent must include that same income in his or her Arizona taxable income.

## **Residency Status**

If you are not sure if you are an Arizona resident for state income tax purposes, we may be able to help. For more information on determining residency status, see the department's procedure, ITP 92-1, *Procedure For Determining Residency Status*.

## **Residents**

You are a resident of Arizona if your domicile is in Arizona. Domicile is the place where you have your permanent home. It is where you intend to return if you are living or working temporarily in another state or country. If you leave Arizona for a temporary period, you are still an Arizona resident while gone.

A resident is subject to tax on all income no matter where the resident earns the income.

If you are a full year resident, you must file Arizona Form 140, 140A, or 140EZ.

### **Part-Year Residents**

If you are a part-year resident, you must file Arizona Form 140PY, *Part-Year Resident Personal Income Tax Return*.

You are a part-year resident if you did either of the following during 2017:

- You moved into Arizona with the intent of becoming a resident.
- You moved out of Arizona with the intent of giving up your Arizona residency.

### **Nonresidents**

If you are a nonresident, you must file Arizona Form 140NR, *Nonresident Personal Income Tax Return*.

## **What if a Taxpayer Died?**

If a taxpayer died before filing a return for 2017, the taxpayer's spouse or personal representative may have to file and sign a return for that taxpayer. A personal representative can be an executor, administrator, or anyone who is in charge of the deceased taxpayer's property.

If the deceased taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund. The person who files the return should use the form the taxpayer would have used. The person who files the return should print the word "deceased" after the decedent's name. Also enter the date of death after the decedent's name.

If your spouse died in 2017 and you did not remarry in 2017, or if your spouse died in 2018 before filing a return for 2017, you may file a joint return. If your spouse died in 2017, the joint return should show your spouse's 2017 income before death and your income for all of 2017. If your spouse died in 2018, before filing the 2017 return, the joint return should show all of your income and all of your spouse's income for 2017. Print "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign the return.

### **Are Any Other Returns Required?**

You may also have to file a fiduciary income tax return (Form 141AZ). For details about filing a fiduciary income tax return, call the department at (602) 255-3381.

### **Claiming a Refund for a Deceased Taxpayer**

If you are claiming a refund for a deceased taxpayer, you **must** complete Arizona Form 131, *Claim for Refund on*



*Behalf of Deceased Taxpayer.* Place this form on top of the return.

## **What Are the Filing Dates and Penalties?**

### **When Should You File?**

Your 2017 calendar year tax return is due no later than midnight, April 17, 2018. File your return as soon as you can after January 1, but no later than April 17, 2018.

**NOTE:** *Because April 15, 2018, falls on a Sunday and District of Columbia Emancipation Day will be observed on Monday, April 16, 2018, you have until Tuesday, April 17, 2018, to file your return.*

If you are a fiscal year filer, your return is due on the 15th day of the fourth month following the close of your fiscal year.

### **What if You Cannot File on Time?**

You may request an extension if you know you will not be able to file on time.

**NOTE:** *An extension does not extend the time to pay your income tax. For details, see the instructions for Arizona Form 204.*

### **To get a filing extension, you can either**

- Apply for a state extension (Arizona Form 204). To apply for a state extension, file Form 204 by April 17, 2018. See Form 204 for details. You do not have to include a copy of the extension with your return when you file, but make sure that you check box **82F** on page 1 of the return. If you must make a payment, use Arizona Form 204, or visit [www.AZTaxes.gov](http://www.AZTaxes.gov) to make an electronic payment.
- You may use your federal extension (federal Form 4868). File your Arizona return by the same due date. You do not have to include a copy of your federal extension with your return, but make sure that you check box **82F** on page 1 of the return.

### **When Should You File if You Are a Nonresident Alien?**

The due date for your Arizona return is not the same as the due date for your federal return. Your Arizona return is due by April 17, 2018, even though your federal return is due on June 15, 2018. If you want to file your Arizona return after April 17, 2018, you must ask for a filing extension. You must file this request by April 17, 2018. Arizona will allow up to a 6-month extension. This will allow you to file your return by October 15, 2018. See Arizona Form 204 for extension filing details.

If you have a federal 6-month extension, you can file your Arizona return under that extension. If you file using your federal extension, Arizona will also allow you an extra 6 months. Because we will allow only 6 months, the due date for your Arizona return is not the same as the due date for your federal return. In this case, your Arizona return will be due by October 15, 2018, even though your federal return will not be due until December 15, 2018. If you file your 2017

Arizona calendar year return after October 15, 2018, your return will be late.

If you are a fiscal year filer, your return is due on the 15th day of the fourth month following the close of your fiscal year.

### **What if You File or Pay Late?**

If you file or pay late, we will charge you interest and penalties on the amount you owe. If the U.S. Post Office postmarks your 2017 calendar year return by April 17, 2018, your return will not be late.

You may also use certain private delivery services designated by the Internal Revenue Service (IRS) to meet the “timely mailing as timely filed” rule. For more information, see “*Mailing Your Return*” at the end of these instructions.

### **Late Filing Penalty**

If you file late, we will charge you a late filing penalty. This penalty is 4½% (.045) of the tax required to be shown on the return for each month or fraction of a month the return is late. This penalty cannot exceed 25% (.25) of the tax found to be remaining due.

### **Late Payment Penalty**

If you pay your tax late, we will charge you a late payment penalty. This penalty is ½ of 1% (.005) of the amount shown as tax for each month or fraction of a month for which the failure continues. We charge this penalty from the original due date of the return until the date you pay the tax. This penalty cannot exceed a total of 10% (.10).

### **Extension Underpayment Penalty**

If you file your return under an extension, you must pay 90% of the tax shown on your return by the return's original due date. If you do not pay this amount, we will charge you a penalty. This penalty is ½ of 1% (.005) of the tax not paid for each 30-day period or fraction of a 30-day period. We charge this penalty from the original due date of the return until the date you pay the tax. This penalty cannot exceed 25% of the unpaid tax. If we charge you the extension underpayment penalty, we will not charge you the late payment penalty under Arizona Revised Statutes (A.R.S.) § 42-1125(D).

**NOTE:** *If you are subject to two or more of the above penalties, the total cannot exceed 25%.*

### **Interest**

We charge interest on any tax not paid by the due date. We will charge you interest even if you have an extension. If you have an extension, we will charge you interest from the original due date until the date you pay the tax. The Arizona interest rate is the same as the federal rate.

### **When Should You Amend a Return?**

If you need to make changes to your return after you have filed, you should file Arizona Form 140X, *Individual Amended Income Tax Return*. You should file your amended return after your original return has processed. **Do not** file a

new return for the year you are correcting. Generally, you have four years to amend a return to claim a refund.

If you amend your federal return for any year, you must also file an Arizona Form 140X for that year.

If the IRS makes a change to your federal taxable income for any year, you must report that change to Arizona. You must file Form 140X within 90 days of the final determination of the IRS. You may use one of the following two options to report this change.

**Option 1**

You may file a Form 140X for that year. If you choose this option, you must amend your Arizona return within 90 days of the final determination of the IRS. Include a complete copy of the federal notice with your Form 140X.

**Option 2**

You may file a copy of the final federal notice with the department within 90 days of the final determination of the IRS. If you choose this option, you must include a statement in which you must:

1. Request that the department recompute your tax.
2. Indicate if you agree or disagree with the federal notice.

If you do not agree with the federal notice, you must also include any documents that show why you do not agree. If you choose option 2, mail the federal notice and any other documents to:

Individual Income Audit  
 Arizona Department of Revenue  
 PO Box 29084  
 Phoenix, AZ 85038-9084

**Do You Need to Make Estimated Payments in 2018?**

You must make Arizona estimated income tax payments during 2018 if:		
Your filing status is:	<b>AND</b> Your Arizona gross income for 2017 was greater than:	<b>AND</b> Your Arizona gross income for 2018 is greater:
Married Filing Joint	\$150,000	\$150,000
Single	\$75,000	\$75,000
Head of Household	\$75,000	\$75,000
Married Filing Separate	\$75,000	\$75,000

If you met the income threshold for 2017, you must make estimated payments during 2018, unless you are sure you will not meet the threshold for 2018.

As a part-year resident, your Arizona gross income is that part of your federal adjusted gross income that you must report to Arizona. Your Arizona gross income is on line 27 of the 2017 Form 140PY.

Use the worksheet for Form 140ES to figure how much your payments should be. For more information, see the department’s publication, Pub. 012, *Arizona Individual Estimated Income Tax Payments*.

**What if You Make Your Estimated Payments Late?**

We will charge you a penalty if you fail to make any required payments. We will charge you a penalty if you make any of your required payments late. For details, see Arizona Form 221.

**Can You Make Estimated Payments Even if You Do Not Have to?**

If you do not have to make Arizona estimated income tax payments, you may still choose to make them. For details, see Arizona Form 140ES.

**Line-by-Line Instructions**

**Tips for Preparing Your Return**

- Make sure that you write your Social Security Number (SSN) on your return.
- Complete your return using black ink.
- You **must** round dollar amounts to the nearest whole dollar. If 50 cents or more, round up to the next dollar. If less than 50 cents, round down. Do not enter cents.
- When asked to provide your own schedule, include a separate sheet with your name and SSN at the top. Include your own schedules with your return. Include these schedules behind your return or behind your Schedules A, if itemizing.
- You must complete your federal return before you can start your Arizona return.
- Make sure you include your daytime telephone number.
- If filing a fiscal year return, fill in the period covered in the space provided at the top of the form.

**Entering Your Name, Address, and SSN**

**Lines 1, 2, and 3 -**

**NOTE:** *Make sure that you write your SSN on the appropriate line.*

Enter your name, address, and SSN in the space provided. If you are a nonresident of the United States or a resident alien who does not have an SSN, use the individual taxpayer identification number (ITIN) the IRS issued to you.

If you are filing a joint return, enter your SSNs in the same order as your first names. If your name appears first on the return, make sure your SSN is the first number listed. Put your last names in the same order as your first names and SSNs.

If you are married filing separately, enter your name and SSN on the first line 1. Then enter your spouse’s name and SSN on the second line 1.

**NOTE:** *Make sure your SSN is correct. If you are filing a joint return, also make sure you list your SSNs in the same order every year.*

Make sure that you enter your SSN on your return. Make sure that all SSNs are clear and correct. You may be subject to a penalty if you fail to include your SSN. It will take longer to process your return if SSNs are missing, incorrect, or unclear.

Use your current home address. The department will send your refund or correspond with you at that address.

For a deceased taxpayer, see page 2 of these instructions.

### Foreign Addresses

If you have a foreign address, enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. Do not abbreviate the country name.

### Last Name(s) Used in Last 4 Prior Years

If the last name that you or your spouse are using on this return is not the same as the last name you or your spouse used on returns filed for the last 4 years, enter any other last name(s) that you or your spouse used when filing your return during the last 4 years.

### ID Numbers for Paid Preparers

If you pay someone else to prepare your return, that person must also include an identification number where requested.

A paid preparer may use any of the following:

- his or her PTIN,
- his or her SSN, or
- the EIN for the business.

A paid preparer who fails to include the proper identification number may also be subject to a penalty.

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## Determining Your Filing Status

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The filing status that you use on your Arizona return may be different from that used on your federal return.

Use this section to determine your filing status. Check the correct box (4 through 7) on the front of Form 140PY.

If you qualify as married for federal purposes, you qualify as married for Arizona purposes and must file using the status of either married filing joint or married filing separate.

If you are single you must file as single or if qualified you may file as head of household (see the instructions for box 5)

### Box 4 - Married Filing Joint Return

If you are married and filing a joint return, check box 4.

You may file a joint return if you were married as of December 31, 2017. It does not matter whether or not you were living with your spouse. You may file a joint return, even if you and your spouse filed separate federal returns.

You may file a joint return if your spouse died during 2017 and you did not remarry in 2017. See page 2 of these instructions for details.

If you are a part-year resident married to an Arizona full year resident, you may file a joint return with your full year resident spouse. If filing a joint return with your full year resident spouse, you must use Form 140PY.

**NOTE:** For more information on filing a joint return with your full-year resident spouse, see the department's ruling, ITR 14-1, Filing a Joint Tax Return When a Resident Spouse is Married to a Part-Year Resident or Nonresident.

### Box 4a - Injured Spouse Protection of Joint Overpayment

Beginning 2017, check box 4a *only* if you and your spouse are filing a joint return and you or your spouse qualify as an injured spouse and are requesting protection from application of any joint overpayment against the other spouse's delinquencies or debts.

**NOTE:** You cannot use Form 203 to request protection from offset for past-due federal taxes. You must contact the IRS.

You **must** complete Arizona Form 203, *Request for Injured Spouse Protection from Application of Joint Overpayment Against Spouse's Delinquencies and Debts*, and include that form with your tax return, when filed. Place the completed form on top of your income tax return. For more information, see the instructions for Form 203.

### Box 5 - Head of Household

If you are filing as a head of household, check box 5. You may file as head of household on your Arizona return, only if one of the following applies:

- you qualify to file as head of household on your federal return, or
- you qualify to file as a qualifying widow or widower on your federal return.

### Box 6 - Married Filing Separate Return

If you are filing a separate return, check box 6 and enter your spouse's name and SSN on the second line 1.

If you were married as of December 31, 2017, you may choose to file a separate return. You may file a separate return, even if you and your spouse filed a joint federal return.

Arizona is a community property state. If you file a separate return, you must figure how much income to report using community property laws. If one spouse is a resident and the other spouse is not, special rules apply when filing a separate return.

For more information on how to report income in this case, see the department's ruling, ITR 93-20, *Income Reporting Requirements of Resident and Nonresident Spouses Who File Separate Arizona Individual Income Tax Returns*; and the department's publication, Pub. 200, *Income Tax Issues Affecting Married and Divorced Taxpayers*.

**NOTE:** In some cases you may treat community income as separate income. For more information on when you may treat community income as separate income, see the department's ruling, ITR 93-22, *When Community Income May Be Treated as Separate Income*.

### Box 7 - Single Return

If you are filing as single, check box 7.

Use this filing status if you were single on December 31, 2017. You are single if any of the following apply to you:

- You have never been married.
- You are legally separated under a decree of divorce or of separate maintenance.
- You were widowed before January 1, 2017, and you did not remarry in 2017, and you do not qualify to file as a qualifying widow or widower with dependent children on your federal return.

**NOTE:** *If you got divorced during the year and need help completing your return, see the department's ruling, ITR 14-2, Reporting Income, Deductions, Exemptions, and Withholding for Divorced Individuals for the Year of Divorce; and publication, Pub. 200, Income Tax Issues Affecting Married and Divorced Taxpayers.*

### Exemptions

Enter the number of exemptions you are claiming in boxes 8, 9, 10, and 11. **Do not put a check mark.** You may lose the exemption if you put a checkmark in these boxes.

You may lose the dependent exemption if you do not complete the Dependent section on page 1. You may lose the exemption for qualifying parents and grandparents if you do not complete the Dependent Section on page 1.

#### Box 8 - Age 65 or Over

**NOTE:** *If a taxpayer's 65<sup>th</sup> birthday was January 1, 2018 (born 1/1/53), that person would be considered to be age 65 at the end of 2017 for federal income tax purposes and likewise for Arizona income tax purposes.*

- If you are single or filing as head of household, enter "1" in box 8 if you were 65 or older in 2017 and not claimed as a dependent by another taxpayer.
- If you are married filing a joint return, enter "1" in box 8 if you were 65 or older and not claimed as a dependent by another taxpayer or your spouse was 65 or older in 2017 and not claimed as a dependent by another taxpayer. Enter "2" in box 8 if both you and your spouse were 65 or older in 2017 and neither of you are claimed as a dependent by another taxpayer.
- If you are married and filing a separate return, enter "1" in box 8 if you were 65 or older and not claimed by another taxpayer. You cannot take an exemption for your spouse. Your spouse, if 65 or older and not claimed by another taxpayer, may take this exemption on his/her own separate return.

#### Box 9 - Blind

If you or your spouse were partially blind as of December 31, 2017, you must get a statement certified by your eye doctor or registered optometrist that:

- You cannot see better than 20/200 in your better eye with glasses or contact lenses.
- Your field of vision is 20 degrees or less.

If your eye condition is not likely to improve beyond the conditions listed above, you can get a statement certified by your eye doctor or registered optometrist to that effect instead. You must keep the statement for your records.

- If you are single or filing as head of household, enter "1" in box 9 if you are totally or partially blind.
- If you are married filing a joint return, enter "1" in box 9 if you **or** your spouse is totally or partially blind. Enter "2" in box 9 if both you **and** your spouse are totally or partially blind.

If you are married and filing a separate return, you may take an exemption for yourself if you are totally or partially blind. You may only claim an exemption for your spouse if (1) your spouse is totally or partially blind, (2) has no Arizona adjusted gross income for calendar year, and (3) is not the dependent of another taxpayer. Enter "1" in box 9 if you are totally or partially blind **or** your spouse is totally or partially blind **and** your spouse meets the above criteria. Enter "2" in box 9 if you are totally or partially blind and your spouse is totally or partially blind **and** your spouse meets the above criteria.

#### Box 10 - Dependents

**NOTE:** *If a person who is a dependent also qualifies as your qualifying parent or grandparent, you may claim that person as a dependent or you may claim that person as a qualifying parent or grandparent. You may not claim that same person in both box 10 and box 11.*

You must complete the Dependent section on page 1 (and page 3, if more space is needed) of your return before you can total your dependent exemptions. You may claim only the following as a dependent:

- A person that qualifies as your dependent on your federal return.

**NOTE:** *If you do not claim a dependent exemption for a student on your federal return in order to allow the student to claim a federal education credit on the student's federal return, you may still claim the exemption on your Arizona return.*

For more information, see the department's ruling, ITR 05-2, *Will Arizona Allow a Dependent Exemption When a Taxpayer Does Not Claim Federal Exemption in Order to Claim the Education Credit?*

- A person who is age 65 or over (related to you or not) that does not qualify as your dependent on your federal return, but one of the following applies:
  1. In 2017, you paid more than one-fourth of the cost of keeping this person in an Arizona nursing care institution, an Arizona residential care institution, or, an Arizona assisted living facility. Your cost must be more than \$800.
  2. In 2017, you paid more than \$800 for either Arizona home health care or other medical costs for the person.
- A stillborn child if the following apply:
  1. The stillbirth occurred in Arizona during 2017.

2. You received a certificate of birth resulting in stillbirth from the Arizona Department of Health Services.
3. The child would have otherwise been a member of your household.

### Box 11 - Qualifying Parents and Grandparents

**NOTE:** *If a person who is a qualifying parent or grandparent also qualifies as your dependent, you may claim that person as a dependent or you may claim that person as a qualifying parent or grandparent. You may not claim that same person in both box 10 and box 11.*

You must complete the qualifying parent and grandparent section on page 1 (and page 3 if more space is needed) of your return before you can total your exemptions for qualifying parents and grandparents. A qualifying parent or grandparent may be any one of the following:

- Your parent, grandparent, or great-grandparent, etc.
- If married filing a joint return, your spouse's parent, grandparent, or great-grandparent, etc.

You may claim this exemption if **all** of the following apply.

1. The parent, grandparent or great-grandparent was 65 years old or older during 2017.
2. The parent, grandparent or great-grandparent lived in your principal residence for the entire taxable year.

If your parent or grandparent died during the taxable year, this requirement will still be met if he or she lived with you for the entire part of the year in which he or she was alive. Temporary absences by the parent or grandparent for special circumstances, such as a hospital stay or care in a hospice facility, count as time lived in the taxpayer's principle residence.

3. You paid more than one-half of the support and maintenance costs of the parent or grandparent during the taxable year.

To help you determine if you paid more than one-half of your parent or grandparent's support during the taxable year, it is recommended that you review the department's procedure, ITP 14-1, *Procedure for Determining Support for Purposes of the Parents and Grandparents Exemption Allowed under A.R.S. § 43-1023(C)*, and complete the worksheet. Keep the worksheet for your records.

4. The parent or grandparent required assistance with activities of daily living.

The term "activities of daily living" means two or more of the listed categories. Activities of daily living include both basic activities of daily living and instrumental activities of daily living. The categories of activities of daily living are dressing, eating, ambulating, toileting, medicating and hygiene, shopping, housekeeping, managing personal finances, basic communication, food-preparation and transportation.

For more information regarding what the term "activities of daily living" means when determining an Arizona resident

taxpayer's eligibility for this exemption, see the department's ruling, ITR 14-3, *"Activities of Daily Living" for the Purpose of the Exemption Allowed Under A.R.S. § 43-1023(C)*.

To help you determine if your parent or grandparent required assistance with activities of daily living to meet this requirement, it is recommended that you review the department's procedure, ITP 14-2, *Procedure for Determining Whether a Parent or Grandparent Requires Assistance with Activities of Daily Living for Purposes of the Exemption Allowed under A.R.S. § 43-1023(C)*, and complete the checklist. Keep the checklist for your records.

### Reporting Your Residency Status

Check the appropriate box.

#### Box 12 - Part-Year Resident Other than Active Military

Check box 12 if you were an Arizona resident for part of 2017 and were not an active duty military member.

#### Box 13 - Part-Year Resident Active Military

Check box 13 if you were an active duty military member who either began or gave up Arizona residency during 2017.

### Dependents

#### Completing the Dependent Section

If you need additional lines to list all of your dependents, including qualifying parents and grandparents, complete page 3, *Dependent Information - Continuation Sheet*, and include this page with your return. Be sure to check the box indicating you are completing page 3.

Do **not** include page 3 with your return if you do not use it.

#### Dependent Information: children and other Dependents

Enter the following:

- a) The dependent's name. If you are claiming an exemption for a stillborn child and the child was not named, enter "stillborn child" in place of a name.
- b) The dependent's SSN. If you are claiming an exemption for a stillborn child enter the certificate number from the certificate of birth resulting in stillbirth.
- c) The dependent's relationship to you.
- d) The number of months the dependent lived in your home during 2017. If you are claiming an exemption for a stillborn child, enter the date of birth resulting in the stillbirth.

**Temporary absences:** Your child or dependent is considered to have lived with you during periods of time when temporarily absent due to special circumstances such as: illness; education; business; or vacation. Your child is also considered to have lived with you during any required hospital stay following birth, as long as the child would have lived with you during that time but for the hospitalization.

- e) Check the box if this person did not qualify as a dependent on your federal return.

- f) Check the box if you did not claim this person (student) as a dependent on your federal return in order to allow the student to claim a federal education credit on the student's federal return.

You may lose the exemption if you do not furnish this information.

Enter the total **number** of dependents listed in Box 10.

**Qualifying parents and grandparents**

Enter the following:

- a) The name of the qualifying parent or grandparent.
- b) The SSN of the qualifying parent or grandparent.
- c) The qualifying parent's or grandparent's relationship to you, or your spouse if filing a joint return.
- d) The number of months the dependent lived in your home during 2017.
- e) **Temporary absences:** Temporary absences by the parent or grandparent for special circumstances, such as a hospital stay or care in a hospice facility, count as time lived in the taxpayer's principal residence.
- f) Check the box if this person is age 65 or older.
- g) Check the box if this person died in 2017.

You may lose the exemption if you do not furnish this information.

Enter the total **number** of qualifying parents or grandparents listed in Box 11.

**Line 14 - Dates of Arizona Residency**

If you became an Arizona resident during 2017, enter the date that you became an Arizona resident. If you gave up your Arizona residency during 2017, do both of the following:

1. Enter the date you became an Arizona resident.
2. Enter the date you gave up your Arizona residency.

Enter the name of the other state(s) of residency in the space provided.

**Determining Arizona Income**

Use lines 15 through 27 to determine what portion of your total income is taxable by Arizona.

You must complete your federal return before completing your Arizona return. You must complete a 2017 federal return to determine your federal adjusted gross income, even if not filing a federal return.

Arizona uses federal adjusted gross income as a starting point to determine Arizona taxable income.

**NOTE:** *If you are unable to determine the proper line to use, please contact one of the numbers listed on page 1.*

**FEDERAL Column**

Enter the actual amounts shown on your 2017 federal income tax return in the FEDERAL column. Complete lines 15 through 26. Line 26 should equal the federal adjusted gross income shown on your 2017 federal Form 1040, 1040A, 1040EZ, or 1040NR.

**ARIZONA Column**

Enter that portion of your federal income received while you were an Arizona resident in the ARIZONA column. For example, if you became an Arizona resident on June 30, enter all income you received from that day to December 31, 2017.

**NOTE:** *If you also have Arizona source income for the portion of the taxable year you were an Arizona nonresident, also include that source income on the appropriate line in the ARIZONA column.*

The Tax Reform Act of 1986 limits the amount of losses that you may deduct from passive activities. A passive activity is one that involves the conduct of any trade or business in which the taxpayer does not materially participate.

As a part-year resident, your Arizona gross income may include some of these losses. For the part of the year you were an Arizona resident, you may consider any passive losses that arose while an Arizona resident. For the part of the year you were an Arizona nonresident, you may consider only those passive losses that arose from Arizona sources. Your 2017 Arizona gross income can include only losses you used on your 2017 federal return.

**The following instructions apply to the ARIZONA column.**

**Line 15 - Wages, Salaries, Tips, etc.**

Enter all amounts received while an Arizona resident. Also enter all amounts received from Arizona employment during the part of the year you were an Arizona nonresident.

For the period while a nonresident, income earned by a qualifying out-of-state employee, from performing qualified disaster recovery work during a disaster period, is exempt from Arizona income tax. Exclude this income from line 15 in the Arizona column.

For the purpose of this exemption, a qualifying out-of-state employee is an Arizona nonresident individual who is temporarily in Arizona to solely perform qualified disaster recovery work during a disaster period. For more information, see the department's publication, Pub. 720, *Disaster Recovery Tax Relief*.

**NOTE:** *Do not include active duty military pay for the part of the year you were a nonresident.*

**Line 16 - Interest**

Enter all amounts received while an Arizona resident.

You must also enter any interest income derived from Arizona sources during the part of the year you were an Arizona nonresident. Interest income from Arizona sources is interest income that has acquired an Arizona business situs.

If you received tax exempt interest from municipal bonds, include a schedule listing the payors and the amount received from each payor. You may also want to include supporting documents for amounts received from Arizona municipal bonds that are exempt from Arizona income tax. These may be items such as bank statements, brokerage statements, etc.

Be sure you add the amount you received while an Arizona resident from non-Arizona municipal bonds to your income on line 30, *Other Additions to Income*.

### Line 17 - Dividends

Enter all amounts received while an Arizona resident.

You must also enter any dividends derived from Arizona sources during the part of the year you were an Arizona nonresident. Dividend income from Arizona sources is dividend income that has acquired an Arizona business situs.

### Line 18 - Arizona Income Tax Refunds

Enter the amount of Arizona income tax refunds received in 2017 that you included in your federal adjusted gross income.

### Line 19 - Alimony Received

Enter amounts received while an Arizona resident.

### Line 20 - Business Income or (Loss)

Enter any business or farm income or (loss) incurred while you were an Arizona resident. Also enter income or (loss) derived from Arizona businesses during the part of the year you were an Arizona nonresident.

For the period while a nonresident, income earned by a nonresident who is a sole owner of a qualifying out-of-state business, from performing qualified disaster recovery work during a disaster period, is exempt from Arizona income tax. Exclude this income from line 20 in the Arizona column.

For the purpose of this exemption, a qualifying out-of-state business is a business that is temporarily in Arizona to solely perform qualified disaster recovery work during a disaster period. For more information, see the department's publication, Pub. 720, *Disaster Recovery Tax Relief*.

### Line 21 - Gains or (Losses)

Only enter those gains or (losses) used to determine the amount reported on the Capital Gain or (Loss) line on page 1 of your federal return. This amount should be reported in your federal adjusted gross income.

In the Arizona column, enter the amount of net gain or (loss) on line 21 *only* from the following:

- any gain or (loss) on property sold while an Arizona resident if you included the amount as income on your 2017 federal return.
- any gain or (loss) on sales of Arizona property during the part of the year you were an Arizona nonresident.

**NOTE:** *If you reported the maximum allowable net capital (loss) for the current taxable year on your federal return, enter the total amount of net capital loss from all property sold while a resident and net capital loss from all property sourced to Arizona during the part of the year you were an Arizona nonresident used to compute the allowable net capital loss claimed on your federal return.*

For example: A single taxpayer has a \$3,000 capital gain from property sold in State XYZ of which \$1,000 was earned while an Arizona resident and \$2,000 was earned during the period while a nonresident.

Taxpayer also had a (\$7,000) capital (loss) from Arizona property sold during the period while a resident in Arizona resulting in a (\$4,000) net federal capital loss. [\$3,000 gain – (\$7,000 loss) = (\$4,000 net loss)]

Because taxpayer is limited to claiming a loss in the amount of (\$3,000) on the federal tax return, the taxpayer must carryforward the remaining amount of the loss (\$1,000), for federal purposes. [(\$4,000 actual loss) – \$3,000 limit = (\$1,000 loss carryforward)]

- For the current tax year: the part-year resident taxpayer would enter the loss actually used (\$5,000), for Arizona purposes, on line 20 of the Arizona column. [(\$7000 loss less \$1,000 loss carryforward + \$1,000 gain earned while a resident) = \$5,000 loss)].
- Assuming taxpayer has no other gains or (losses) from non-Arizona sources, the taxpayer would enter the remaining Arizona sourced capital loss (\$1,000) on line 20, of the Arizona column in the year the carryforward amount is used for federal purposes

### Line 22 - Rents, etc.

Enter income received from rents, royalties, partnerships, estates, trusts, small business corporations, etc., while an Arizona resident.

Also enter rents or royalties earned on Arizona properties during the part of the year you were an Arizona nonresident. Enter any income or (loss) derived from Arizona sources from partnerships, small business corporations, etc., during the part of the year you were an Arizona nonresident.

### Line 23 - Other Income Reported on Your Federal Return

Enter other income shown on your federal return that you received while an Arizona resident. Other income may include pensions, social security, unemployment, and lottery winnings. Include a schedule listing these other items. Also enter any other income derived from Arizona sources during the part of the year you were an Arizona nonresident.

### Net Operating Losses

Arizona does not have specific provisions for calculating the net operating loss of an individual. Generally, the amount of net operating loss deduction included in your federal adjusted gross income is the amount allowable for Arizona purposes. However, there are instances when the amount allowable for Arizona purposes may be different.

As a part-year resident, Arizona recognizes that portion of the federal net operating loss which is attributable to income taxed by Arizona as the Arizona net operating loss.

As a part-year resident, include in Arizona gross income the amount of federal net operating loss carry forward or carryback attributable to Arizona unless any of the following apply:

- The net operating loss attributable to Arizona included in your federal adjusted gross income has already been deducted for Arizona purposes.

- The net operating loss included in your federal adjusted gross income was incurred from non-Arizona sources while a nonresident.

Enter the amount of net operating loss deduction included in your federal adjusted gross income that was attributable to income taxed by Arizona. Do not include any amount of the loss that has already been deducted for Arizona purposes.

For information on deducting a net operating loss carryback in cases where you did not make an election under Internal Revenue Code (IRC) § 172(b)(1)(H), see the department’s procedure, ITP 13-1, *Procedure for Individuals Deducting a Net Operating Loss Carryback*. If you made an election under IRC § 172(b)(1)(H), see the instructions for line 46, “Other Subtractions From Income.”

**Line 24 - Total Income**

Add lines 15 through 23 and enter the total.

**Line 25 - Other Federal Adjustments**

If any of the following are included in adjustments shown on your federal return, make an entry on this line as explained:

- IRA: Enter the amount actually paid while an Arizona resident for your IRA and/or your spouse’s IRA.
- Student loan interest: Enter the amount you paid while an Arizona resident.
- Self-employed SEP, SIMPLE and qualified plans: Enter the amount actually paid while an Arizona resident.
- Self-employment tax: Enter that portion of the self-employment tax that relates to self-employment income reportable to Arizona.
- Self-employed health insurance: Enter that amount of self-employed health insurance that was actually paid while an Arizona resident.
- Penalty on early withdrawal of savings: Multiply the federal deduction by the ratio of your Arizona interest to your federal interest.
- Alimony: Enter the amount actually paid while an Arizona resident.
- Moving expenses: Enter the amount of moving expenses included in your federal adjusted gross income that you accrued and paid during the part of the year you were an Arizona resident.

**NOTE:** Do not enter any amounts for items 1 through 8 above unless you deducted these items in computing your federal adjusted gross income.

If your federal return shows other adjustments to income, include your own schedule to show your calculation.

**Line 26 - Federal Adjusted Gross Income**

Subtract line 25 from line 24 in the FEDERAL column.

**Line 27 - Arizona Gross Income**

Subtract line 25 from line 24 in the ARIZONA column.

**NOTE:** Arizona gross income is made up of the portion of the federal adjusted gross income earned by the taxpayer during the period of residency (regardless of source as long as taxable by Arizona) plus the Arizona source income earned

during the portion of the year that the taxpayer was a non-resident.

**Line 28 - Arizona Income Ratio**

Divide line 27 by line 26, and enter the result on line 28. You must round your answer to **three** decimal places. This is your Arizona income ratio of your total income. **Do not enter more than 1.000.** Do not include the percent sign (%) with the amount entered on line 28.

Examples							
Arizona Gross Income from line 27	Federal Adjusted Gross Income from line 26	Arizona income ratio					
\$ 17,516	\$ 32,000	$17,516/32,000 = .547375$ enter on line 28: <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px;"> </td> <td style="width: 20px;">.</td> <td style="width: 20px;">5</td> <td style="width: 20px;">4</td> <td style="width: 20px;">7</td> </tr> </table>		.	5	4	7
	.	5	4	7			
\$ 25,650	\$ 92,100	$25,650/92,100 = .278501$ enter on line 28: <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px;"> </td> <td style="width: 20px;">.</td> <td style="width: 20px;">2</td> <td style="width: 20px;">7</td> <td style="width: 20px;">9</td> </tr> </table>		.	2	7	9
	.	2	7	9			
\$ 10,000	\$ 9,000	$10,000/9,000 = 1.11111$ enter on line 28: <table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px;">1</td> <td style="width: 20px;">.</td> <td style="width: 20px;">0</td> <td style="width: 20px;">0</td> <td style="width: 20px;">0</td> </tr> </table>	1	.	0	0	0
1	.	0	0	0			

- If Arizona gross income and federal adjusted gross income are both positive and Arizona’s gross income is greater than the federal adjusted gross income, enter 1.000 on line 28.
- If Arizona gross income is positive (greater than zero), and federal adjusted gross income is equal to or less than zero (negative), enter 1.000 on line 28.
- If Arizona gross income is equal to or less than zero (negative), and federal adjusted gross income is positive, enter 0.000 on line 28.
- If Arizona gross income and federal adjusted gross income are both zero, enter 1.000 on line 28.
- If Arizona gross income is zero, and federal adjusted gross income is negative, enter 0.000 on line 28.
- If Arizona gross income and federal adjusted gross income are both negative, divide the Arizona amount by the federal amount and enter the result on line 28. The percentage cannot be more than 1.000.

**Additions to Income**

**Line 29 - Total Depreciation Included in Arizona Gross Income**

Enter the amount of depreciation deducted on the federal return that is included in Arizona gross income. If you make an entry here, you should also take a subtraction on line 40,



for the amount that is attributable to income taxable by Arizona. See the instructions for line 40.

### Line 30 - Other Additions to Income

Use line 30 if any of the special circumstances below apply. Include your own schedule explaining any amounts entered on line 30.

#### A. Non-Arizona Municipal Interest

Enter interest income earned from non-Arizona municipal bonds while an Arizona resident.

**NOTE:** *You must reduce this addition by any interest or other related expenses incurred to purchase or carry the obligation. As a part-year resident, you must reduce the addition by the amount of those expenses attributable to income subject to Arizona tax. You may reduce the addition by those expenses that you could not deduct on your federal return.*

#### B. Ordinary Income Portion of Lump Sum Distribution Excluded on Your Federal Return

Arizona law does not provide for averaging. Enter the amount of the distributions received while an Arizona resident and treated as ordinary income on your federal return. If you chose to treat the capital gain portion of the distributions as ordinary income, you must also include that amount on line 30. For more information, see the department's ruling, ITR 93-5, *Arizona's Income Tax Treatment of the Capital Gain Portion of a Lump Sum Distribution from a Qualified Retirement Plan*.

#### C. Fiduciary Adjustment

A fiduciary uses Arizona Form 141AZ Schedule K-1, to report to you your share of the fiduciary adjustment from the trust or estate. Line 3 of Form 141AZ Schedule K-1, shows your share of the fiduciary adjustment from the estate or trust. Depending on your situation, you may either add (line 30) or subtract (line 46) this amount.

If the amount reported on line 3 of your Form 141AZ Schedule K-1, is a positive number, enter that portion of line 3 that is allocable to estate or trust income taxable by Arizona as an addition on line 30.

**NOTE:** *If the amount on line 3 of your Form 141AZ Schedule K-1, is a negative number, enter that portion of line 3 that is allocable to estate or trust income taxable by Arizona as a subtraction on line 46.*

#### D. Partnership Income Adjustment (Positive)

Depending on your situation, you may either add (line 30) or subtract (line 46) this amount.

Use this adjustment if line 3, of your Arizona Form 165 Schedule K-1, shows a difference between federal and state distributable income.

If the difference reported on line 3, of your Arizona Form 165 Schedule K-1, is a positive number, include that portion of the difference that is allocable to partnership income taxable by Arizona as an addition on line 30.

**NOTE:** *If the difference reported on line 3, of your Arizona Form 165 Schedule K-1, is a negative number, include that portion of the difference that is allocable to partnership income taxable by Arizona as a subtraction on line 46.*

#### E. Items Previously Deducted for Arizona Purposes

Arizona statutes prohibit a taxpayer from deducting items more than once. If your Arizona taxable income includes items previously deducted for Arizona purposes, you must add such amounts to your Arizona gross income.

#### F. Claim of Right Adjustment for Amounts Repaid in 2017

You must make an entry here if **all** of the following apply:

1. During 2017, you were required to repay amounts held under a claim of right.
2. The amount required to be repaid was subject to Arizona income tax in the year included in income.
3. The amount required to be repaid during 2017 was more than \$3,000.
4. You took a deduction for the amount repaid on your 2017 federal income tax return.
5. The deduction taken on your federal income tax return is reflected in your Arizona taxable income.

If the above apply, include the amount deducted on your federal income tax return which is reflected in your Arizona taxable income.

For more information, see the department's procedure, ITP 16-1, *Procedure for Individuals Who Restore Substantial Amounts Held Under a Claim of Right*.

#### G. Claim of Right Adjustment for Amounts Repaid in Prior Taxable Years

You must make an entry here if **all** of the following apply:

- During a year prior to 2017 you were required to repay income held under a claim of right.
- You computed your tax for that prior year under Arizona's claim of right provisions.
- A net operating loss or capital loss was established due to the repayment made in the prior year.
- You are entitled to take that net operating loss or capital loss carryover into account when computing your 2017 Arizona taxable income.
- The amount of the loss carryover included in your Arizona gross income is more than the amount allowed to be taken into account for Arizona purposes.

Include the amount by which the loss carryover included in your Arizona gross income is more than the amount allowed for the taxable year under Arizona law.

#### H. Addition to S Corporation Income Due to Credits Claimed

Shareholders of an S corporation who claim a credit passed through from an S corporation must make an addition to income for the amount of expenses disallowed by reason of claiming the credit.

An S corporation that passes the following credits through to its shareholders must notify each shareholder of his or her pro rata share of the adjustment. You must include an amount on this line when claiming any of the following credits.

- Environmental Technology Facility Credit (Form 305)
- Agricultural Water Conservation System Credit (Form 312)
- Pollution Control Credit (Form 315)
- Credit for Solar Hot Water Heater Plumbing Stub Outs and Electric Vehicle Recharge Outlets (Form 319)
- Credit for Employment of TANF Recipients (Form 320)
- Agricultural Pollution Control Equipment Credit (Form 325)

#### **I. Solar Hot Water Heater Plumbing Stub Out and Electric Vehicle Recharge Outlet Expenses**

If you claim a credit on Form 319, for installing solar hot water heater plumbing stub outs or electric vehicle recharge outlets in a dwelling you constructed, you cannot deduct any expenses for which you claim the credit. If you take this credit, include the amount of such expenses that you deducted on your federal return.

#### **J. Wage Expense for Employers of TANF Recipients**

If you claim a credit on Form 320, for employing TANF recipients, you cannot deduct any wage expense for which you claim the credit. If you take this credit, include the amount of such expenses that you deducted on your federal return.

#### **K. Adjusted Basis in Property for Which You Have Claimed a Credit for Investment in Qualified Small Businesses**

If you claim a credit for an investment in a qualified small business on Form 338, you must adjust your basis in the investment by the amount of the credit claimed. You must report this difference in basis on the Arizona return that you file for the taxable year in which you sell or otherwise dispose of the investment. If you sold or otherwise disposed of the investment during the 2017 taxable year, include the amount by which the adjusted basis computed under the IRC with respect to that property exceeds the adjusted basis of the property computed under A.R.S. § 43-1074.02.

#### **L. Nonqualified Withdrawals From 529 College Savings Plans**

You must make an addition to income if both of the following apply to you:

- You received a nonqualified withdrawal from a 529 college savings plan.
- You did not include the amount of the withdrawal in your federal adjusted gross income.

The amount that you must add is the amount withdrawn, but no more than the difference between the amount of contributions subtracted in prior years and the amount added in any prior years. A nonqualified withdrawal is a withdrawal other than any of the following:

- A qualified withdrawal. A qualified withdrawal is a withdrawal from an account to pay the qualified higher

education expenses of the designated beneficiary of the account.

- A withdrawal made as the result of the death or disability of the designated beneficiary of an account.
- A withdrawal that is made on the account of a scholarship, or the allowance or payment described in IRC § 135(d)(1)(B) or (C) and that is received by the designated beneficiary, but only to the extent of the amount of this scholarship, allowance or payment.
- A rollover or change of designated beneficiary.

#### **M. Original Issue Discount (OID) on Reacquisition of Debt Instrument**

For federal purposes, when a taxpayer made the special election to defer discharge of indebtedness (DOI) income under IRC § 108(i) (for 2009 or 2010), the taxpayer was not allowed to take a deduction with respect to the portion of any OID that accrued with respect to that DOI income, during the income deferral period. In this case, the taxpayer had to deduct the aggregate amount of the OID deductions disallowed ratably over a 5 year period, beginning with the period in which the income was includible in federal adjusted gross income.

Arizona did not adopt the federal provisions requiring a taxpayer to defer the OID deduction in cases where the taxpayer federally deferred the DOI income. For Arizona purposes you were required to add the amount of deferred DOI income to Arizona gross income on the return filed for the year in which you reacquired the debt instrument if the debt reacquisition occurred while you were an Arizona resident, or if the DOI income was from an Arizona source. In this case, you were allowed to subtract any OID related to that DOI income in the year the OID accrued. (See the instructions for line 46, “*Other Subtractions From Income.*”)

If your Arizona gross income includes a deduction for any accrued OID that you have already subtracted for Arizona purposes, you must make an addition to Arizona income for the amount of deferred OID deducted on your federal return that you included in your Arizona gross income. Generally, this addition will apply to taxable years 2014 through 2018. On line 30, include the amount of any previously deferred OID that you deducted in computing your 2017 Arizona gross income, to the extent that the amount was previously subtracted from Arizona gross income.

#### **N. Sole Proprietorship Loss of an Arizona Nonprofit Medical Marijuana Dispensary Included in Federal Adjusted Gross Income**

If you are registered as an Arizona sole proprietorship with the Arizona Department of Health Services to operate in this state as a nonprofit medical marijuana dispensary, you are required to add the amount of the loss from the dispensary that is included in the computation of your federal adjusted gross income. Include the amount of the loss on line 30.

**NOTE:** *If the Arizona nonprofit medical marijuana dispensary is registered with the Arizona Department of Health Services as anything other than a sole proprietorship, this addition does not apply.*

**O. Arizona Long-Term Health Care Savings Account (AZLTHSA) Withdrawals**

You must add amounts withdrawn from your AZLTHSA if you used the money for purposes other than paying qualified long-term health care expenses. For more information, see A.R.S. § 43-1032.

**P. Other Adjustments**

Other special adjustments may be necessary. You may need to make an addition for depreciation or amortization. You may also need to make an addition if you claimed certain tax credits. Call one of the numbers listed on page 1, if any of the following apply:

- You claimed the Environmental Technology Facility Credit. (305)
- You claimed the Pollution Control Credit. (Form 315)
- You claimed the Recycling Equipment Credit. (307)
- You claimed the Agricultural Pollution Control Equipment Credit. (Form 325)
- You elected to amortize the cost of a child care facility under Arizona law in effect before 1990. You are still deducting amortization or depreciation for that facility on your federal income tax return.

**Line 31 - Subtotal**

Add lines 27, 29, and 30. Enter the total on line 31.

**Subtractions From Income**

You may only subtract those items for which statutory authority exists. Without such authority, you cannot take a subtraction. If you have any questions concerning subtractions from income, call one of the numbers listed on page 1.

**NOTE:** *You may not subtract any amount which is allocable to income excluded from your Arizona taxable income.*

**Lines 32 through 37 - Net Capital Gain or (loss)**

**NOTE:** *If you reported a net capital gain or (loss) on your federal tax return, you must enter the amount of qualified Arizona net gain or (loss), on line 32. See the instructions for line 32.*

*If you enter an amount on line 32, you must complete lines 33 and 34. If you do not complete lines 34 and 35, you cannot take the subtraction.*

You may subtract a percentage of any Arizona net long-term capital gain included in your federal adjusted gross income that is derived from an investment in an asset acquired after December 31, 2011. For 2017, the percentage is 25% (.25).

You **must** complete the worksheet on page 31 of these instructions, Worksheet for Net Long-Term Capital Gain Subtraction for Assets Acquired after December 31, 2011, to take the allowable subtraction.

**Line 32 - Total Arizona Net Capital Gain or (Loss)**

As a part-year resident, you may take the allowable subtraction for only those qualified net long-term capital gains that are from the following:

1. A qualified net long-term capital gain sourced to Arizona during the period that you were an Arizona nonresident.
2. All qualified net long-term capital gains during the period that you were an Arizona resident.

Enter the amount shown on line 21, of the Arizona column.

**Line 33 - Total Arizona Net Short-Term Capital Gain or (Loss)**

Enter the total Arizona net short-term capital gain reported on the *Capital Gain or (Loss)* line on page 1 of your federal return. This amount should be included in your federal adjusted gross income.

**NOTE:** *If you are not required to report dividend distributions and/or short-term capital gains from mutual funds on federal Form Schedule D, do not include the short-term capital gain distributed by the mutual fund on line 33.*

**Line 34 - Total Net Long-Term Capital Gain or (Loss)**

If you did not complete the worksheet on page 31, subtract line 33 from line 32 and enter the difference.

If you completed the worksheet on page 31, enter the amount from the worksheet, line 14, column (b).

**Line 35 - Net Long-Term Capital Gain From Assets Acquired After December 31, 2011**

If you did not complete the worksheet on line 31 and you do not have any net long-term capital gains from assets acquired after December 31, 2011, enter zero, "0."

If you completed the worksheet on page 31, enter the amount from the worksheet, line 14, column (d).

Only include net long-term capital gains on this line if it can be verified that the asset was acquired after December 31, 2011. For purposes of this line, an asset acquired by gift or inheritance is considered acquired on the date it was acquired by the gift-giver or the deceased individual.

**Line 36 - Net Long-Term Capital Gain Subtraction From Income**

Multiply the amount on line 35 by 25% (.25) and enter the result.

**Line 37 - Net Capital Gain from Investment in a Qualified Small Business**

You may subtract the amount of any net capital gain included in federal adjusted gross income for the taxable year derived from investment in a qualified small business as determined by the Arizona Commerce Authority (ACA) pursuant to A.R.S. § 41-1518.

To qualify for this subtraction, your investment in the qualified small business must have been made after the ACA certified the company as a qualified small business and before the company's certification expiration date. An investment made prior to certification or after the expiration of

certification does not qualify for this subtraction. See the ACA's website, *Small Business Incentives: Angel Investment*, for a list of certified businesses and their certification dates.

On line 37, enter the amount of the allowable subtraction.

**CAUTION:** *If the amount entered on line 37 includes any long-term capital gain from an investment made after December 31, 2011, you cannot include that portion of the net capital gain in your computation of the allowable subtraction for any net long-term capital gain from assets acquired after December 31, 2011 and included in federal adjusted gross income. See the instructions on page 33 for the amount to enter on line 13, column (d) of the net long-term capital gain worksheet.*

#### Line 38 -

Subtract lines 36 and 37 from line 31. Enter the difference.

#### Line 39 -

Enter the amount from line 38.

#### Line 40 - Recalculated Arizona depreciation

As a part-year resident, you may take the allowable subtraction that is from the following:

- depreciation related **only** to income sourced to Arizona during the period that you were an Arizona nonresident; and
- depreciation related to all income during the period that you were an Arizona resident.

**For assets placed in service during taxable years beginning before December 31, 2012**, enter the total amount of depreciation allowable pursuant to IRC § 167(a) for the taxable year calculated as if you had elected not to claim bonus depreciation for eligible properties for federal purposes. Enter the amount that is attributable to income taxable by Arizona.

**For assets placed in service during taxable year beginning from and after December 31, 2012 through December 31, 2013**, the amount of the subtraction depends on the method you used to compute the depreciation for these assets. Enter the amount that is attributable to income taxable by Arizona.

**NOTE:** *For more information, see the department's individual income tax procedure, ITP 16-2, Procedure for Individuals who Claim Federal and/or Arizona Bonus Depreciation.*

**For assets placed in service during the taxable years beginning from and after December 31, 2013 through December 31, 2015**, enter the total amount of depreciation allowable pursuant to IRC § 167(a) for the taxable year calculated as if the bonus depreciation is 10% of the amount of federal depreciation pursuant to IRC § 168(k). Enter the amount that is attributable to income taxable by Arizona.

**For assets placed in service in taxable years beginning from and after December 31, 2015 through December 31, 2016**, enter the total amount of depreciation allowable pursuant to IRC § 167(a) for the taxable year calculated as if the bonus

depreciation is 55% of the amount of federal bonus depreciation pursuant to IRC § 168(k).

**For assets placed in service in taxable years beginning from and after December 31, 2016**, enter the total amount of depreciation allowable pursuant to IRC § 167(a) for the taxable year calculated as if the bonus depreciation is the full amount of the federal bonus depreciation pursuant to IRC § 168(k).

Add all amounts together and enter the total on line 40.

**NOTE:** *For more information and examples of how to calculate Arizona bonus depreciation, see the department's procedure, ITP 16-2, Procedure for Individuals who Claim Federal and/or Arizona Bonus Depreciation.*

#### Line 41 - Contributions to 529 College Savings Plans

You may subtract amounts you contribute to 529 college savings plans during the taxable year. You may subtract the amount you contributed during the year, while an Arizona resident, up to a total of \$2,000 (\$4,000 for a married couple filing a joint return). If you are married filing separate returns, either you or your spouse may take the subtraction, or you may divide it between you, but the total taken by both of you cannot be more than \$4,000.

If you contribute more than \$2,000 (\$4,000 if married) during the year, your total subtraction is still limited to \$2,000 (\$4,000 if married).

**For example:** Jorge and Kate are married and have two children. During 2017, Jorge and Kate contributed \$2,500 to a 529 plan for Child 1 and \$2,500 to a 529 plan for Child 2. Even though Jorge and Kate contributed a total of \$5,000 during 2017, they may subtract only \$4,000 on their 2017 return.

You may take a subtraction for a contribution that you made during 2017, to a plan that existed before 2017. You may take a subtraction for a contribution that you made during 2017, to a plan established in another state. You may take a subtraction for a contribution that you made in 2017, to any 529 college savings plan. This could be a plan established for a child, grandchild, niece, nephew, or any other person for whom a plan has been established.

You cannot take a subtraction for an amount transferred from one college savings plan to a different college savings plan (a rollover).

#### Line 42 – Reserved

Do not enter an amount on line 42.

#### Line 43 - Interest on U.S. Obligations

Enter the amount of interest income from U.S. Government obligations included on line 16 in the ARIZONA column.

U.S. Government obligations include obligations such as U.S. savings bonds and treasury bills.

You cannot deduct any interest or other related expenses incurred to purchase or carry the obligations. If such expenses

are included in your Arizona gross income, you must reduce the subtraction by such expenses.

If you are itemizing deductions on your Arizona return, you must exclude such expenses from the amount deducted.

**NOTE:** Do not subtract interest earned on Fannie Mae (FNMA) or Ginnie Mae (GNMA) bonds since this interest is taxable by Arizona. For details, see the department's ruling, ITR 06-1, Obligations of the United States Government, Federal Agencies, and United States Territories.

Do not subtract any amount received from a qualified pension plan that invests in U.S. Government obligations. Do not subtract any amount received from an IRA that invests in U.S. Government obligations. These amounts are not interest income.

For more information, see the department's rulings, ITR 96-2, Pension Plan Distributions Derived from Investment in U.S. Government Obligation; and ITR 96-3, Distributions Comprised of Income Earned by the IRA.

#### Line 44 - Arizona Lottery Winnings

You may subtract up to \$5,000 of winnings received in 2017 for Arizona lottery prizes. Only subtract those Arizona lottery winnings that you included on line 23 in the ARIZONA column and reported on your federal income tax return.

If you subtract Arizona lottery winnings here, you may have to adjust the amount of gambling losses claimed as an itemized deduction.

#### Line 45 - U.S. Social Security Benefits or Railroad Retirement Benefits

Arizona does not tax social security benefits received under Title II of the Social Security Act. Arizona does not tax railroad retirement benefits received from the Railroad Retirement Board under the Railroad Retirement Act. If you included such social security or railroad retirement benefits on your federal return as income and also included this amount in the ARIZONA column on line 23, subtract this income on line 45.

Subtract only the amount you reported as income on your federal return and included on line 23 in the ARIZONA column.

For more information about railroad retirement benefits, see the department's ruling, ITR 16-1, Railroad Retirement Benefits, Railroad Disability Benefits, Railroad Unemployment Benefits and Railroad Sickness Payments.

#### Line 46 - Other Subtractions From Income

Use line 46 if any of the following special circumstances apply. Include your own schedule, explaining any amounts entered here.

##### A. Exclusion for U.S. Government, Arizona State, or Local Government Pensions

If you receive pension income from any of the sources listed below, subtract the amount you received or \$2,500, whichever is less. Include only the amount you reported as income on your federal return and included on line 23 in the ARIZONA

column. If both you and your spouse receive such pension income, each spouse may subtract the amount received or \$2,500, whichever is less.

##### Public pensions from the following sources qualify for this subtraction:

- the United States Government Service Retirement and Disability Fund
- the United States Foreign Service Retirement and Disability System
- retired or retainer pay of the uniformed services of the United States
- any other retirement system or plan established by federal law

**NOTE:** This applies only to those retirement plans authorized and enacted into the U.S. Code. This does not apply to a retirement plan that is only regulated by federal law (i.e., plans which must meet certain federal criteria to be qualified plans).

- the Arizona State Retirement System
- the Arizona State Retirement Plan
- the Corrections Officer Retirement Plan
- the Public Safety Personnel Retirement System
- the Elected Officials' Retirement Plan
- a retirement plan established for employees of a county, city, or town in Arizona
- an optional retirement program established by the Arizona Board of Regents under Arizona Revised Statutes
- an optional retirement plan established by an Arizona community college district

**NOTE:** Public retirement pensions from states other than Arizona do not qualify for this subtraction.

##### B. Agricultural Crops Given to Arizona Charitable Organizations

Arizona law allows a subtraction for qualified crop gifts made during 2017 to one or more charitable organizations. To take this subtraction, **all** of the following must apply:

- You must be engaged in the business of farming or processing agricultural crops.
- The crop must be grown in Arizona.
- You made your gift to a charitable organization located in Arizona that is exempt from Arizona income tax.

The subtraction is the greater of the wholesale market price or the most recent sale price for the given crop. The amount of the subtraction cannot include any amount deducted pursuant to IRC § 170 with respect to the crop contribution that exceeds the cost of producing the contributed crop.

To determine if your crop contribution qualifies for this subtraction, see the department's procedure, ITP 12-1, *Establishing an Income Tax Subtraction for Agricultural Crops Contributed to Charitable Organizations*.

**C. Certain Wages of American Indians**

Enrolled members of American Indian tribes may subtract wages earned while living and working on their tribe's reservation. You can subtract only those amounts that you included on line 15, ARIZONA column. The federal government must recognize these tribes. For more information, see the department's ruling, ITR 96-4, *Income Taxation of Indians and Spouses*.

**D. Pay Received for Active Service as a Member of the Reserves, National Guard, or the U.S. Armed Forces**

If you are a member of the reserves or the National Guard, you may subtract pay received for active service as a reservist or as a National Guard member, including pay received for weekend or two-week training periods. You may subtract the amount of pay received for active service as a reservist or as a National Guard member that you had to include in your Arizona gross income. Include only that amount of pay reported on your 2017 federal return that you also included on line 15 in the ARIZONA column.

Members of the U.S. armed forces may subtract pay received for active duty military service, including pay for serving in a combat zone or an area given the treatment of a combat zone. If you are a member of the U.S. armed forces, you may subtract the amount of pay received for active duty military service that you had to include in your Arizona gross income. Enter only that amount of pay reported on your 2017 federal return that you also included on line 15 in the ARIZONA column.

**Military Technician (dual status)**

You may not subtract any income you received for full-time civil service employment as a "military technician (dual status)." Compensation received by a "military technician (dual status)" for federal civil service employment for the National Guard or for the United States Reserves, is not income received for active service as a National Guard member for a Reserve member even though the employee may be required to wear a military uniform while at work.

For more information, see the department's ruling, ITR 12-2, *Compensation Received by a National Guard member or a member of the United States Reserves*.

**NOTE:** You may not subtract pay received for active duty service as a member of the U.S. Public Health Service or NOAA. For more information, see the department's ruling, ITR 10-1, Does the subtraction, for armed forces personnel, under A.R.S. § 43-1022 apply to Arizona residents who are active duty service members of the commissioned corps of the United States Public Health Service or the National Oceanic and Atmospheric Administration?

**E. Federally Taxable Arizona Municipal Interest as Evidenced by Bonds**

Include the amount of any interest income received on obligations of the State of Arizona, or any political subdivisions of Arizona, as evidenced by bonds and is

included in your Arizona gross income. Include only that amount of Arizona municipal interest income that you included on line 16 in the ARIZONA column. Do not include any Arizona municipal interest that is exempt from federal taxation and not included in your federal adjusted gross income. For more information, see the department's ruling, ITR 15-1, *Arizona Municipal Interest that is Included in Federal Adjusted Gross Income*.

**F. Adoption Expenses**

You may take this subtraction only in the year the final adoption order is granted.

Include the lesser of the total of the following adoption expenses or \$3,000.

When figuring your subtraction, you may include expenses incurred in prior years.

The following expenses are qualified adoption expenses:

- nonreimbursed medical and hospital costs,
- adoption counseling,
- legal and agency fees, and
- other nonrecurring costs of adoption.

If filing separately, you may take the entire subtraction, or you may divide the subtraction with your spouse. However, the total subtraction taken by both you and your spouse cannot exceed \$3,000.

**G. Qualified Wood Stove, Wood Fireplace, or Gas Fired Fireplace**

Arizona law provides a subtraction for converting an existing fireplace to one of the following:

- a qualified wood stove,
- a qualified wood fireplace, or
- a gas fired fireplace and non-optional equipment directly related to its operation.

You may subtract up to \$500 of the costs incurred for converting an existing fireplace on your property located in Arizona. When you figure your subtraction, do not include taxes, interest, or other finance charges.

A qualified wood stove or a qualified wood fireplace is a residential wood heater that was manufactured on or after July 1, 1990, or sold at retail on or after July 1, 1992. The residential wood heater must also meet the U.S. Environmental Protection Agency's July 1990 particulate emissions standards.

A qualified gas fired fireplace is any device that burns natural or liquefied petroleum gas as its fuel through a burner system that is permanently installed in the fireplace. The conversion of an existing wood burning fireplace to noncombustible gas logs that are permanently installed in the fireplace also qualifies as a gas fired fireplace.

**H. Claim of Right Adjustment for Amounts Repaid in Prior Taxable Years**

You must make an entry here if **all** of the following apply:

1. During a year prior to 2017 you were required to repay income held under a claim of right.

DO NOT STAPLE ANY ITEMS TO THE RETURN.

Arizona Form 140PY

Part-Year Resident Personal Income Tax Return

FOR CALENDAR YEAR

2017

82F Check box 82F if filing under extension OR FISCAL YEAR BEGINNING [M,M,D,D] 2,0,1,7 AND ENDING [M,M,D,D] 2,0,Y,Y. 66F

1 Your First Name and Middle Initial Last Name Enter your SSN(s) Your Social Security Number

1 Spouse's First Name and Middle Initial (if box 4 or 6 checked) Last Name Spouse's Social Security No.

2 Current Home Address - number and street, rural route Apt. No. Daytime Phone (with area code) 94

3 City, Town or Post Office State ZIP Code Last Names Used in Last Four Prior Year(s) (if different) 97

4 Married filing joint return 4a Injured Spouse Protection of Joint Overpayment REVENUE USE ONLY. DO NOT MARK IN THIS AREA. 88R
5 Head of household: Enter name of qualifying child or dependent on next line:
6 Married filing separate return: Enter spouse's name and Social Security Number above.
7 Single
Enter the number claimed. Do not put a check mark.

8 Age 65 or over (you and/or spouse) 81P PM 80R RCVD
9 Blind (you and/or spouse)
10 Dependents: Do not include self or spouse.
11 Qualifying parents and grandparents
If completing lines 8 through 11, also complete lines 48 through 53.

12-13 Residency Status (check one): 12 Part-Year Resident Other than Active Military 13 Part-Year Resident Active Military

(Box 10): Dependent Information: Children and other dependents. For more space, (check) and complete page 3.

Table with 6 columns: (a) FIRST AND LAST NAME, (b) SOCIAL SECURITY NO., (c) RELATIONSHIP, (d) NO. OF MONTHS LIVED IN YOUR HOME IN 2017, (e) if this person did not qualify as a dependent on your federal return, (f) if you did not claim this person on your federal return due to educational credits. Rows 10a, 10b.

(Box 11): Qualifying parents and grandparents. See instructions. For more space, (check) and complete page 3.

Table with 6 columns: (a) FIRST AND LAST NAME, (b) SOCIAL SECURITY NO., (c) RELATIONSHIP, (d) NO. OF MONTHS LIVED IN YOUR HOME IN 2017, (e) if age 65 or over, (f) if died in 2017. Rows 11a, 11b.

14 Dates of Arizona residency: From [M,M,D,D] Y,Y,Y,Y to [M,M,D,D] Y,Y,Y,Y. List other state(s) of residency: 2017 FEDERAL Amount from Federal Return 2017 ARIZONA Amount Only

Main income tax table with columns for 2017 FEDERAL and 2017 ARIZONA. Rows 15-38 including Wages, interest, dividends, business income, Arizona income ratio, and capital gains.

Place any required federal and AZ schedules or other documents after Form 140PY.

FILING STATUS EXEMPTIONS

Dependents

Arizona Income

Additions

Subtractions - cont. on page 2



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

Subtractions - cont. from page 1	39	Enter the amount from page 1, line 38 .....	39		00
	40	Recalculated Arizona depreciation .....	40		00
	41	Contributions to 529 College Savings Plans .....	41		00
	42	Reserved .....	42		
	43	Interest on U.S. obligations such as U.S. savings bonds and treasury bills.....	43		00
	44	Arizona state lottery winnings included as income on your federal return (up to \$5,000 only) .....	44		00
	45	U.S. Social Security or Railroad Retirement Act benefits included in your Arizona income .....	45		00

Exemptions	46	Other Subtractions from Income: See instructions and include your own schedule.....	46		00
	47	Subtract lines 40 through 46 from line 39.....	47		00
	48	Age 65 or over: Multiply the number in box 8 by \$2,100.....	48		00
	49	Blind: Multiply the number in box 9 by \$1,500 .....	49		00
	50	Dependents: Multiply the number in box 10 by \$2,300 .....	50		00

Balance of Tax	51	Qualifying parents and grandparents: Multiply the number in box 11 by \$10,000.....	51		00
	52	Add lines 48 through 51.....	52		00
	53	Multiply line 52 by the Arizona income ratio on line 28.....	53		00
	54	<b>Arizona adjusted gross income:</b> Subtract line 53 from line 47.....	54		00
	55	<b>Deductions: Check box and enter amount.</b> See instructions.....55 <input type="checkbox"/> ITEMIZED 55S <input type="checkbox"/> STANDARD	55		00
	56	Personal exemptions: See instructions.....	56		00
	57	Arizona taxable income: Subtract lines 55 and 56 from line 54. If less than zero, enter "0" .....	57		00

Total Payments and Refundable Credits	58	Compute the tax using amount from line 57 and Tax Table X or Y.....	58		00
	59	Tax from recapture of credits from Arizona Form 301, Part 2, line 40 .....	59		00
	60	Subtotal of tax: Add lines 58 and 59 and enter the total .....	60		00
	61	Family income tax credit (from the worksheet - see instructions) .....	61		00
	62	Credits from Arizona Form 301, Part 2, line 76 .....	62		00

Tax Due or Overpayment	63	<b>Balance of tax:</b> Subtract lines 61 and 62 from line 60. If the sum of lines 61 and 62 is more than line 60, enter "0" .....	63		00
	64	2017 AZ income tax withheld.....	64		00
	65	2017 AZ estimated tax payments. 65a <input type="text" value="00"/> Claim of Right 65b <input type="text" value="00"/> Add 65a and 65b. 65c	65		00
	66	2017 AZ extension payment (Form 204) .....	66		00
	67	Increased Excise Tax Credit (from the worksheet - see instructions) .....	67		00

Voluntary Gifts	68	Other refundable credits: Check the box(es) and enter the total amount..... 681 <input type="checkbox"/> 308-I 682 <input type="checkbox"/> 342 683 <input type="checkbox"/> 349	68		00
	69	<b>Total payments and refundable credits:</b> Add lines 64 through 68 and enter the total.....	69		00
	70	<b>TAX DUE:</b> If line 63 is larger than line 69, subtract line 69 from line 63, and enter amount of tax due. Skip lines 71, 72 and 73.....	70		00
	71	<b>OVERPAYMENT:</b> If line 69 is larger than line 63, subtract line 63 from line 69, and enter amount of overpayment.....	71		00
	72	Amount of line 71 to be applied to 2018 estimated tax.....	72		00

Penalty	73	Balance of overpayment: Subtract line 72 from line 71.....	73		00
	74 - 84	<b>Voluntary Gifts to:</b>			
	74	Solutions Teams Assigned to Schools.....	74		00
	75	Arizona Wildlife.....	75		00
	76	Child Abuse Prevention .....	76		00

Refund or Amount Owed	77	Domestic Violence Shelter .....	77		00
	78	Political Gift.....	78		00
	79	Neighbors Helping Neighbors.....	79		00

80	Political Party (if amount is entered on line 78 - check only one): 851 <input type="checkbox"/> Democratic 852 <input type="checkbox"/> Green Party 853 <input type="checkbox"/> Libertarian 854 <input type="checkbox"/> Republican	80		00
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81	Special Olympics .....	81		00
82	I Didn't Pay Enough Fund.....	82		00
83	Sustainable State Parks and Road Fund.....	83		00
84	Spay/Neuter of Animals .....	84		00

85	Estimated payment penalty and Arizona Long-Term Health Care Savings Account (AZLTHSA) penalty .....	85		00
86	871 <input type="checkbox"/> Annualized/Other 872 <input type="checkbox"/> Farmer or Fisherman 873 <input type="checkbox"/> Form 221 included 874 <input type="checkbox"/> AZLTHSA Penalty	86		00

87	Add lines 74 through 84 and 86; enter the total.....	87		00
88	<b>REFUND:</b> Subtract line 87 from line 73. If less than zero, enter amount owed on line 90 .....	88		00
89	<b>Direct Deposit of Refund: Check box 89A</b> if your deposit will be ultimately placed in a <b>foreign account</b> ; see instructions. 89A <input type="checkbox"/>	89		00
90	<b>AMOUNT OWED:</b> Add lines 70 and 88. Make check payable to Arizona Department of Revenue; write your SSN on payment. 90	90		00

**PLEASE SIGN HERE**

Under penalties of perjury, I declare that I have read this return and any documents with it, and to the best of my knowledge and belief, they are true, correct and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

YOUR SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_ OCCUPATION \_\_\_\_\_

SPOUSE'S SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_ SPOUSE'S OCCUPATION \_\_\_\_\_

PAID PREPARER'S SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_ FIRM'S NAME (PREPARER'S IF SELF-EMPLOYED) \_\_\_\_\_

PAID PREPARER'S STREET ADDRESS \_\_\_\_\_ PAID PREPARER'S TIN \_\_\_\_\_

PAID PREPARER'S CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_ ( ) \_\_\_\_\_ PAID PREPARER'S PHONE NUMBER \_\_\_\_\_



Your Name (as shown on page 1)

Your Social Security Number

## Dependent Information - Continuation Sheet from Page 1 Dependents

Include with your return **only** if listing additional dependents.

Complete this form *only* if you need additional space from page 1 to list your dependents.  
If you do not list **all** dependents claimed on page 1 of your income tax return, you may lose the exemptions.

**Children and other dependents, continued from page 1.**

	(a) FIRST AND LAST NAME (Do not list yourself or spouse.)	(b) SOCIAL SECURITY NO.	(c) RELATIONSHIP	(d) NO. OF MONTHS LIVED IN YOUR HOME IN 2017	(e) ✓ if this person did not qualify as a dependent on your federal return	(f) ✓ if you did not claim this person on your federal return due to educational credits
10c					<input type="checkbox"/>	<input type="checkbox"/>
10d					<input type="checkbox"/>	<input type="checkbox"/>
10e					<input type="checkbox"/>	<input type="checkbox"/>
10f					<input type="checkbox"/>	<input type="checkbox"/>
10g					<input type="checkbox"/>	<input type="checkbox"/>
10h					<input type="checkbox"/>	<input type="checkbox"/>
10i					<input type="checkbox"/>	<input type="checkbox"/>
10j					<input type="checkbox"/>	<input type="checkbox"/>
10k					<input type="checkbox"/>	<input type="checkbox"/>
10l					<input type="checkbox"/>	<input type="checkbox"/>
10m					<input type="checkbox"/>	<input type="checkbox"/>
10n					<input type="checkbox"/>	<input type="checkbox"/>
10o					<input type="checkbox"/>	<input type="checkbox"/>
10p					<input type="checkbox"/>	<input type="checkbox"/>
10q					<input type="checkbox"/>	<input type="checkbox"/>
10r					<input type="checkbox"/>	<input type="checkbox"/>
10s					<input type="checkbox"/>	<input type="checkbox"/>
10t					<input type="checkbox"/>	<input type="checkbox"/>

**Qualifying parents and grandparents, continued from page 1.**

	(a) FIRST AND LAST NAME (Do not list yourself or spouse.)	(b) SOCIAL SECURITY NO.	(c) RELATIONSHIP	(d) NO. OF MONTHS LIVED IN YOUR HOME IN 2017	(e) ✓ if age 65 or over	(f) ✓ if died in 2017
11c					<input type="checkbox"/>	<input type="checkbox"/>
11d					<input type="checkbox"/>	<input type="checkbox"/>
11e					<input type="checkbox"/>	<input type="checkbox"/>
11f					<input type="checkbox"/>	<input type="checkbox"/>
11g					<input type="checkbox"/>	<input type="checkbox"/>
11h					<input type="checkbox"/>	<input type="checkbox"/>
11i					<input type="checkbox"/>	<input type="checkbox"/>
11j					<input type="checkbox"/>	<input type="checkbox"/>

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**Include with your return.**

Your Name as shown on Form 140PY	Your Social Security Number
Spouse's Name as shown on Form 140PY (if filing joint)	Spouse's Social Security Number

**Medical and Dental Expenses • Taxes • Interest Expense • Gifts to Charity**

1 Medical and dental expenses incurred and paid while an Arizona resident plus the amount of such expenses from Arizona sources that you incurred and paid during the part of the year while an Arizona nonresident.....	<b>1</b>		00
2 Taxes allowable on federal Form 1040, Schedule A, that you incurred and paid while an Arizona resident plus the amount of such taxes from Arizona sources that you incurred and paid during the part of the year while an Arizona nonresident.....	<b>2</b>		00
3 Interest expense: See instructions .....	<b>3</b>		00
4 Gifts to charity allowable on federal Form 1040, Schedule A, that you incurred and paid while an Arizona resident plus the amount of such gifts from Arizona sources that you incurred and paid during the part of the year while an Arizona nonresident.....	<b>4</b>		00

**Casualty and Theft Losses**

5 Casualty loss(es) allowable on federal Form 1040, Schedule A, after applying the 10% federal adjusted gross income limitation and the \$100 per loss floor.....	<b>5</b>		00
6 Casualty loss(es) allowable on federal Form 4684 before applying the 10% federal adjusted gross income limitation and the \$100 per loss floor .....	<b>6</b>		00
7 Amount of loss on line 6 incurred while you were an Arizona resident plus the amount of loss from Arizona sources on line 6 that you incurred during the part of the year while an Arizona nonresident.....	<b>7</b>		00
8 Divide line 7 by line 6, and enter the ratio .....	<b>8</b>	.	
9 Multiply line 5 by the ratio on line 8 .....	<b>9</b>		00

**Job Expenses and Other Miscellaneous Expenses**

10 Miscellaneous expenses subject to the 2% federal adjusted gross income limitation allowable on federal Form 1040, Schedule A, before applying the limitation .....	<b>10</b>		00
11 Amount on line 10 that you incurred and paid while an Arizona resident plus the amount on line 10 from Arizona sources that you incurred and paid during the part of the year while an Arizona nonresident.....	<b>11</b>		00
12 Divide line 11 by line 10, and enter the ratio.....	<b>12</b>	.	
13 Miscellaneous deductions subject to the 2% federal adjusted gross income limit allowable on federal Form 1040, Schedule A, after applying the limitation .....	<b>13</b>		00
14 Multiply line 13 by the ratio on line 12 .....	<b>14</b>		00
15 Other miscellaneous expenses allowable on federal Form 1040, Schedule A, not subject to the 2% federal adjusted gross income limitation that you incurred and paid while an Arizona resident plus the amount of such expenses from Arizona sources that you incurred and paid during the part of the year while an Arizona nonresident .....	<b>15</b>		00
<b>SKIP LINES 16 THROUGH 20 IF NOT DEDUCTING GAMBLING LOSSES.</b>			
16 Wagering losses included on line 15 .....	<b>16</b>		00
17 Total gambling winnings included in your Arizona gross income.....	<b>17</b>		00
18 Arizona lottery subtraction from Form 140PY, page 2, line 44 .....	<b>18</b>		00
19 Maximum allowable gambling loss deduction: Subtract line 18 from line 17.....	<b>19</b>		00
20 If line 19 is less than line 16, subtract line 19 from line 16; otherwise enter "0" .....	<b>20</b>		00
21 If you completed lines 16 through 20, subtract line 20 from line 15. If you skipped lines 16 through 20, enter amount on line 15 here .....	<b>21</b>		00
22 Add lines 14 and 21 .....	<b>22</b>		00

Continued on page 2 →

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

**Total Itemized Deductions**

**23** Tentative Arizona itemized deduction: Add lines 1, 2, 3, 4, 9, and 22, and enter the total on line 23.

Complete lines 24 through 28 below if your federal adjusted gross income is:

- more than \$313,800 (married taxpayers filing a joint return or surviving spouse), or
- \$287,650 (head of household), or
- \$261,500 (unmarried individual who is not a surviving spouse or head of household), or
- \$156,900 (married filing a separate return)

Otherwise, enter the amount on line 23 on Form 140PY, page 2, line 55 ..... **23**

	00
<b>24</b>	00
<b>25</b>	00
<b>26</b>	00
<b>27</b>	00
<b>28</b>	00

**24** Enter on line 24 the amount by which you have to reduce your federal itemized deductions because your federal adjusted gross income was over this threshold if your federal adjusted gross income is:

- more than \$313,800 (married taxpayers filing a joint return or surviving spouse), or
- \$287,650 (head of household), or
- \$261,500 (unmarried individual who is not a surviving spouse or head of household) or
- \$156,900 (married filing a separate return) .....

**25** Enter your total federal itemized deductions allowable on federal Form 1040, Schedule A, prior to the federal adjusted gross income limitation .....

**26** Divide line 23 by line 25, and enter the ratio .....

**27** Multiply line 24 by the ratio on line 26, and enter the result .....

**28** Subtract line 27 from line 23. Enter the result here and on Form 140PY, page 2, line 55..... **28**

DO NOT STAPLE ANY ITEMS TO THE RETURN.

For the calendar year 2017 or fiscal year beginning MM,DD,YY 2,0,1,7 and ending MM,DD,YY 66

<b>1</b> Your First Name and Middle Initial	Last Name	<b>Enter your SSN(s).</b> Your Social Security Number
<b>1</b> Spouse's First Name and Middle Initial (if filing joint)	Last Name	Spouse's Social Security No.
<b>2</b> Current Home Address - number and street, rural route	Apt. No.	Daytime Phone (with area code) <b>94</b>
<b>3</b> City, Town or Post Office	State	ZIP Code

**REVENUE USE ONLY. DO NOT MARK IN THIS AREA.**  
**88**

- Resident Personal Income Tax Forms – Check only one box:**
- 140     140A     140EZ     140PTC     140ET
  - Part-Year Resident Personal Income Tax, Form 140PY
  - Nonresident Personal Income Tax, Form 140NR
  - Nonresident Composite, Form 140NR

<b>81</b> PM	<b>80</b> RCVD
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All extension requests must be postmarked on or before the original due date of the return, unless the original due date falls on a Saturday, Sunday, or legal holiday. In that case, your request must be postmarked on or before the business day following that Saturday, Sunday, or legal holiday. If you are a calendar year filer, your request for a 2017 filing extension must be postmarked on or before April 17, 2018.

An Arizona extension cannot be granted for more than six months beyond the original due date of the return. Arizona will grant an automatic six-month extension to individuals filing Forms 140, 140A, 140EZ, 140NR, 140PY, 140PTC or 140ET. Arizona will accept a valid federal extension for the period covered by the federal extension. This includes the automatic six-month individual federal filing extension.

**CHECK ONE BOX:**

	Fiscal Tax Year Ending	Return Due Date
<input type="checkbox"/> <b>Individual Calendar Year Filers:</b>		
This is a request for an automatic 6-month filing extension .....		October 15, 2018
<input type="checkbox"/> <b>Individual Fiscal Year Filers:</b>		
Enter taxable year-end date and 6-month extended due date .....	<u>MM,DD,YY,YY</u>	<u>MM,DD,YY,YY</u>

A federal extension will be used to file this tax return. This form is being used to transmit the Arizona extension payment.

1 Tax liability for 2017. You may estimate this amount .....	<b>1</b>		00
2 Arizona income tax withheld during 2017 .....	<b>2</b>	00	
3 Arizona estimated tax payments for 2017 .....	<b>3</b>	00	
4 Credits you will claim on your 2017 return. See Arizona Form 301 for a list of credits. 4	<b>4</b>	00	
5 Add lines 2 through 4.....	<b>5</b>		00
6 <b>Balance of Tax:</b> Subtract line 5 from line 1.....	<b>6</b>		00
7 Enter amount of payment enclosed with this extension..... PAYMENT ENCLOSED ▶	<b>7</b>		00

- Make check payable to Arizona Department of Revenue; **write your SSN and tax year on your payment.**
- **Include your payment with this form.**
- For **Nonresident Composite returns**, write "Composite 140NR" on payment and include the tax year and entity's EIN.

- **IMPORTANT:** If you are filing under a federal extension but are making an Arizona extension *payment by credit card or electronic payment*, **do not mail Form 204** to us. We will apply your extension tax payment to your account.
- If you **are** sending a payment with this request, mail to Arizona Department of Revenue, PO Box 29085, Phoenix, AZ 85038-9085.
- If you are **not** sending a payment with this request, mail to Arizona Department of Revenue, PO Box 52138, Phoenix, AZ 85072-2138.

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# 2017 Form 140PY Schedule A(PY) Itemized Deductions

## For Part-Year Residents Only

You may itemize your deductions on your Arizona return even if you do not itemize deductions on your federal return. Before you complete Arizona Form 140PY Schedule A(PY), you must complete a federal Form 1040 Schedule A.

Even if you don't itemize deductions on your federal return, you must complete and include a copy of the federal Form 1040, Schedule A, with this form.

For the most part, you can deduct those items that are allowable itemized deductions under the Internal Revenue Code (IRC).

A part-year resident who has no Arizona source income during the part of the year while an Arizona nonresident can deduct **all** of the following:

- Those expenses incurred and paid during the part of the year while an Arizona resident.
- Arizona source itemized deductions incurred and paid during the part of the year while a nonresident.

For more information, see the department's ruling, ITR 94-10, *Part-Year Resident Deductions* at [www.azdor.gov](http://www.azdor.gov).

In some cases, the itemized deductions allowed on your Arizona return are not the same as those allowable under the IRC. The itemized deductions allowed on your Arizona return can differ if any of the following apply:

- You are deducting medical and dental expenses.
- You are claiming a federal credit (from federal Form 8396) for interest paid on mortgage credit certificates.
- You are deducting gambling losses while claiming a subtraction for Arizona lottery winnings.
- You are claiming a credit for any amount allowed as a charitable contribution.

## Line-by-Line Instructions

### Line 1 - Medical and Dental Expenses

Enter the amount of medical and dental expenses incurred and paid while an Arizona resident. Also enter the amount of such expenses from Arizona sources that you incurred and paid during the part of the year that you were a nonresident.

The medical and dental expenses that you can deduct on your Arizona return are the same expenses that you can deduct on your federal return.

Be sure you reduce these expenses by any payments received from insurance or other sources. Do not include the following amounts you paid through an employer-sponsored health insurance plan (cafeteria plan) unless your employer included the amount(s) in Box 1 of your Form W-2.

- Insurance premiums you paid through the plan.
- Other medical and dental expenses paid by the plan.

If you are self-employed, do not include any amount that you paid for health insurance that you deducted in computing your federal adjusted gross income.

Do not include any medical and dental expenses paid from your Arizona Long-term Health Care Savings Account (AZLTHSA).

### Line 2 - Taxes

Enter the amount of taxes allowable on federal Form 1040 Schedule A, that you incurred and paid while an Arizona resident. Also enter the amount of such taxes from Arizona sources that you incurred and paid during the part of the year while a nonresident.

Do not include any state taxes paid to other states for prior years if you were not an Arizona resident for that prior year.

### Line 3 - Interest Expense

Enter the amount of interest expense allowable on federal Form 1040 Schedule A, that you incurred and paid while an Arizona resident. Also enter the amount of such interest from Arizona sources that you incurred and paid during the part of the year while a nonresident.

If you received a federal credit for interest paid on mortgage credit certificates (from federal Form 8396), you may deduct some of the mortgage interest you paid for 2017 that you could not deduct for federal purposes. Include that portion of such interest that you incurred and paid during the part of the year while an Arizona resident.

Do not enter any interest expense that you incurred to purchase or carry U.S. obligations, the income from which is exempt from Arizona income tax.

### Line 4 - Gifts to Charity

Enter the amount of gifts to charity allowable on federal Form 1040 Schedule A, that you incurred and paid while an Arizona resident. Also enter the amount of such gifts from Arizona sources that you incurred and paid during the part of the year while a nonresident.

If you claimed a tax credit for any charitable contribution, do not include any contribution for which you claimed a tax credit.

For Example: (table continued on next page)		
If you claimed a credit on Arizona Form:	For:	You cannot take a deduction on the Arizona Form 140PY Schedule A (PY) for the amount of that contribution.
321	Contributions to Qualifying Charitable Organizations	
322	Contributions Made or Fees Paid to Public Schools	
323	Contributions to Private School Tuition Organization	
331	Donation of School Site	
335-I	Contributions made by an S Corporation to a School Tuition Organization - Individual	
340	Donation to the Military Family Relief Fund	

341-I	Contributions made by an S Corporation to a School Tuition Organization for Displaced Students or Students with Disabilities - Individual	
348	Contributions to Certified School Tuition Organization - Individual	
352	Contributions to Qualifying Foster Care Charitable Organizations	

If you claimed a credit on your 2016 return for a contribution that you made during 2017 (see Arizona Forms 321, 322, 323, 348 and 352), you must exclude this deduction on your 2017 Arizona return, even though you claimed the credit on your 2016 Arizona return.

If you are claiming a credit on your 2017 return for a contribution made during 2018 (see Arizona Forms 321, 322, 323, 348 and 352), you must exclude this deduction on your 2018 return, even though you are claiming the credit on your 2017 return.

**Lines 5 through 9 - Casualty and Theft Losses**

**Line 5 -**

Enter the casualty loss(es) allowable on federal Form 1040 Schedule A, **after** applying the 10% federal adjusted gross income limitation and the \$100 per loss floor.

**Line 6 -**

Enter the casualty loss(es) allowable on federal Form 4684 **before** applying the 10% federal adjusted gross income limitation and the \$100 per loss floor.

**Line 7 -**

Enter the amount of casualty loss shown on line 6 that you incurred and paid while an Arizona resident. Also enter the amount of casualty loss shown on line 6 from Arizona sources that you incurred during the part of the year while a nonresident.

**Line 8 -**

Divide the amount on line 7 by the amount on line 6. Enter the result in decimal form. You must round your answer to **three** decimal places.

**Line 9 -**

Multiply the amount on line 5 by the ratio on line 8. Enter the result.

**Lines 10 through 15 - Job Expenses and Other Miscellaneous Expenses**

**Line 10 -**

Enter the amount of miscellaneous expenses subject to the 2% federal adjusted gross income limitation allowable on federal Form 1040 Schedule A, before applying the limitation.

**Lines 11 through 14 -**

Complete lines 11 through 14 as instructed on the form.

Do not include on line 11 any amount that is allocable to income excluded from your Arizona taxable income. Such amounts would include employee business expenses attributable to income excluded from your Arizona taxable income.

**When entering the income ratio on line 12**, you must round your answer to **three** decimal places.

**Line 15 -**

Combine the following amounts and enter the total on line 15.

- Other allowable miscellaneous expenses not subject to the 2% federal adjusted gross income limitation that you incurred and paid while an Arizona resident; and
- Other allowable miscellaneous expenses not subject to the 2% federal adjusted gross income limitation from Arizona sources that you incurred and paid during the part of the year while a nonresident.

**Lines 16 through 20 - Gambling Losses**

Skip lines 16 through 20 if not deducting gambling losses.

**Line 16 -**

Enter the amount of wagering losses included on line 15, Form 140PY Schedule A(PY).

**Line 17 -**

Enter the total gambling winnings included in your Arizona gross income.

**Line 18 -**

Enter the Arizona lottery subtraction from Form 140PY, page 2, line 44.

**Line 19 -**

Subtract line 18 from line 17. Enter the difference

**Line 20 -**

If the amount on line 19 is less than the amount on line 16, subtract line 19 from line 16. Otherwise, enter zero, "0".

**Line 21 -**

If you completed lines 16 through 20, subtract line 20 from line 15. If you skipped lines 16 through 20, enter the amount from line 15.

**Line 22 -**

Add lines 14 and 21. Enter the total.

**Lines 23 through 28 - Total Arizona Itemized Deductions**

Complete lines 23 through 28 as instructed on the form.

**When entering the income ratio on line 26**, you must round your answer to **three** decimal places.



## 2017 Filing Extension For Individuals

### 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](http://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 click on *Legal Research* then click on *Procedures* or *Rulings* and select a tax type from the drop down menu.

### Publications

To view or print the department's publications, go to our website and click on *Publications*.



Leave the paper behind and **e-file** your Arizona extension request.

Visit [www.azdor.gov](http://www.azdor.gov) for e-file requirements.

## Use of Form 204

Use Arizona Form 204 to apply for an extension of time to file Arizona Forms 140, 140A, 140EZ, 140ET, 140PTC, 140PY, or 140NR. Individuals use this form to apply for an automatic six (6) month extension.

If you are using Form 204 to request a filing extension for an Arizona Form 140NR composite return, enter the partnership or S corporation's employer identification number (EIN) in the area designated for an individual's Social Security Number (SSN).

Also, use Form 204 to remit an extension payment whether you are requesting an Arizona extension or using a valid federal extension. However, if you are filing under a federal extension, but making an electronic extension payment or making an extension payment using a credit card, you do not need to mail in Form 204.

Arizona will accept your federal extension for the period covered by the federal extension.

### Foreign Address

If you have a foreign address, enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. Do not abbreviate the country name.

## When to File Form 204

All extension requests must be postmarked on or before the original due date of the return, unless the original due date falls on a Saturday, Sunday, or legal holiday.

In that case, your request must be postmarked on or before the business day following that Saturday, Sunday or legal holiday.

For more information, see the department's general tax ruling, GTR 16-2, *Timely Filing of Income or Withholding Tax Return - Holidays and Weekends*.

**For calendar year filers:** Because April 15, 2018, falls on a Sunday, and District of Columbia Emancipation Day will be observed on Monday, April 16, 2018, you have until Tuesday, April 17, 2018, to file the request for an extension.

This will allow you to file your return by October 15, 2018.

Complete Form 204 to request an automatic six (6) month extension. **Mark your envelope "2017 Extension Request."**

If you are **sending a payment** with this request, mail the form to:

Arizona Department of Revenue  
PO Box 29085  
Phoenix, AZ 85038-9085

If you are **not sending a payment** with your request, mail the form to:

Arizona Department of Revenue  
PO Box 52138  
Phoenix, AZ 85072-2138

The department will not return a copy of the Form 204 to you. Be sure to keep a copy of the completed Form 204.

**An extension does not extend the time to pay your income tax.** You must still pay your tax liability by April 17, 2018, or by the original due date of your return.

If you do not pay at least 90% (.90) of the income tax liability disclosed by your return by the return's original due date, you will be subject to the extension underpayment penalty. We charge interest from the original due date to the date of payment.

**Extension Underpayment Penalty:** We impose this penalty if you do not pay at least 90% (.90) of the income tax liability shown on your return filed under an extension by the return's original due date. The extension underpayment penalty is 1/2 of 1% (.005) of the income tax not paid for each 30-day period or fraction of a 30-day period. We impose this penalty from the original due date of the return until you pay the tax. The extension underpayment penalty cannot exceed 25% (.25) of the unpaid income tax. If we charge you the extension underpayment penalty, we will not charge you the late payment penalty under Arizona Revised Statutes § 42-1125(D).

## Nonresident Aliens

The due date for your Arizona return is not the same as the due date for your federal return. Your Arizona return is due by April 17, 2018, even though your federal return is due on June 15, 2018. If you want to file your 2017 Arizona return after April 17, 2018, you must ask for a filing extension.

**For Calendar Year Filers:** *Because April 15, 2018, falls on a Sunday and District of Columbia Emancipation Day will be observed on Monday, April 16, 2018, you have until Tuesday, April 17, 2018, to pay your tax liability.*

Arizona will allow up to a 6-month extension. This will allow you to file your return by October 15, 2018.

If you have a federal 6-month extension, you can file your Arizona return under that extension. If you file using your federal extension, Arizona will also allow you an extra 6 months.

Because we will allow only 6 months, the due date for your Arizona return is not the same as the due date for your federal return. In this case, your Arizona return will be due by October 15, 2018, even though your federal return will not be due until December 17, 2018. If you file your 2017 Arizona calendar year return after October 15, 2018, your return will be late.

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## Making Your Payment

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Individuals may make extension payments by check, electronic check, money order, or credit card.

Partnerships or S corporations making an extension payment on behalf of nonresidents participating in the filing of an Arizona Form 140NR composite return must make that payment by check or money order.

### Check or money order

If paying by check or money order, make your check or money order payable to Arizona Department of Revenue.

Write your SSN (or EIN) and *2017 Extension Request* on the **front** of your check or money order.

Include your check or money order with Form 204.

### Electronic payment from your checking or savings account

You can make an electronic payment from your checking or savings account to pay your balance due for 2017. There is no fee to use this method. To make an electronic payment, go to [www.AZTaxes.gov](http://www.AZTaxes.gov) and click on the “Make a Payment” link.

Be sure to enter the correct routing number and account number for your checking or savings account. You will be charged a \$50 NSF (non-sufficient funds) fee if you provide an incorrect routing number or an incorrect account number. Check with your financial institution to get the correct routing and account numbers.

The “E-Check” option in the “Payment Method” drop-down box will debit the amount from the checking or savings account that you specify. If you make an electronic payment from your checking or savings account, you will receive a confirmation number. **Please keep this confirmation number as proof of payment.**

**NOTE:** *You may not make an electronic payment from your checking or savings account if the payment will ultimately be coming from a foreign account. In this case, you must pay by check or money order.*

### Credit card payment

You can pay with your Visa, MasterCard, Discover, or American Express credit card. Go to [www.AZTaxes.gov](http://www.AZTaxes.gov) and click on the “Make a Payment” link and choose the credit card option. This will take you to a third party vendor site (provider). The provider **will charge** you a convenience fee based on the amount of your tax payment. The provider will tell you what the fee is during the transaction; you will have the option to continue or cancel the transaction. If you complete the credit card transaction, you will receive a confirmation number. **Please keep this confirmation number as proof of payment.**

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## Instructions Before Mailing

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Make sure that you have completed all of the information requested on the **front** of the form.

To avoid an extension underpayment penalty, make sure you pay at least 90% (.90) of your Arizona tax liability.

2. The amount required to be repaid was subject to Arizona income tax in the year included in income.
3. You computed your tax for that prior year under Arizona's claim of right provisions.
4. A net operating loss or capital loss was established due to the repayment made in the prior year.
5. You are entitled to take that net operating loss or capital loss carryover into account when computing your 2017 Arizona taxable income.
6. The amount of the loss carryover allowed to be taken into account for Arizona purposes is more than the amount included in your Arizona gross income.

Include the amount by which the loss carryover allowed for the taxable year under Arizona law is more than the amount included in your Arizona gross income.

#### **I. Certain Expenses Not Allowed for Federal Purposes**

You may subtract some expenses that you cannot deduct on your federal return when you claim certain federal tax credits. These federal tax credits include the following:

- the federal work opportunity credit,
- the empowerment zone employment credit,
- the credit for employer-paid social security taxes on employee cash tips, and
- the Indian employment credit.

If you received any of the above federal tax credits for 2017, enter the portion of wages or salaries attributable to income subject to Arizona tax that you paid or incurred during the taxable year that is equal to the amount of those federal tax credits you received.

#### **J. Qualified State Tuition Program Distributions**

If you are a beneficiary of a qualified state tuition program, you may subtract some of the amount distributed from the program for qualified education expenses. Include the amount of the distribution included in your federal adjusted gross income that you included as income in the ARIZONA column. A qualified state tuition program is a program that meets the requirements of IRC § 529.

#### **K. Subtraction for World War II Victims**

You may subtract distributions made to you for your persecution or the persecution of your ancestors by Nazi Germany or any other Axis regime for racial, religious or political reasons. If you are the first recipient of such distributions, enter the amount of the distributions that you had to include in your federal adjusted gross income that you also entered in the ARIZONA column on your Form 140PY.

You may also subtract items of income that are attributable to, derived from or related to assets that were stolen or hidden from or lost to you if you were persecuted by Nazi Germany or any other Axis regime for racial, religious or political reasons before, during or immediately after World War II. If you are the first recipient of such income, enter the amount of income that you had to include in your federal adjusted gross income that you also entered in the ARIZONA column on your Form 140PY.

#### **L. Installment Sale Income From Another State Taxed by the Other State in a Prior Taxable Year**

You may subtract income from an installment sale if **both** of the following apply:

1. The income from the sale is subject to Arizona income tax in 2017.
2. You paid income tax to another state on that income in a prior tax year.

Include the amount of such income that you included in your Arizona gross income for 2017.

Do not include any amount that is subject to tax by both Arizona and another state in 2017. In this case, you may be eligible for a tax credit. See Arizona Form 309 for details.

#### **M. Basis Adjustment for Property Sold or Otherwise Disposed of During the Taxable Year**

With respect to property that is sold or otherwise disposed of during the taxable year by a taxpayer who has complied with the requirement to add back all depreciation attributable to income taxable by Arizona with respect to that property on tax returns for all taxable years beginning from and after December 31, 1999, enter the amount of depreciation that has been allowed pursuant to IRC § 167(a) attributable to income taxable by Arizona to the extent that the amount has not already reduced Arizona taxable income in the current or prior years. (Note: The practical effect of this is to allow a subtraction for the difference in basis for any asset for which bonus depreciation has been claimed on the federal return.)

A part-year resident may subtract only that amount that is attributable to income subject to Arizona tax.

#### **N. Fiduciary Adjustment**

A fiduciary uses Form 141AZ Schedule K-1, to report to you your share of the fiduciary adjustment from the trust or estate. Line 3 of Form 141AZ Schedule K-1, shows your share of the fiduciary adjustment from the estate or trust.

Depending on your situation, you may either add (line 30) or subtract (line 46) this amount.

If the amount reported on line 3 of your Form 141AZ Schedule K-1, is a negative number, include that portion of Form 141AZ Schedule K-1, line 3 that is allocable to estate or trust income taxable by Arizona as a subtraction on line 46.

**NOTE:** *If the amount reported on line 3 of your Form 141AZ, Schedule K-1, is a positive number, include that portion of line 3 that is allocable to estate or trust income taxable by Arizona as an addition on line 30.*

#### **O. Partnership Income Adjustment (Negative)**

Depending on your situation, you may either add (line 30) or subtract (line 46) this amount.

Use this adjustment if line 3, of your Arizona Form 165 Schedule K-1, shows a difference between federal and state distributable income. If the difference reported on line 3, of your Arizona Form 165 Schedule K-1, is a negative number, include that portion of the difference that is allocable to

partnership income taxable by Arizona as a subtraction on line 46. **Do not include a minus sign or parentheses.**

**NOTE:** *If the difference reported on line 3, of your Arizona Form 165 Schedule K-1, is a positive number, include that portion of the difference that is allocable to partnership income taxable by Arizona as an addition on line 30.*

#### **P. Net Operating Loss Adjustment**

**NOTE:** *This subtraction applies to only those individuals who made an election under the special federal net operating loss rules for 2008 and 2009. Under the special rules for 2008 and 2009, you could have elected to carry the net operating loss back for 3, 4 or 5 years, instead of the normal 2 years. This election would have been allowed under IRC § 172(b)(1)(H) as amended by the American Recovery and Reinvestment Act of 2009 or the Worker, Homeownership, and Business Assistance Act of 2009.*

Arizona did not adopt the special federal net operating loss rules for losses incurred during 2008 or 2009. For Arizona purposes, you must deduct an Arizona source net operating loss as if the loss was computed under IRC § 172 in effect prior to the enactment of those special rules. If you made an election to deduct your 2008 or 2009 federal net operating loss under IRC § 172(b)(1)(H), you may have to enter an amount here. Figure how much of the net operating loss carry forward would have been allowed as a deduction on your 2017 federal income tax return, if the election described in IRC § 172(b)(1)(H) had not been made in the year of the loss. Then figure how much of the carry forward computed under that method is attributable to income taxed by Arizona. The amount you may take as a subtraction is the difference between the Arizona amount and the amount actually taken for federal purposes that you included in your Arizona gross income. On line 46, include the amount of carry forward deduction allowable on your Arizona return that exceeds the actual amount of net operating loss carry forward deduction that was deducted in arriving at Arizona gross income.

#### **Q. Previously Deferred Discharge of Indebtedness (DOI) Income Adjustment**

Generally, when a loan is settled for less than the amount owed, DOI income is realized by the debtor and usually must be included in the debtor's gross income. The amount of DOI income is generally equal to the amount of loan forgiveness. DOI income also occurs when a debtor repurchases his or her own debt at a discount (a price lower than the adjusted basis issue price of the debt instrument). In debt repurchase transactions, the amount of DOI income is generally equal to the difference between the adjusted issue price and the price paid for the debt instrument.

For federal purposes, a taxpayer may have made a special election for taxable years 2009 or 2010 to include DOI income in connection with the reacquisition of a business debt instrument, ratably over a 5 year period. A taxpayer that made this election will generally include this income in federal adjusted gross income beginning with the 2014 taxable year. A taxpayer would have made the federal

election under IRC § 108(i) as added by the American Recovery and Reinvestment Act of 2009.

Arizona did not adopt the special federal DOI income deferral provisions for the 2009 or 2010 taxable year. For Arizona purposes, if you made the federal election to defer the inclusion of DOI income under IRC § 108(i), you were required to add the amount of deferred DOI income to Arizona gross income on the return filed for the year in which you reacquired the debt instrument if the debt reacquisition occurred while you were an Arizona resident, or if the DOI income was from an Arizona source. If you made the required addition to Arizona income on the Arizona return filed for the year in which you reacquired the debt instrument (2009 or 2010), Arizona will not tax that DOI income twice. In the year in which you include that deferred DOI income in your federal adjusted gross income and likewise, your Arizona gross income, you may take a subtraction for the amount included for that year. Usually this subtraction will apply to taxable years 2014 through 2018. On line 46, include the amount of previously deferred DOI income that you included in your Arizona gross income for the current taxable year to the extent that the amount was previously added to your Arizona income.

#### **R. Original Issue Discount (OID) on Reacquisition of Debt Instrument**

For federal purposes, when a taxpayer made the special election to defer DOI income under IRC § 108(i), the taxpayer was not allowed to take a deduction with respect to the portion of any OID that accrued with respect to that DOI income, during the income deferral period. In this case, the taxpayer must deduct the aggregate amount of the OID deductions disallowed ratably over a 5 year period, beginning with the period in which the income is includible in federal adjusted gross income.

Arizona did not adopt the federal provisions requiring a taxpayer to defer the OID deduction in cases where the taxpayer federally deferred the DOI income under IRC § 108(i). For Arizona purposes, you were required to add the amount of deferred DOI income to Arizona gross income on the return filed for the year in which you reacquired the debt instrument if the debt reacquisition occurred while you were an Arizona resident, or if the DOI income was from an Arizona source. If Arizona taxed the federally deferred DOI income for 2009 or 2010 on your 2009 or 2010 Arizona return, you may subtract the amount of OID that accrued during the taxable year with respect to that DOI income. On line 46, include the amount of any OID related to that DOI income that was deferred and not allowed to be deducted in computing your federal adjusted gross income for 2017 under IRC § 108(i).

#### **S. Sole Proprietorship Income of an Arizona Nonprofit Medical Marijuana Dispensary Included in Federal Adjusted Gross Income**

If you are registered as an Arizona sole proprietorship with the Arizona Department of Health Services to operate in this

state as a nonprofit medical marijuana dispensary, you may subtract the amount of the income from the dispensary that is included in the computation of your federal adjusted gross income. Include the amount of the income on line 46.

**NOTE:** *If the Arizona nonprofit medical marijuana dispensary is registered with the Arizona Department of Health Services as anything other than a sole proprietorship, this subtraction does not apply.*

**T. Long-Term Care Insurance Premiums**

You may subtract the amount of premium costs for long-term care insurance for qualified long-term care services. Qualified long-term care services are necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, rehabilitative services, and maintenance and personal care services.

You may take this subtraction only if you are **not** claiming itemized deductions for the taxable year. An individual who claims itemized deductions may **not** take this subtraction.

You may only subtract the amount of premiums paid during the period you were an Arizona resident. Do not include the costs of any premiums paid during the period you were a nonresident. Include the allowable subtraction on line 46.

**U. Arizona Long-Term Health Care Savings Accounts**

You may subtract amounts you paid into a long-term health care savings account established under Arizona law. An individual may establish a long-term health care savings account with an account Administrator who will manage the account. For more information regarding the subtraction for contributions made to a long-term health care savings account, see A.R.S. § 43-1032.

The total amount you may subtract is equal to the amount of your contributions that are included in your federal adjusted gross income. Include the amount of the allowable subtraction on line 46.

Do not include any amounts already excluded in the computation of your federal adjusted gross income on line 26.

**V. Other Adjustments**

Another special adjustment may be necessary. Call one of the numbers listed on page 1 if you deferred exploration expenses determined under IRC § 617 in a taxable year ending before January 1, 1990, and you have not previously taken a subtraction for those expenses.

**Line 47 -**

Subtract lines 40 through 46 from line 39.

**Exemptions – Lines 48 through 53**

**Line 48 - Exemption: Age 65 or Over**

Multiply the number in box 8 on the front of your return by \$2,100 and enter the result.

**Line 49 - Exemption: Blind**

Multiply the number in box 9 on the front of your return by \$1,500 and enter the result.

**Line 50 - Exemption: Dependents**

Multiply the number in box 10 on the front of your return by \$2,300 and enter the result.

**Line 51 - Exemption: Qualifying Parents and Grandparents**

Multiply the number in box 11 on the front of your return by \$10,000 and enter the result.

**Line 52 - Total Exemptions**

Add lines 48 through 51 and enter the total.

**Line 53 - Prorated Exemptions**

Multiply the amount on line 52 by the Arizona income ratio from line 28 and enter the result.

**NOTE: Active Duty Military Personnel Only -** *If you were an active duty military member, who either began or gave up Arizona residency during 2017, do not prorate these exemptions.*

*You are allowed 100 % deductions for the age 65, the blind, the dependent and qualifying parent and grandparent exemptions. Enter the amount on line 52 (Total) on this line.*

**Line 54 - Arizona Adjusted Gross Income**

Subtract line 53 from line 47 and enter the difference.

**Figuring Your Arizona Tax**



When you **e-file**, the software completes the math for you.

**Line 55 - Standard or Itemized Deductions**

You must decide whether to take the standard deduction or to itemize your deductions. Your Arizona income tax will be less if you take the larger of your standard deduction or your itemized deductions.

**Your Standard Deduction**

**Tax Tip:** *The standard deduction is not prorated.*

If you take the standard deduction, check box 55S.

If your filing status is:	Your standard deduction is:
• Single	\$5,183
• Married filing separate return	\$5,183
• Married filing joint return	\$10,336
• Head of household	\$10,336

**Your Itemized Deductions**

If you itemize deductions, check box 55I.

You may itemize deductions on your Arizona return even if you do not itemize deductions on your federal return.

The itemized deductions allowed for Arizona purposes are, with some exceptions, those itemized deductions that are allowable under the IRC.

A part-year resident who has no Arizona source income during the part of the year while an Arizona nonresident can deduct **all** of the following:

1. Those expenses incurred and paid during the part of the year while an Arizona resident.
2. Arizona source itemized deductions incurred and paid during the period of nonresidency.

Complete Arizona Form 140PY Schedule A(PY), to determine your Arizona itemized deductions.

A part-year resident who also had Arizona source income during the part of the year while an Arizona nonresident can deduct all of the following:

1. Those expenses incurred and paid during the part of the year while an Arizona resident.
2. Arizona source itemized deductions incurred and paid during the period of nonresidency.
3. A portion of all other itemized deductions paid during the period of nonresidency.

Complete Form 140PY Schedule A(PYN), to determine your Arizona itemized deductions. Form 140PY Schedule A(PYN), is not included in your booklet.

You may get this form by visiting our website at [www.azdor.gov](http://www.azdor.gov).

To determine your Arizona itemized deductions, complete a federal Form 1040 Schedule A. Then complete the Form 140PY Schedule A(PY) or A(PYN).

**NOTE:** *If you itemize, you must include a copy of your federal Schedule A with your Arizona return.*

For more information on itemized deductions allowed to a part-year Arizona resident, see the department’s ruling, ITR 94-10, *Part-Year Resident Deductions*.

**Line 56 - Personal Exemptions**

Your personal exemption depends on your filing status. See the Personal Exemption Chart. Then complete the Personal Exemption Worksheet.

If married, you may also use Arizona Form 202, *Personal Exemption Allocation Election*, to figure your personal exemption.

**NOTE: For Active Duty Military Personnel Only -** *If you were an active duty military member, who either began or gave up Arizona residency during 2017, do not prorate the personal exemption. You are allowed a 100% deduction for the personal exemption (to include spouse).*

If you checked filing status	Personal Exemption before proration:
• Single (Box 7)	\$2,150
• Married filing joint return (Box 4) and claiming no dependents (Box 10)	\$4,300
• Married filing joint return (Box 4) and claiming at least one dependent (Box 10 excluding persons listed who did not qualify as a dependent on your federal return)	\$6,450
• Head of household and you are not married (Box 5)	\$4,300
• Head of household and you are a married person who qualifies to file as head of household (Box 5)	\$3,225 or complete Form 202.
• Married filing separate (Box 6) with neither spouse claiming any dependents (Box 10)	\$2,150 or complete Form 202
• Married filing separate (Box 6) with one spouse claiming at least one dependent (Box 10 excluding persons listed who did not qualify as a dependent on your federal return)	\$3,225 or complete Form 202

Personal Exemption Worksheet						
1. Enter amount from the Personal Exemption chart. Taxpayers, other than active duty military members, complete lines 2 and 3. If you are an active duty military member who either began or gave up Arizona residency during 2017, skip lines 2 and 3 and enter this amount on Form 140PY, line 56.						
2. Enter your Arizona income ratio from Form 140PY, line 28.	<table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 20%;"></td> <td style="width: 20%;"></td> <td style="width: 20%; text-align: center;">.</td> <td style="width: 20%;"></td> <td style="width: 20%;"></td> </tr> </table>			.		
		.				
3. Multiply line 1 by the income ratio on line 2. Enter the result here and on Form 140PY, line 56.						

A married couple who does not claim any dependents may take one personal exemption of \$4,300 (prior to prorating). If the husband and wife file separate returns, either spouse may (prior to prorating) take the entire \$4,300 exemption, or the spouses may divide the \$4,300 (prior to prorating) between them. You and your spouse must complete Arizona Form 202 if either you or your spouse claim a personal exemption of more than \$2,150 (prior to prorating). If you and your spouse

do not complete Form 202, you may (prior to prorating) take an exemption of only \$2,150 (one-half of the total \$4,300).

A married couple who claims at least one dependent may take one personal exemption of \$6,450 (prior to prorating). If the husband and wife file separate returns, either spouse may (prior to prorating) take the entire \$6,450 exemption, or the spouses may divide the \$6,450 (prior to prorating) between them. You and your spouse must complete Form 202 if either you or your spouse claim a personal exemption of more than \$3,225 (prior to prorating). If you and your spouse do not complete Form 202, you may (prior to prorating) take an exemption of only \$3,225 (one-half of the total \$6,450).

If you are a married person who qualifies to file as a head of household, you may take the entire \$6,450 (prior to prorating) personal exemption or you may divide the exemption with your spouse. You and your spouse must complete Form 202 if either you or your spouse claim a personal exemption of more than \$3,225 (prior to prorating). If you and your spouse do not complete Form 202, you may (prior to prorating) take an exemption of only \$3,225 (one-half of the total \$6,450).

The spouse who claims more than one-half of the total personal exemption (prior to prorating) must include the original Form 202 with his or her return. The spouse who claims less than one-half of the total personal exemption (prior to prorating) must include a copy of the completed Form 202 with his or her return.

**Line 57 – Arizona Taxable Income**

Subtract lines 55 and 56 from line 54 and enter the difference. If less than zero, enter zero “0.” Use this amount to calculate your tax using Tax Table X or Y.

**Line 58 - Tax Amount**

Enter the tax from Tax Table X or Y.

**Line 59 - Tax From Recapture of Credits From Arizona Form 301**

Enter the amount of tax due from recapture of credits from Form 301, Part 2, line 40.

**Line 60 - Subtotal of Tax**

Add lines 58 and 59. Enter the total.

**Line 61 - Family Income Tax Credit**

**e-file** e-file software will let you know if you are eligible and will figure the credit for you.

You may claim this credit if your income does not exceed the maximum income allowed for your filing status.

- Complete Steps 1, 2, and 3 to see if you qualify.
- If you qualify, complete Worksheet II in Step 4.

**Step 1**

Complete Worksheet I.

Worksheet I	
1. Enter the amount from line 54.	\$
2. Enter the amount from line 53.	\$
3. Add lines 1 and 2. Enter the total.	\$

**Step 2**

Look at the following tables. Find your filing status.

- Use Table I if married filing a joint return.
- Use Table II if head of household.
- Use Table III if single or married filing a separate return.

**Step 3**

- Look at the column (a) labeled "number of dependents" and find the number of dependents you are claiming (Form 140PY, page 1, box 10, excluding persons who did not qualify as your dependent on your federal return [Box 10, column (e)]).
- Find the maximum income [amount in column (b)] for the number of dependents you are claiming.
- Compare that income [the amount in column (b)] with the income listed in Step 1 on Worksheet I, line 3.

If the amount entered in Step 1 on Worksheet I, line 3, is equal to or less than the maximum income allowed for the number of dependents you are claiming, you qualify to take this credit.

To figure your credit, complete Step 4.

Table I Married Filing a Joint Return	
Column (a)	Column (b)
Number of dependents you are claiming on Form 140PY, page 1, box 10, excluding persons listed who did not qualify as your dependent on your federal return [Box 10, column (e)].	Maximum Income
• 0 or 1	\$20,000
• 2	\$23,600
• 3	\$27,300
• 4 or more	\$31,000

Table II Head of Household	
Column (a)	Column (b)
Number of dependents you are claiming on Form 140PY, page 1, box 10, excluding persons listed who did not qualify as your dependent on your federal return [Box 10, column (e)].	Maximum Income
• 0 or 1	\$20,000
• 2	\$20,135
• 3	\$23,800
• 4	\$25,200
• 5 or more	\$26,575

Table III Single or Married Filing a Separate Return	
Column (a)	Column (b)
Number of dependents you are claiming on Form 140PY, page 1, box 10, excluding persons listed who did not qualify as your dependent on your federal return [Box 10, column (e)].	Maximum Income
• 0 or more	\$10,000

**Step 4**

If you qualify to take the credit, complete the following Worksheet II.

Worksheet II You must complete Steps 1 through 3 before you complete Worksheet II.	
1. Enter the number of dependents you entered on Form 140PY, page 1, box 10, excluding persons listed who did not qualify as your dependent on your federal return [Box 10, column (e)].	
2. Number of personal exemptions. If you checked filing status 4, enter the number 2. If you checked filing status 5, 6, or 7, enter the number 1.	
3. Add lines 1 and 2. Enter the total.	
4. Multiply the number on line 3 by \$40. Enter the result.	\$
5. If you checked filing status 4 or 5, enter \$240 here. If you checked filing status 6 or 7, enter \$120 here.	\$
6. Family income tax credit. Enter the lesser of line 4 or line 5. Enter amount on Form 140PY, page 2, line 61.	\$
<b>NOTE:</b> <i>The family income tax credit will only reduce your tax and cannot be refunded.</i>	

**Line 62 - Nonrefundable Credits From Arizona Form 301**

Complete line 62 if you claim any of the following credits. Complete and include the Form 301 and the appropriate credit form or forms with your return.

- Enterprise Zone Credit.** The enterprise zone credit for individuals was repealed. All credits for enterprise zones that were properly established can be carried forward for the respective five year carry forward period. See Form 304 for more information.
- Environmental Technology Facility Credit.** You may qualify for this credit if your business incurred expenses in constructing a qualified environmental technology manufacturing facility. Use Form 305 to figure this credit.

3. **Military Reuse Zone Credit.** You may qualify for this credit if you have qualifying net increases in full-time employment within a military reuse zone. Use Form 306 to figure this credit.

4. **Recycling Equipment Credit.** The recycling equipment credit for individuals was repealed. All credits for recycling equipment that were properly established can be carried forward for the respective 15 year carry forward period. Use Form 307 to figure any allowable credit carryover.

5. **Credit for Increased Research Activities - Individuals.** You may qualify for this credit if you incurred qualified research expenses for research conducted in Arizona. Use Form 308-I to figure this credit. Be sure to include only the nonrefundable portion on Form 140PY, line 62.

6. **Credit for Taxes Paid to Another State or Country.** You may qualify for this credit if you paid tax to Arizona and another state or country on the same income. Use Form 309 to figure this credit.

7. **Credit for Solar Energy Devices.** You may qualify for this credit if you installed a solar energy device in your residence located in Arizona. Use Form 310 to figure this credit.

8. **Agricultural Water Conservation System Credit.** You may qualify for this credit if you incurred expenses to purchase and install an agricultural water conservation system in Arizona. Use Form 312 to figure this credit.

9. **Pollution Control Credit.** You may qualify for this credit if you purchased depreciable property used in a trade or business to reduce or prevent pollution. Use Form 315 to figure this credit.

10. **Credit for Solar Hot Water Heater Plumbing Stub Outs and Electric Vehicle Recharge Outlets.** You may qualify for this credit if you installed solar hot water heater plumbing stub outs or electric vehicle recharge outlets in houses or dwelling units you constructed. The taxpayer that constructed the dwelling may also transfer the credit to a purchaser. Use Form 319 to figure this credit.

11. **Credit for Employment of TANF Recipients.** You may qualify for this credit if you employed TANF recipients during the taxable year. Use Form 320 to figure this credit.

12. **Credit for Contributions to Qualifying Charitable Organizations.** You may qualify for this credit if you made contributions to certain qualifying charitable organizations. Use Form 321 to figure this credit.

13. **Credit for Contributions Made or Fees Paid to Public Schools.** You may qualify for this credit if you made contributions or paid certain fees to public schools in Arizona. Use Form 322 to figure this credit.

14. **Credit for Contributions to Private School Tuition Organizations.** You may qualify for this credit if you made contributions to a school tuition organization that provides scholarships or grants to qualified schools. Use Form 323 to figure this credit.



**15. Agricultural Pollution Control Equipment Credit.** You may qualify for this credit if you are involved in commercial agriculture and incurred expenses to purchase tangible personal property that is primarily used in your trade or business to control or prevent pollution. Use Form 325 to figure this credit.

**16. Credit for Donation of School Site.** You may qualify for this credit if you donated real property and improvements to a school district or a charter school for use as a school or as a site for the construction of a school. Use Form 331 to figure this credit.

**17. Credits for Healthy Forest Enterprises.** You may qualify for these credits, if you had net increases in qualified employment positions in a healthy forest enterprise and net training and certifying costs. Use Form 332 to figure these credits.

**18. Credit for Employing National Guard Members.** You may qualify for this credit if you are an employer who has an employee that is a member of the Arizona National Guard if the employee is placed on active duty. Use Form 333 to figure this credit.

**19. Credit for Business Contributions by an S Corporation to School Tuition Organizations - Individual.** S corporations that make qualifying contributions of \$5,000 or more may pass-through the credit to its individual shareholders on a pro rata basis. See Form 335-I for more information.

**20. Credit for Solar Energy Devices - Commercial or Industrial Applications.** This credit is available to taxpayers that installed solar energy devices for commercial, industrial, or other nonresidential applications in Arizona. Use Form 336 to figure this credit.

**21. Credit for Investment in Qualified Small Businesses.** You may qualify for this credit if you made an investment in a qualified small business. Use Form 338 to figure this credit.

**22. Credit for Donations to the Military Family Relief Fund.** You may qualify for this credit if you made a cash contribution to the Arizona Military Family Relief Fund during the taxable year. Use Form 340 to figure this credit.

**23. Credit for Business Contributions by an S Corporation to School Tuition Organizations for Displaced Students or Students with Disabilities - Individual.** S corporations that make qualifying contributions of \$5,000 or more may pass-through the credit to its individual shareholders on a pro rata basis. See Form 341-I for more information.

**24. Renewable Energy Production Tax Credit.** You may qualify for this credit if you produced electricity using renewable energy resources. Use Form 343 to figure this credit.

**25. Solar Liquid Fuel Credit.** You may qualify for this credit if you incurred expenses for (1) research and development costs associated with solar liquid fuel, (2) for the production of solar liquid fuel in this state in commercial

quantities, and (3) for costs incurred during the taxable year to convert or modify existing motor vehicle fuel service stations for the retail sale of solar liquid fuel to customers. Use Form 344 to figure this credit.

**26. Credit for New Employment.** For taxable years beginning from and after June 30, 2011, you may qualify for this credit if your business had a net increase in qualified employment positions. Use Form 345 to figure this credit.

**27. Additional Credit for Increased Research Activities for Basic Research Payments.** You may qualify for this credit for qualified basic research payments for research conducted in Arizona. Approval by the Department of Revenue is required prior to claiming this credit. Use Form 346 to figure this credit.

**28. Credit for Qualified Health Insurance Plans.** The credit for qualified health insurance plans for individuals was repealed. Any unused credit that was properly established can be carried forward for the respective three year carry forward period. Use Form 347 to figure this credit.

**29. Credit for Contributions to Certified School Tuition Organization (for the amounts that exceed the allowable credit on Arizona Form 323).** You may qualify for this credit if you made contributions to school tuition organization(s) that exceed the allowable credit amount on Form 323. Use Form 348 to figure this credit.

**30. Credit for Renewable Energy Investment & Productions for Self-Consumption by Manufacturers and International Operations Centers.** You may qualify for this tax credit if you made investment in new renewable energy facilities that produce energy for self-consumption using renewable energy resources if the power will be used primarily for manufacturing or in an international operations center. Use Form 351 to figure this credit.

**31. Credit for Contributions to Qualifying Foster Care Charitable Organizations.** You may qualify for this credit if you made contributions to certain qualifying foster care charitable organizations. Use Form 352 to figure this credit.

Compute your credit on the appropriate form. Complete Form 301 and enter the amount from Form 301, Part 2, line 76. The amount on line 62 cannot reduce your tax below zero. These credits are not refundable credits.

Include Form 301 along with any supporting documents with your return.

#### **Line 63 - Balance of Tax**

Subtract lines 61 and 62 from line 60. If the sum of lines 61 and 62 is more than line 60, enter zero "0."

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### **Totaling Payments and Refundable Credits**

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#### **Line 64 - 2017 Arizona Income Tax Withheld**

Enter the Arizona income tax withheld as shown on Form(s) W-2 from your employer(s). Also enter the Arizona income tax withheld shown on your Form(s) 1099-R (distributions from pensions, annuities, etc.). Include the Form(s) W-2 and

1099 after the last page of your return. Do **not** include income taxes withheld by any other state.

**Line 65 - (Boxes a, b and c) - 2017 Arizona Estimated Tax Payments including Amount Applied from Your 2016 Return; and Arizona Claim of Right**

Use this line if you did any of the following:

- made estimated income tax payments to Arizona for 2017;
- applied any of your refund from your 2016 Arizona tax return to 2017 estimated taxes for Arizona; or
- recomputed a prior year’s tax under Arizona’s Claim of Right provisions.
- You **must** also complete and include the *Arizona Claim of Right - Individual* form(s) with your income tax return. If you fail to complete and include the form(s), the amount of your claim may be denied. The form is available on the department’s website at [www.azdor.gov](http://www.azdor.gov).

**Box 65a:** Enter the total amount of estimated taxes paid and/or applied to your 2017 taxes.

**NOTE:** *If you are married and made joint Arizona estimated payments for 2017, but are filing separate 2017 Arizona income tax returns, see the department’s ruling ITR 02-3, Allocating Joint Estimated Payments to Separate Returns.*

**Box 65b:** Enter the amount from your *Arizona Claim of Right - Individual* form, line 8.

If you completed more than one Claim of Right form for the current taxable year, add all amounts on line 8 and enter the total in box 65b.

**NOTE:** *For more information on Arizona’s claim of right provisions, see the department’s procedure, ITP 16-1, Procedure for Individuals Who Restore Substantial Amounts Held Under a Claim of Right.*

**Line 65c:** Add the amounts in box 65a and box 65b. Enter the total on line 65c.

**Line 66 - 2017 Arizona Extension Payment (Form 204)**

Use this line to report the payment you sent with your extension request or the electronic extension payment you made using [www.AZTaxes.gov](http://www.AZTaxes.gov).

**Line 67 - Increased Excise Tax Credit**

You may claim this credit if you meet **all** of the following:

- You **must** have a SSN that is valid for employment.
- You meet the income threshold for your filing status.
  - If you are married filing a joint return, or a head of household, you may take this credit if the amount on Form 140PY, page 1, line 26, is \$25,000 or less.
  - If you are single or married filing a separate return, you may claim this credit if the amount on Form 140PY, page 1, line 26, is \$12,500 or less.
- **You are not claimed as a dependent by any other taxpayer.**
- You were not sentenced for at least 60 days of 2017 to a county, state or federal prison.

If you are married filing a joint return, you may also claim a credit for your spouse. Your spouse **must** have either a valid SSN or an ITIN.

**NOTE:** *If you are filing a joint return with your spouse, and your spouse was sentenced for at least 60 days during 2017 to a county, state or federal prison, you may claim the Excise Tax Credit if you otherwise qualify to claim the credit, but you cannot claim the credit for your spouse. If your spouse has a valid SSN, but you do not, neither you nor your spouse can claim this credit.*

For more information about how incarceration affects this credit, see the department’s publication, Pub. 709, *Excise Tax Credit – How Does Incarceration Affect Eligibility*. If you also claim a credit for your qualifying children, your qualifying children **must** have either a valid SSN or an ITIN.

To figure your credit, complete the following worksheet

<b>Credit for Increased Excise Taxes Worksheet</b>		
If you checked filing status 4 or 5, is the amount on Form 140PY, page 1, line 26, \$25,000 or less?	<i>Check one</i>	
	Yes	No
If you checked filing status 6 or 7, is the amount on Form 140PY, page 1, line 26, \$12,500 or less?		
<p><b>If you checked no, STOP. You do not qualify for this credit. If you checked yes, complete the rest of this worksheet on the following page.</b></p>		
1. Enter the number of dependents you entered on Form 140PY, page 1, box 10, excluding persons who did not qualify as your dependent on your federal return [Box 10, column (e)]. Also exclude any dependent that is not an Arizona resident.		
2. Number of personal exemptions. If you checked filing status 4, enter the number 2 here. If you checked filing status 5, 6, or 7, enter the number 1 here.		
3. Add lines 1 and 2. Enter the total.		
4. Multiply the number on line 3 by \$25. Enter the result.		\$
5. Maximum credit.		\$ 100
6. Enter the smaller of line 4 or line 5 here and also on Form 140PY, page 2, line 67.		\$

**NOTE:** *The credit cannot exceed \$100 per household. Do not claim this credit if someone else in your household has already claimed \$100 of the credit. If someone else in your household has claimed less than \$100, you may claim the credit as long as all credit claims filed from your household do not exceed \$100.*

For more information about this credit, see the department’s publication, Pub. 709

**Line 68 - Other Refundable Credits**

Enter the total of refundable credits you are claiming from any of the following:

- Form 308-I – *Credit for Increased Research Activities - Individuals*
- Form 342 – *Credit for Renewable Energy Industry*
- Form 349 – *Credit for Qualified Facilities*

If you enter an amount on this line, be sure you check the box or boxes to show which credits you are claiming. Include the credit form(s) with your return when you file.

**Credit for Increased Research Activities - Individuals (Arizona Form 308-I)**

A portion of this credit may be refundable. You may qualify for the refundable increased research activities credit if you incurred qualified research expenses for research conducted in Arizona. For more information about this credit, and whether you may claim a refund of this credit, see Form 308-I.

You must include a copy of your “Certificate of Qualification” from the Arizona Commerce Authority (ACA), Form 301 and Form 308-I with your return to claim this credit. If you are claiming a refund of the increased research activities credit from Form 308-I, enter the amount from Form 308-I, Part 5, line 35, here.

**Credit for Renewable Energy Industry (Arizona Form 342)**

You may qualify for the refundable credit for renewable energy industry if you expanded or located a qualified renewable energy operation in Arizona. The tax credit is refundable in five equal installments. Pre-approval and post-approval are required through the ACA. For more information about this credit, see Form 342.

You must include a copy of your “Certificate of Qualification” from the ACA, and Form 342 with your return to claim this credit.

If you are claiming the credit for renewable energy industry, from Form 342, enter the amount from Form 342, Part 6, line 15, here.

**Credit for Qualified Facilities (Arizona Form 349)**

You may qualify for the refundable qualified facilities credit if you expanded or located a qualified facility in Arizona. This credit is refundable in five equal installments. Pre-approval and post-approval are required through the ACA. For more information about this credit, see Form 349.

You must include a copy of your “Certificate of Qualification” from the ACA and Form 349 with your tax return to claim this credit. If you are claiming a refund of the qualified facilities credit from Form 349, enter the amount from Form 349, Part 8, line 20, here.

If you are claiming more than one of the refundable tax credits, add the amounts from the credit forms together and

enter the total on line 68. You may use the following table to figure the amount to enter on line 68.

2017 - Refundable Credit Worksheet	
1. Enter the refundable credit from Form 308-I, Part 5, line 35.	
2. Enter the refundable credit from Form 342, Part 6, line 15.	
3. Enter the refundable credit from Form 349, Part 8, line 20.	
4. Add the amounts on lines 1 through 3. Enter the total here and on line 68.	

**Line 69 - Total Payments and Refundable Credits**

Line 69 is the total payments and refundable credits claimed. Add lines 64 through 68. Enter the total

**Arizona’s Claim of Right Provision**

**NOTE:** *Arizona’s Claim of Right amount is now reported on line 65. See line 65 for instructions.*

**Figuring Your Tax Due or Overpayment**

**Line 70 - Tax Due**

If line 63 is more than line 69, you have tax due. Subtract line 69 from line 63. Skip lines 71, 72 and 73.

**Line 71 - Overpayment**

If line 69 is more than line 63, subtract line 63 from line 69. Enter the overpayment. Complete lines 72 and 73.

**Line 72 - Amount of Line 71 to Apply to 2018 Estimated Tax**

If you want all or part of your refund applied to next year's Arizona estimated taxes, enter that amount on line 72.

**NOTE:** *If you apply any of the amount shown on line 71 to 2018, you cannot use that amount to pay any tax that is later found to be due for 2017. You also may not claim a refund for that amount until you file your 2018 return.*

**Line 73 - Balance of Overpayment**

Subtract line 72 from line 71 to determine your overpayment balance before voluntary gifts and any estimated payment penalty and/or an Arizona Long-Term Health Care Savings Account (AZLTHSA) withdrawal penalty.

**Making Voluntary Gifts**

You can make voluntary gifts to each of the funds shown below. A gift will reduce your refund or increase the amount due with your return.

**NOTE:** *If you make a gift, you cannot change the amount of that gift later on an amended return.*

**Line 74 - Solutions Teams Assigned to Schools Fund**

You may give some or all of your refund to the Solutions Teams Assigned to Schools Fund. You may also give more

than your entire refund. If you send in additional money with your return, include that amount on line 90. Enter the amount you want to donate on line 74.

Gifts go to the Arizona Assistance for Education Fund. The Arizona Board of Education will distribute money to the Arizona Department of Education to fund solutions teams assigned to schools.

#### **Line 75 - Arizona Wildlife Fund**

You may give some or all of your refund to the Arizona Wildlife Fund. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 90. Enter the amount you want to donate on line 75.

Your gift to the Arizona Wildlife Fund helps protect wildlife in the state. Many species like bald eagles, Apache trout and black-footed ferrets benefit from your gifts to this fund. Gifts are also used to improve areas for watching wildlife statewide.

#### **Line 76 - Child Abuse Prevention Fund**

You may give some or all of your refund to the Arizona Child Abuse Prevention Fund. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 90. Enter the amount you want to donate on line 76.

Gifts go to the Arizona Child Abuse Prevention Fund. This fund provides financial aid to community agencies for child abuse prevention programs.

#### **Line 77 - Domestic Violence Shelter Fund**

You may give some or all of your refund to the Domestic Violence Shelter Fund. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 90. Enter the amount you want to donate on line 77.

Gifts go to the Domestic Violence Shelter Fund. This fund provides financial aid to shelters for victims of domestic violence.

#### **Line 78 - Political Gift**

You may give some or all of your refund to a political party. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 90. Enter the amount you want to donate on line 78.

If you donate to a political party, complete line 85.

Gifts go to one of the following political parties.

- Democratic
- Green Party
- Libertarian
- Republican

#### **Line 79 - Neighbors Helping Neighbors Fund**

You may give some or all of your refund to the Neighbors Helping Neighbors Fund. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 90. Enter the amount you want to donate on line 79.

Gifts go to the Neighbors Helping Neighbors Fund. This fund provides eligible recipients with emergency aid in paying utility bills, conserving energy and weatherization.

#### **Line 80 - Special Olympics Fund**

You may give some or all of your refund to the Special Olympics Fund. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 90. Enter the amount you want to donate on line 80.

Gifts go to the Special Olympics Fund. This fund helps provide programs of the Arizona Special Olympics.

#### **Line 81 - Veterans' Donations Fund**

You may give some or all of your refund to the Veterans' Donations Fund. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 90. Enter the amount you want to donate on line 81.

Gifts go to the Veterans' Donations Fund, which may be used for veterans in Arizona.

#### **Line 82 - I Didn't Pay Enough Fund**

You may give some or all of your refund to the I Didn't Pay Enough Fund. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 90. Enter the amount you want to donate on line 82.

Gifts that you make to the I Didn't Pay Enough Fund will aid the state by going to the Arizona general fund.

#### **Line 83 - Sustainable State Parks and Roads Fund**

You may give some or all of your refund to the Sustainable State Parks and Roads Fund. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 90. Enter the amount you want to donate on line 83.

Gifts that you make to the Sustainable State Parks and Roads Fund will aid the state to operate, maintain and make capital improvements to buildings, roads, parking lots, highway entrances and any related structure used to operate state parks.

#### **Line 84 - Spaying and Neutering of Animals Fund**

You may give some or all of your refund to the Spaying and Neutering of Animals Fund. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 90. Enter the amount you want to donate on line 84.

Gifts that you make to the Spaying and Neutering of Animals Fund will help to reduce pet overpopulation by sterilizing, at minimal or no cost, dogs and cats in this state, including those that are impounded and sterilized.

#### **Line 85 - Political Party**

If you entered an amount on line 78, check the box for the political party to which you wish to give. Select only one

party. If you do not select a political party, the department will return the amount on line 78.

**Line 86 -**

- Estimated Payment Penalty
- Arizona Long-Term Health Care Savings Account (AZLTHSA) Withdrawal Penalty

**Estimated Payment Penalty**

**NOTE:** Do not complete Arizona Form 221, *Underpayment of Estimated Tax by Individuals*, if the amount on Form 140PY, line 64, is more than the amount on Form 140PY, line 63. If the amount on Form 140PY, line 64, is more than the amount on Form 140PY, line 63, skip line 86 unless you must report an Arizona Long-Term Health Care Savings Account penalty.

You must have made Arizona estimated income tax payments during 2017 if:		
Your filing status is:	<b>AND</b> Your Arizona gross income for 2016 was greater than:	<b>AND</b> Your Arizona gross income for 2017 is greater than:
Married Filing Joint	\$150,000	\$150,000
Single	\$75,000	\$75,000
Head of Household	\$75,000	\$75,000
Married Filing Separate	\$75,000	\$75,000

If you report as a farmer or fisherman for federal purposes, you were not required to make estimated payments during 2017 if the following apply:

1. You are a calendar year filer. You file your Arizona return by March 1, 2018. You pay in full the amount stated on your return as owed.
2. You are a fiscal year filer. You file your Arizona return by the first day of the third month after the end of your fiscal year. You pay in full the amount stated on your return as owed.

**If the above applies, check box 872 on line 87 and do not complete Form 221.**

An individual who fails to make the required estimated payments is subject to penalty on any estimated tax payment that is late or underpaid.

Complete and include Form 221, *Underpayment of Estimated Tax by Individuals*, to determine if any penalty is due. Enter the total penalty from Form 221.

**Arizona Long-Term Health Care Savings Account Withdrawal Penalty**

You must pay a withdrawal penalty if you made a long-term health care savings account withdrawal during 2017 for purposes other than to pay for qualified long-term health care expenses. *Long-term health care expense* means any expense you paid for long-term health care costs, including the following:

- expenses for skilled nursing care,
- expenses for home health care, and
- personal care or supportive services due to the loss of some capacity for self-care based on a chronic illness or condition.

The penalty is equal to 10% (.10) of the withdrawal. You must remit this penalty with your income tax return filed for the year in which you made the withdrawal.

Multiply the amount of your withdrawal subject to penalty by 10%. Enter the result on line 86.

**Line 87 - Box 871 through Box 874**

**Box 871:** check if any of the following applies to you:

- You checked the box on line 1 of Form 221.
- You completed the annualized income worksheet on Form 221.
- You elected to be treated as a nonresident alien on your federal income tax return. You made three estimated payment installments. Your first installment equaled 50% of the total of all of your required installments.

**Box 872:** check if you are an individual who for federal purposes reports as a farmer or fisherman.

**Box 873:** check if you completed and are including Arizona Form 221.

**Box 874:** check if you included an AZLTHSA penalty on line 85.

**Line 88 -**

Add lines 74 through 84 and line 86. Enter the total.

**Figuring Your Refund or Amount Owed**



You can get your refund quicker when you *e-file* and use direct deposit.

**Line 89 - Refund**

Subtract line 88 from line 73. Enter your refund on line 89 and skip line 90. If you owe money to any Arizona state agency, court, county, incorporated city or town and certain federal agencies, your refund may go to pay some of the debt. If so, the department will let you know by letter.

**TAX TIP:** If you change your address before you get your refund, let the department know. Write to: Refund Desk, Arizona Department of Revenue, PO Box 29216, Phoenix, AZ 85038-9216. Include your SSN in your letter.

**Direct Deposit of Refund**

Complete the direct deposit line if you want us to directly deposit the amount shown on line 89 into your account at a bank or other financial institution (such as a mutual fund, brokerage firm or credit union) instead of sending you a check.

**NOTE:** Check the box on line 89A if the direct deposit will ultimately be placed in a foreign account. If you check box 89A, do not enter your routing or account numbers. If this box is checked, we will not direct deposit your refund. We will mail you a check instead.

## Why Use Direct Deposit?

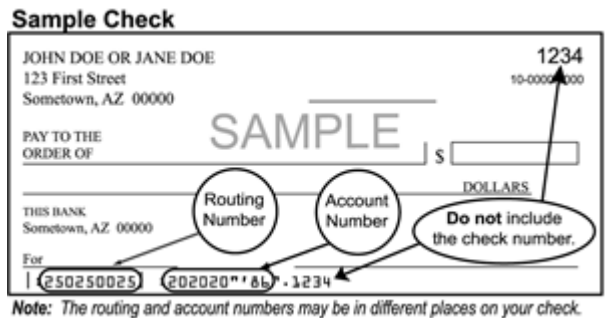
- You will get your refund fast - even faster if you e-file!
- Payment is more secure - there is no check to get lost.
- It is more convenient - no trip to the bank.
- It saves tax dollars - a refund by direct deposit costs less to process than a check.

**NOTE:** *We are not responsible for a lost refund if you enter the wrong account information. Check with your financial institution to get the correct routing and account numbers and to make sure your direct deposit will be accepted.*

## Routing Number

### MAKE SURE YOU ENTER THE CORRECT ROUTING NUMBER.

The routing number must be nine digits. The first 2 digits must be 01 through 12 or 21 through 32. Otherwise, the direct deposit will be rejected and a check will be mailed instead. On the sample check, the routing number is 250250025.



Your check may state that it is payable through a financial institution different from the one at which you have your checking account. If so, **do not** use the routing number on that check. Instead, contact your financial institution for the correct routing number to enter here.

## Account Number

### MAKE SURE YOU ENTER THE CORRECT ACCOUNT NUMBER.

The account number can be up to 17 characters (both numbers and letters). **DO NOT** include hyphens, spaces or special symbols. Enter the number from left to right and leave any unused boxes blank.

On the sample check, the account number is 20202086. Be sure **not** to include the check number.

**NOTE:** *If the direct deposit is rejected, a check will be mailed instead.*

## Line 90 - Amount Owed

Add lines 70 and 88. Enter the amount you owe on line 90. If you are making voluntary donations on lines 74 through 84 in excess of your overpayment, enter the difference on line 90.

You may pay only with a check, electronic check, money order, or credit card. If you want to make a cash payment, please visit one of our offices.

## Check or money order

**NOTE:** *Include your check with your return. Please do not send cash.*

Make your check payable to Arizona Department of Revenue. Write your SSN and tax year on the front of your check or money order. It may take 2-3 weeks for your payment to process.

The department cannot accept checks or money orders in foreign currency. You must make payment in U.S. dollars.

## Electronic payment from your checking or savings account

You can make an electronic payment from your checking or savings account to pay your balance due for 2017. There is no fee to use this method. To make an electronic payment, go to [www.AZTaxes.gov](http://www.AZTaxes.gov) and click on the "Make a Payment" link.

Be sure to enter the correct routing number and account number for your checking or savings account. You will be charged a \$50 NSF (non-sufficient funds) fee if you provide an incorrect routing number or an incorrect account number. Check with your financial institution to get the correct routing and account numbers.

The "E-Check" option in the "Payment Method" drop-down box will debit the amount from the checking or savings account that you specify.

If you make an electronic payment from your checking or savings account, you will receive a confirmation number. **Please keep this confirmation number as proof of payment.**

**NOTE:** *You may not make an electronic payment from your checking or savings account if the payment will ultimately be coming from a foreign account. In this case, you must pay by check or money order.*

## Credit card payment

You can pay with your Discover, MasterCard, Visa, or American Express credit card. Go to [www.AZTaxes.gov](http://www.AZTaxes.gov) and click on the "Make a Payment" link and choose the credit card option. This will take you to a third party vendor site (provider). The provider **will charge** you a convenience fee based on the amount of your tax payment.

The provider will tell you what the fee is during the transaction; you will have the option to continue or cancel the transaction. If you complete the credit card transaction, you will receive a confirmation number. **Please keep this confirmation number as proof of payment.**

## Installment Payments

If you cannot pay the full amount shown on line 90 when you file, you may ask to make monthly installment payments. To make this request, complete Arizona Form 140-IA and mail the completed form to the address on the Form 140-IA. **Do not mail Form 140-IA with your income tax return.** You may obtain Arizona Form 140-IA from our website.

If you cannot pay the full amount shown on line 90, you will be charged interest and may be charged a late payment penalty on the tax not paid by April 17, 2018. To limit the interest and penalty charges, pay as much of the tax as possible when you file.

## Sign Your Return

You must sign your return. If married filing a joint return, both you and your spouse must sign even if only one had income. Form 140PY is not considered a valid return unless you sign it. The department cannot send a refund check without proper signatures on the return.

## Instructions Before Mailing

- **DO NOT STAPLE YOUR RETURN. DO NOT STAPLE ANY SCHEDULES, DOCUMENTS OR PAYMENT TO YOUR RETURN.**

- Make sure your SSN is on your return.
- Be sure you enter your daytime telephone number in the space provided on the front of your return.

Check to make sure that your math is correct. A math error can cause delays in processing your return.

- If claiming **dependent** exemptions, enter the number of dependents claimed on the **front** of the return. On page 1 of the return, also enter each dependent's name, SSN, relationship, and the number of months that he or she lived in your home. If more space is needed, complete page 3 and include with your return.
- If claiming exemptions for **qualifying parents or grandparents**, enter the number of qualifying parents or grandparents claimed on the **front** of the return. Also enter each parent's or grandparent's name, SSN, relationship, and the number of months that he or she lived in your home.
- Check the **boxes** to make sure you filled in all required boxes.
- If you requested a filing extension, make sure that you check box 82F on page 1 of the return.
- Sign your return and have your spouse sign, if filing jointly.
- Write your SSN and tax year on the front of your check or money order. Include your payment with your return.

The Department of Revenue may charge you \$50 for a check returned unpaid by your financial institution.

- If you completed Form 203, be sure to check box 4a on page 1 of your return. Place Form 203 on top of your return.
- Include all other required documents after your return. Documents you must include with your return include those items listed in numbers 1 through 6 below.
  1. Include Form(s) W-2 after the last page of your return. Also include Form(s) 1099-R after the last page of your return if you had Arizona tax withheld from your pension or annuity.

2. Include AZ Form 301, applicable credit forms, and your own schedules after the last page of your return.
3. If you itemize, be sure to include AZ Schedule A(PY), or A(PYN), and a copy of the federal Schedule A. Include the AZ Schedule A(PY) or A(PYN) and the federal Schedule A directly after page 2 of your return. Include other forms and schedules behind the Schedules A.
4. If you are claiming a credit for taxes paid to another state or country, include copies of the other state or country's filed return.
5. If you have tax exempt interest income, be sure to include a schedule listing the payors and the amount received from each payor.

- Do **not** include correspondence with your return.

## Filing Your Return

Before you mail your return, make a copy of your return. Also make a copy of any schedules that you are including in with your return. Keep the copies for your records. Be sure that you mail the original and not a copy.

To avoid delays, if you are mailing more than one return, please use separate envelopes for each return.

## Where Should I Mail My Return?

If you are **sending a payment** with this return, mail the return to:

Arizona Department of Revenue  
PO Box 52016  
Phoenix, AZ 85072-2016

If you are **expecting a refund, or owe no tax, or owe tax but are not sending a payment**, mail the return to:

Arizona Department of Revenue  
PO Box 52138  
Phoenix, AZ 85072-2138

## Make sure you put enough postage on the envelope

The U.S. Post Office or the United States mail service must postmark your return or extension request by midnight April 17, 2018.

The term "United States mail" includes any private delivery service designated by the United States Secretary of the Treasury pursuant to IRC § 7502(f) and the term "postmark" includes any date recorded or marked by any such designated delivery service.

An income tax return that is mailed to the department is timely filed if it is delivered on or before its due date. Additionally, if the envelope or wrapper containing the return sent through the United States mail bears a postmark of the United States mail and that tax return is delivered to the department after its due date that return will be considered timely filed if all of the following apply:

1. The return was deposited in an official depository of the United States mail;
2. The date of the postmark is no later than the due date;
3. The return was properly addressed; and
4. The return had proper postage.

If the envelope or wrapper containing a return sent through the United States mail bears a private meter postmark made by other than the United States mail, the return is treated as timely filed if both of the following apply:

1. The private meter postmark bears a date on or before the due date for filing; and
2. The return is received no later than the time it would ordinarily have been received from the same point of origin by the same class of U.S. postage. If the return is received by the department within five business days of the private meter postmark date the department will consider this requirement satisfied.

You may also use certain private delivery services designated by the IRS to meet the “timely mailing as timely filed” rule.

For more information, see the department’s ruling, GTR 16-1, *Timely Filing of Income or Withholding Tax Returns Through the United States Mail*.

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## **How Long To Keep Your Return**

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You must keep your records as long as they may be needed for the administration of any provision of Arizona tax law. Generally, this means you must keep records that support items shown on your return until the period of limitations for that return runs out.

The period of limitations is the period of time in which you can amend your return to claim a credit or refund or the department can assess additional tax. A period of limitations is the limited time after which no legal action can be brought. Usually, this is four years from the date the return was due or filed.

In some cases, the limitation period is longer than four years. The period is six years from when you file a return if you underreport the income shown on that return by more than 25% (.25).

The department can bring an action at any time if a return is false or fraudulent, or you do not file a return. To find out more about what records you should keep, get federal Publication 552.

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## **Where’s My Refund?**

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You can check on your refund by visiting [www.AZTaxes.gov](http://www.AZTaxes.gov) and clicking on “Where’s my refund?” or you may call one of the numbers listed on page 1.

Before you call, be sure to have a copy of your 2017 tax return on hand. You will need to know your SSN, your filing status and your 5-digit ZIP Code.

## **Contacting the Department**

Your tax information on file with the department is confidential. If you want the department to discuss your tax matters with someone other than yourself, you must authorize the department to release confidential information to that person.

You may use Arizona Form 285 to authorize the department to release confidential information to your appointee. See Form 285 for details.



**Worksheet for Net Long-Term Capital Gain Subtraction for Assets Acquired After December 31, 2011**

2017 Original return       2017 Amended return

<p><b>Long-Term Capital Gain or (loss) as reported on federal Schedule D (or other form/schedule) and included in computation of federal adjusted gross income.</b>                      Enter the <b>total</b> net long-term capital gains or (losses) from the following forms in each applicable column. See page 32 for instructions.</p>		(a) Total net long-term capital gains or (losses) for all assets	(b) For amounts to enter, see instructions for column (b)	(c) Net long-term capital gains or (losses) included in column (b) from assets acquired before 1/1/2012	(d) Net long-term capital gains or (losses) included in column (b) from assets acquired after 12/31/2011
1	Form(s) 8949 <i>Sales and Other Dispositions of Capital Assets; and</i> Form(s) 1099-B, <i>Proceeds from Broker and Barter Exchange Transactions</i> , for long-term transactions directly reported on federal Schedule D.	1			
2	Form(s) 4797 <i>Sales of Business Property</i>	2			
3	Form(s) 2439 <i>Notice to Shareholder of Undistributed Long-Term Capital Gains</i>	3			
4	Form(s) 6252 <i>Installment Sale Income</i>	4			
5	Form(s) 4684 <i>Casualties and Thefts</i>	5			
6	Form(s) 6781 <i>Gains and Losses from Sec. 1256 Contracts and Straddles</i>	6			
7	Form(s) 8824 <i>Like-Kind Exchanges</i>	7			
8	Partnerships, S corporations, estates, and trusts – from AZ Form 120S Schedule K-1; AZ Form 165 Schedule K-1; and AZ Form 141 Schedule K-1.	8			
9	Form(s) 1099-DIV <i>Dividends and Distributions</i>	9			
10	Subtotal: for each column, combine the amounts and enter the total.	10			
11	Long-term capital loss carryover. See the instructions for the amount(s) to enter, if any, in each applicable column.	11			
12	Subtract line 11 from line 10 and enter the difference in each applicable column.	12			
13	For amount to enter on line 13, column (d), see worksheet instructions.	13			
14	<p><b>Net Long-term capital gain or (loss) included in computation of your federal adjusted gross income.</b> Subtract line 13 from line 12 and enter the difference in each applicable column.</p> <ul style="list-style-type: none"> <li>If the amount on line 14, column (d) is a net capital (loss), you do not qualify to take the subtraction.</li> <li>If the amount on line 14, column (d) is a net capital gain, enter the result on Form 140PY, page 1, line 35. Also enter the amount from line 14, column (b) on Form 140PY, page 1, line 34.</li> </ul>	14			

## Instructions for completing the worksheet for the subtraction from Arizona gross income for any net long-term capital gain from assets acquired *after* December 31, 2011.

### Purpose of the Worksheet

You may subtract a percentage of any net long-term capital gain included in your federal adjusted gross income that is from an investment in an asset acquired after December 31, 2011.

For purposes of this subtraction, “*qualified*” means an Arizona asset that was acquired *after* December 31, 2011.

As a part-year resident, you may take the allowable subtraction for only those qualified net long-term capital gains that are from the following.

- Only those qualified net long-term capital gains sourced to Arizona during the period that you were an Arizona nonresident.
- All qualified net long-term capital gains during the period that you were an Arizona resident.

To take the allowable subtraction, you must know whether the capital gain or (loss) is considered short-term or long-term. Only the net long-term capital gain from assets acquired *after* December 31, 2011, is used in the computation for the subtraction.

For more information about determining whether a gain or (loss) is short term or long term, see federal *Publication 544* at [www.irs.gov](http://www.irs.gov).

If you cannot verify that the capital gain is from the sale of an asset acquired after December 31, 2011, then the capital gain should be included in column (c) of the worksheet as a capital gain from an asset acquired before January 1, 2012.

An asset acquired by gift or inheritance is considered acquired on the date it was acquired by the gift-giver or the deceased individual.

### Who Should Complete the Worksheet?

You *must* complete this worksheet to take the allowable subtraction if you have a net capital gain included in your federal adjusted gross income and the gain includes assets purchased *after* December 31, 2011.

Do *not* complete this worksheet if either of the following applies.

- You do not have any capital gains to report for the current tax year; or
- You do not have any net capital gain from asset(s) acquired *after* December 31, 2011, to report for the current tax year.

### General Instructions

1. Check the box if this worksheet is for an original or an amended return.
2. Keep this worksheet for your records.

## Line-by-Line instructions

Lines 1 through 8, lists the federal forms reported on federal Schedule D. Line 9 identifies the total capital gain distributions reported on Form(s) 1099-DIV.

- **Column (a)** is the total amount of long-term capital gains or (losses) reported on federal Schedule D or other forms/schedules.
- **Column (b)** is the amount of long-term capital gains or (losses) included in column (a) from the following.
  - Only those qualified net long-term capital gains sourced to Arizona during the period that you were an Arizona nonresident.
  - All qualified net long-term capital gains during the period that you were an Arizona resident.
- **Column (c)** is the amount of the long-term capital gains or (losses), included in column (b) for assets acquired *before* January 1, 2012.
- **Column (d)** is the amount of the long-term capital gains or (losses), included in column (b) for assets acquired *after* December 31, 2011.

### Lines 1 through 8 - Capital Gains or (Losses) Reported on Federal Schedule D

Enter the long-term capital gain or (loss) from the federal form listed that was reported on your federal Schedule D and included in the computation of your federal adjusted gross income.

### Line 9 - Long-Term Capital Gains or (Losses)

Capital gains listed on a 1099-DIV are gains passed on from a fund, such as a mutual fund, from the sale of assets within the fund. Generally, such funds do not provide the information needed to determine when the asset that was sold was acquired. In this situation, the capital gains will be considered as acquired before January 1, 2012, and would not qualify for this subtraction.

Enter the long-term capital gain or (loss) reported on Form(s) 1099-DIV and included in your computation of federal adjusted gross income.

**NOTE:** *Some taxpayers are not required to file federal Schedule D to report certain capital gains or (losses). In these cases, the long-term capital gains or (losses) are reported directly on the taxpayer's income tax return. Enter those items on line 9 of the worksheet.*

### Line 10 - Subtotal

For each column, combine the amounts listed on lines 1 through 9 and enter the total.

### Line 11 - Long-Term Capital (Loss) Carryover

- Column (a), enter the total amount of long-term capital loss carryover *actually used* on the federal return for the current table year.
- Column (b), enter the portion from column (a) that is *from Arizona sources*.
- Column (c), enter the portion from column (b) that is from assets acquired before January 1, 2012.

- Column (d), enter the portion from column (b) that is from assets acquired after December 31, 2011.

**Line 12 -**

Subtract Line 11 from line 10 and enter the difference in each applicable column.

**Line 13 - Net Long-Term Capital Gain from Investment in Qualified Small Business**

To determine the amount to enter on line 13, column (d); answer the following questions.

Did you take a subtraction for any net capital gain included in federal adjusted gross income for the taxable year derived from investment in a qualified small business on Arizona Form 140PY, page 1, line 37?

- If “No”, enter zero, “0”, on line 13, column (d).
- If “Yes”, does that amount include any net long-term capital gain from an investment made *after* December 31, 2011?
  - If “No”, enter zero, “0”, on line 13, column (d).
  - If “Yes”, enter on line 13, column (d) the amount of any net long-term capital gain from an investment made *after* December 31, 2011, and included in the amount subtracted on AZ Form 140PY, line 37.

**Line 14 - Current Year Net Long-Term Capital Gain or (Loss)**

Subtract line 13 from line 12 and enter the difference in each applicable column.

- If the amount on line 14, column (d) is a net capital (loss), you do not qualify to take the subtraction.
- If the amount on line 14, column (d) is a net capital gain, enter the amount on Form 140PY, line 35.

Also enter the amount from line 12, column (b) on Form 140PY, line 34.

**2017**  
**Arizona Tax Tables X and Y**  
**For Form 140PY**

**Table X - Use Table X if your filing status is Single or Married Filing Separate**

(a)		(b)	(c)	(d)	(e)	(f)
If taxable income from Form 140PY, line 57 is:		Enter the amount from Form 140PY, line 57	Multiply the amount entered in column (b) by	Enter the result	Subtract	Your tax. Round the difference and enter this amount on Form 140PY, line 58
Over	But Not over					
\$0	\$10,346	X	.0259 =	-	0.00 =	
\$10,346	\$25,861	X	.0288 =	- \$	30.00 =	
\$25,861	\$51,721	X	.0336 =	- \$	154.00 =	
\$51,721	\$155,159	X	.0424 =	- \$	609.00 =	
\$155,159	and over	X	.0454 =	- \$	1,075.00 =	

**Table Y - Use Table Y if your filing status is Married Filing Joint or Head of Household**

(a)		(b)	(c)	(d)	(e)	(f)
If taxable income from Form 140PY, line 57 is:		Enter the amount from Form 140PY, line 57	Multiply the amount entered in column (b) by	Enter the result	Subtract	Your tax. Round the difference and enter this amount on Form 140PY, line 58
Over	But Not over					
\$0	\$20,690	X	.0259 =	-	0.00 =	
\$20,690	\$51,721	X	.0288 =	- \$	60.00 =	
\$51,721	\$103,440	X	.0336 =	- \$	308.00 =	
\$103,440	\$310,317	X	.0424 =	- \$	1,219.00 =	
\$310,317	and over	X	.0454 =	- \$	2,149.00 =	

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**DO YOU QUALIFY FOR AN ARIZONA TAX CREDIT?**

You may claim the FAMILY TAX CREDIT if:

- your income is \$31,000 or less for Married Filing Joint
- your income is \$26,575 or less for Head of Household
- your income is \$10,000 or less for Single

**UP TO \$240**

You may claim the INCREASED EXCISE TAX CREDIT if:

- you are an Arizona resident
- you are not claimed as a dependent by any other taxpayer
- your federal adjusted gross income was \$ 25,000 or less (\$12,500 if single)
- you were not sentenced for at least 60 days of 2017 to a county, state or federal prison

Up to  
**\$100**  
per household

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# Tax Credits Available

Over 100,000 eligible Arizona families failed to receive thousands of dollars in tax credits because they did not file a tax return. **You may qualify for these special credits when you file your state and federal taxes.**

Tax Year 2017 Federal Earned Income Tax Credit Eligibility Table		
Number of Qualifying Children	Earned Income (less than)	Maximum Credit
0*	\$15,010 (\$20,600 if MFJ)	\$510
1	\$39,617 (\$45,207 if MFJ)	\$3,400
2	\$45,007 (\$50,597 if MFJ)	\$5,616
3 or more	\$48,340 (\$53,930 if MFJ)	\$6,318

\*your age 25 - 64

MFJ = Married Filed Jointly

Tax Year 2017 Federal Child Tax Credit Eligibility Table	
Qualifications	Maximum Credit Amount Per Qualifying Child
Children under the age of 17 years at the end of the 2017 tax year	\$1,000 per child

Parents and children must have Social Security Number or ITIN (Individual Taxpayer Identification Number) to claim credit.

Arizona Family Tax Credit Eligibility Table	
Qualifications	Income
Eligibility depends on filing status and number of dependents	\$31,000 or less per year

Arizona Increased Excise Tax Credit Eligibility Table	
Qualifications	Income
Eligibility depends on Arizona residency and filing status	\$25,000 or less per year

## To Qualify!

You must file your state and federal taxes

## How To File!

Get your taxes prepared FREE at one of the community tax assistance sites. The sites will also e-file your taxes; that means a FREE FAST REFUND.

## Where To File!

For locations call ..... 2-1-1 within Arizona  
 From anywhere ..... (877) 211-8661  
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Website: [www.cir.org](http://www.cir.org)

## Earn it! Keep it! Save it!

- Save for a House
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