

Legislative Alert

ARIZONA QUALITY JOBS TAX CREDIT PROGRAM UPDATE

Atlas Insight assists companies from all industry sectors and geographies to negotiate and secure tax credits and incentives for business investment and job creation/retention.

The professionals at Atlas Insight are industry leaders in the field of corporate site selection and incentive procurement.

We help to choose locations for all types of business facilities that meet the long-term needs of those operations, while helping to achieve overall corporate goals.

Our team has extensive experience in all corporate sectors and has consulted on many sensitive projects for some of the world's largest corporations. We strive for excellence with every client.

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Target Audience: Arizona Employers Creating Quality Jobs and Capital Investment

Summary of Changes

On May 22, 2017, Governor Doug Ducey signed to law Senate Bill 1416 revising the qualifying criteria for the Quality Jobs Tax Credit Program. Prior to January 1, 2018, a business must invest at least \$5 million and create 25 new jobs within an urban area, or invest at least \$1 million and create 5 jobs within a rural area.

After January 1, 2018, the required capital investment and job creation thresholds will be amended to permit companies paying higher wages to new hires to qualify with less new capital investment:

Urban Location (previously "Metro")

Cities with populations of at least 50,000 within counties of at least 800,000.

Capital Investment	\$5,000,000	\$2,500,000	\$1,000,000	\$500,000
New Jobs	25	25	25	25
% of County Median Wage	100%	125%	150%	200%

Rural Location

Cities with populations of less than 50,000 or within a county of less than 800,000.

Capital Investment	\$1,000,000	\$500,000	\$100,000
New Jobs	5	5	5
% of County Median Wage	100%	125%	150%

The legislation also extended the sunset date for the Program, previously scheduled for July 2017, through July 2025.

Quality Jobs Tax Credit Program

The Quality Jobs Tax Credit Program provides an Arizona income or premium tax credit up to \$9,000, in three \$3,000 annual installments, for each net new qualified job created over a three year period. The capital investment threshold must be attained within a twelve month period. Unused tax credits may be carried-forward for up to five years. Participation in the Program is subject to application and approval by the Arizona Commerce Authority.

Recommended Action

This new legislation is intended to make this lucrative tax credit more accessible to businesses looking to expand or locate in Arizona. The experts at Atlas Insight have the experience and resources to help you determine whether your company could potentially benefit from this Program. Our staff is ready to navigate you through the application, approval, and compliance phases while ensuring that you receive and monetize the maximum benefit possible. Please contact us today!