

House Engrossed

apprenticeship program; income tax subtraction

State of Arizona
House of Representatives
Fifty-fifth Legislature
Second Regular Session
2022

HOUSE BILL 2290

AN ACT

AMENDING TITLE 15, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY
ADDING SECTION 15-249.17; AMENDING SECTIONS 43-1022 AND 43-1122, ARIZONA
REVISED STATUTES; RELATING TO THE DEPARTMENT OF EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 15, chapter 2, article 2, Arizona Revised
3 Statutes, is amended by adding section 15-249.17, to read:

4 15-249.17. Arizona student apprenticeship program;
5 definitions

6 A. THE ARIZONA STUDENT APPRENTICESHIP PROGRAM IS ESTABLISHED WITHIN
7 THE DEPARTMENT OF EDUCATION TO PROVIDE JOB TRAINING AND ECONOMIC
8 OPPORTUNITY TO HIGH SCHOOL STUDENTS IN THIS STATE. THE DEPARTMENT SHALL
9 DEVELOP APPLICATION PROCEDURES, SELECTION CRITERIA AND COMPLETION
10 REQUIREMENTS. THE ARIZONA STUDENT APPRENTICESHIP PROGRAM IS SEPARATE AND
11 APART FROM THE UNITED STATES DEPARTMENT OF LABOR-APPROVED APPRENTICESHIP
12 PROGRAM.

13 B. ANY EMPLOYER IN THIS STATE MAY APPLY TO PARTICIPATE IN THE
14 PROGRAM BY SUBMITTING AN APPLICATION TO THE DEPARTMENT. AN EMPLOYER THAT
15 PARTICIPATES IN THE PROGRAM SHALL DO ALL OF THE FOLLOWING:

16 1. PROVIDE EACH PARTICIPANT EMPLOYEE WITH JOB TRAINING.

17 2. PROVIDE FLEXIBLE SCHEDULING TO EACH PARTICIPANT EMPLOYEE SO THAT
18 THE PARTICIPANT EMPLOYEE MAY ATTEND CLASSES.

19 3. OPEN A SEPARATE INTEREST-BEARING ACCOUNT ON BEHALF OF EACH
20 PARTICIPANT EMPLOYEE.

21 4. DEPOSIT THE PORTION OF EACH PARTICIPANT EMPLOYEE'S WAGES
22 SELECTED BY THE PARTICIPANT EMPLOYEE PURSUANT TO SUBSECTION E OF THIS
23 SECTION IN THE ACCOUNT OPENED PURSUANT TO PARAGRAPH 3 OF THIS SUBSECTION.

24 5. EACH TIME THE EMPLOYER DEPOSITS A PORTION OF A PARTICIPANT
25 EMPLOYEE'S WAGES PURSUANT TO PARAGRAPH 4 OF THIS SUBSECTION, DEPOSIT AN
26 EQUIVALENT AMOUNT OF MONIES IN THE ACCOUNT OPENED PURSUANT TO PARAGRAPH 3
27 OF THIS SUBSECTION.

28 6. IF A PARTICIPANT EMPLOYEE SUCCESSFULLY COMPLETES THE PROGRAM
29 REQUIREMENTS PRESCRIBED BY THE DEPARTMENT PURSUANT TO SUBSECTION A OF THIS
30 SECTION, DISBURSE TO THE PARTICIPANT EMPLOYEE THE ENTIRE AMOUNT OF MONIES
31 IN THE ACCOUNT OPENED PURSUANT TO PARAGRAPH 3 OF THIS SUBSECTION.

32 7. IF A PARTICIPANT EMPLOYEE DOES NOT SUCCESSFULLY COMPLETE THE
33 PROGRAM REQUIREMENTS PRESCRIBED BY THE DEPARTMENT PURSUANT TO SUBSECTION A
34 OF THIS SECTION, DISBURSE TO THE PARTICIPANT EMPLOYEE FROM THE ACCOUNT
35 OPENED PURSUANT TO PARAGRAPH 3 OF THIS SUBSECTION AN AMOUNT OF MONIES THAT
36 IS EQUIVALENT TO THE SUM OF THE MONIES DEPOSITED PURSUANT TO PARAGRAPH 4
37 OF THIS SUBSECTION. THE EMPLOYER MAY RETAIN THE MONIES DEPOSITED PURSUANT
38 TO PARAGRAPH 5 OF THIS SUBSECTION AND SHALL TRANSMIT ANY INTEREST ON THOSE
39 MONIES TO THE STATE TREASURER FOR DEPOSIT IN THE STATE GENERAL FUND.

40 C. THE DEPARTMENT SHALL PREPARE A LIST THAT INCLUDES ALL EMPLOYERS
41 THAT HAVE BEEN ACCEPTED TO PARTICIPATE IN THE PROGRAM AND POST THIS LIST
42 ON THE DEPARTMENT'S WEBSITE.

43 D. A STUDENT MAY PARTICIPATE IN THE PROGRAM IF THE STUDENT MEETS
44 ALL OF THE FOLLOWING REQUIREMENTS:

45 1. IS ENROLLED IN HIGH SCHOOL AT A PUBLIC SCHOOL IN THIS STATE.

1 2. APPLIES FOR THE PROGRAM BY SUBMITTING AN APPLICATION IN A FORM
2 PRESCRIBED BY THE DEPARTMENT TO THE PUBLIC SCHOOL AT WHICH THE STUDENT IS
3 ENROLLED.

4 3. SUBMITS PROOF WITH THE STUDENT'S APPLICATION THAT THE STUDENT IS
5 PROJECTED TO COMPLETE THE HIGH SCHOOL GRADUATION REQUIREMENTS PURSUANT TO
6 SECTION 15-701.01 BY THE END OF GRADE TWELVE. IF PARTICIPATION IN THE
7 PROGRAM WILL INTERFERE WITH A STUDENT'S ABILITY TO COMPLETE THE HIGH
8 SCHOOL GRADUATION REQUIREMENTS PURSUANT TO SECTION 15-701.01 BY THE END OF
9 GRADE TWELVE, THE PUBLIC SCHOOL SHALL DENY THE STUDENT'S APPLICATION.

10 4. SUBMITS PROOF THAT THE STUDENT HAS RECEIVED AN OFFER OF
11 EMPLOYMENT FROM AN EMPLOYER ON THE LIST PREPARED PURSUANT TO SUBSECTION C
12 OF THIS SECTION.

13 E. ON BEING HIRED, A PARTICIPANT EMPLOYEE SHALL DESIGNATE A
14 PERCENTAGE OF AT LEAST TEN PERCENT OF THE PARTICIPANT EMPLOYEE'S WAGES TO
15 BE DEPOSITED IN THE ACCOUNT OPENED BY THE EMPLOYER ON BEHALF OF THE
16 PARTICIPANT EMPLOYEE PURSUANT TO SUBSECTION B, PARAGRAPH 3 OF THIS
17 SECTION.

18 F. FOR THE FIRST TAXABLE YEAR IN WHICH AN EMPLOYER THAT
19 PARTICIPATES IN THE PROGRAM EMPLOYS A PARTICIPANT EMPLOYEE WHO
20 SUCCESSFULLY COMPLETES THE PROGRAM, THE EMPLOYER IS ALLOWED AN INCOME TAX
21 SUBTRACTION AS PRESCRIBED BY SECTION 43-1022 OR 43-1122 FOR EACH
22 PARTICIPANT EMPLOYEE WHO SUCCESSFULLY COMPLETES THE PROGRAM. THE
23 DEPARTMENT OF EDUCATION SHALL ISSUE A CERTIFICATE TO THE EMPLOYER TO
24 PROVIDE TO THE DEPARTMENT OF REVENUE TO VERIFY THE EMPLOYER'S
25 PARTICIPATION IN THE PROGRAM AND ANY PARTICIPANT EMPLOYEES' COMPLETION OF
26 THE PROGRAM.

27 G. FOR THE PURPOSES OF THIS SECTION:

28 1. "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION.

29 2. "PARTICIPANT EMPLOYEE" MEANS AN EMPLOYEE WHO PARTICIPATES IN THE
30 PROGRAM.

31 3. "PROGRAM" MEANS THE ARIZONA STUDENT APPRENTICESHIP PROGRAM
32 ESTABLISHED BY THIS SECTION.

33 Sec. 2. Section 43-1022, Arizona Revised Statutes, is amended to
34 read:

35 43-1022. Subtractions from Arizona gross income

36 In computing Arizona adjusted gross income, the following amounts
37 shall be subtracted from Arizona gross income:

38 1. The amount of exemptions allowed by section 43-1023.

39 2. Benefits, annuities and pensions in an amount totaling not more
40 than \$2,500 received from one or more of the following:

41 (a) The United States government service retirement and disability
42 fund, the United States foreign service retirement and disability system
43 and any other retirement system or plan established by federal law, except
44 retired or retainer pay of the uniformed services of the United States
45 that qualifies for a subtraction under paragraph 26 of this section.

1 (b) The Arizona state retirement system, the corrections officer
2 retirement plan, the public safety personnel retirement system, the
3 elected officials' retirement plan, an optional retirement program
4 established by the Arizona board of regents under section 15-1628, an
5 optional retirement program established by a community college district
6 board under section 15-1451 or a retirement plan established for employees
7 of a county, city or town in this state.

8 3. A beneficiary's share of the fiduciary adjustment to the extent
9 that the amount determined by section 43-1333 decreases the beneficiary's
10 Arizona gross income.

11 4. Interest income received on obligations of the United States,
12 minus any interest on indebtedness, or other related expenses, and
13 deducted in arriving at Arizona gross income, that were incurred or
14 continued to purchase or carry such obligations.

15 5. The excess of a partner's share of income required to be
16 included under section 702(a)(8) of the internal revenue code over the
17 income required to be included under chapter 14, article 2 of this title.

18 6. The excess of a partner's share of partnership losses determined
19 pursuant to chapter 14, article 2 of this title over the losses allowable
20 under section 702(a)(8) of the internal revenue code.

21 7. The amount allowed by section 43-1025 for contributions during
22 the taxable year of agricultural crops to charitable organizations.

23 8. The portion of any wages or salaries paid or incurred by the
24 taxpayer for the taxable year that is equal to the amount of the federal
25 work opportunity credit, the empowerment zone employment credit, the
26 credit for employer paid social security taxes on employee cash tips and
27 the Indian employment credit that the taxpayer received under sections
28 45A, 45B, 51(a) and 1396 of the internal revenue code.

29 9. The amount of exploration expenses that is determined pursuant
30 to section 617 of the internal revenue code, that has been deferred in a
31 taxable year ending before January 1, 1990 and for which a subtraction has
32 not previously been made. The subtraction shall be made on a ratable
33 basis as the units of produced ores or minerals discovered or explored as
34 a result of this exploration are sold.

35 10. The amount included in federal adjusted gross income pursuant
36 to section 86 of the internal revenue code, relating to taxation of social
37 security and railroad retirement benefits.

38 11. To the extent not already excluded from Arizona gross income
39 under the internal revenue code, compensation received for active service
40 as a member of the reserves, the national guard or the armed forces of the
41 United States, including compensation for service in a combat zone as
42 determined under section 112 of the internal revenue code.

43 12. The amount of unreimbursed medical and hospital costs, adoption
44 counseling, legal and agency fees and other nonrecurring costs of adoption
45 not to exceed \$3,000. In the case of a husband and wife who file separate

1 returns, the subtraction may be taken by either taxpayer or may be divided
2 between them, but the total subtractions allowed both husband and wife may
3 not exceed \$3,000. The subtraction under this paragraph may be taken for
4 the costs that are described in this paragraph and that are incurred in
5 prior years, but the subtraction may be taken only in the year during
6 which the final adoption order is granted.

7 13. The amount authorized by section 43-1027 for the taxable year
8 relating to qualified wood stoves, wood fireplaces or gas fired
9 fireplaces.

10 14. The amount by which a net operating loss carryover or capital
11 loss carryover allowable pursuant to section 43-1029, subsection F exceeds
12 the net operating loss carryover or capital loss carryover allowable
13 pursuant to section 1341(b)(5) of the internal revenue code.

14 15. Any amount of qualified educational expenses that is
15 distributed from a qualified state tuition program determined pursuant to
16 section 529 of the internal revenue code and that is included in income in
17 computing federal adjusted gross income.

18 16. Any item of income resulting from an installment sale that has
19 been properly subjected to income tax in another state in a previous
20 taxable year and that is included in Arizona gross income in the current
21 taxable year.

22 17. For property placed in service:

23 (a) In taxable years beginning before December 31, 2012, an amount
24 equal to the depreciation allowable pursuant to section 167(a) of the
25 internal revenue code for the taxable year computed as if the election
26 described in section 168(k) of the internal revenue code had been made for
27 each applicable class of property in the year the property was placed in
28 service.

29 (b) In taxable years beginning from and after December 31, 2012
30 through December 31, 2013, an amount determined in the year the asset was
31 placed in service based on the calculation in subdivision (a) of this
32 paragraph. In the first taxable year beginning from and after
33 December 31, 2013, the taxpayer may elect to subtract the amount necessary
34 to make the depreciation claimed to date for the purposes of this title
35 the same as it would have been if subdivision (c) of this paragraph had
36 applied for the entire time the asset was in service. Subdivision (c) of
37 this paragraph applies for the remainder of the asset's life. If the
38 taxpayer does not make the election under this subdivision, subdivision
39 (a) of this paragraph applies for the remainder of the asset's life.

40 (c) In taxable years beginning from and after December 31, 2013
41 through December 31, 2015, an amount equal to the depreciation allowable
42 pursuant to section 167(a) of the internal revenue code for the taxable
43 year as computed as if the additional allowance for depreciation had been
44 ten percent of the amount allowed pursuant to section 168(k) of the
45 internal revenue code.

1 (d) In taxable years beginning from and after December 31, 2015
2 through December 31, 2016, an amount equal to the depreciation allowable
3 pursuant to section 167(a) of the internal revenue code for the taxable
4 year as computed as if the additional allowance for depreciation had been
5 fifty-five percent of the amount allowed pursuant to section 168(k) of the
6 internal revenue code.

7 (e) In taxable years beginning from and after December 31, 2016, an
8 amount equal to the depreciation allowable pursuant to section 167(a) of
9 the internal revenue code for the taxable year as computed as if the
10 additional allowance for depreciation had been the full amount allowed
11 pursuant to section 168(k) of the internal revenue code.

12 18. With respect to property that is sold or otherwise disposed of
13 during the taxable year by a taxpayer that complied with section 43-1021,
14 paragraph 11 with respect to that property, the amount of depreciation
15 that has been allowed pursuant to section 167(a) of the internal revenue
16 code to the extent that the amount has not already reduced Arizona taxable
17 income in the current or prior taxable years.

18 19. The amount contributed during the taxable year to college
19 savings plans established pursuant to section 529 of the internal revenue
20 code on behalf of the designated beneficiary to the extent that the
21 contributions were not deducted in computing federal adjusted gross
22 income. The amount subtracted may not exceed:

23 (a) \$2,000 per beneficiary for a single individual or a head of
24 household.

25 (b) \$4,000 per beneficiary for a married couple filing a joint
26 return. In the case of a husband and wife who file separate returns, the
27 subtraction may be taken by either taxpayer or may be divided between
28 them, but the total subtractions allowed both husband and wife may not
29 exceed \$4,000 per beneficiary.

30 20. The portion of the net operating loss carryforward that would
31 have been allowed as a deduction in the current year pursuant to section
32 172 of the internal revenue code if the election described in section
33 172(b)(1)(H) of the internal revenue code had not been made in the year of
34 the loss that exceeds the actual net operating loss carryforward that was
35 deducted in arriving at federal adjusted gross income. This subtraction
36 only applies to taxpayers who made an election under section 172(b)(1)(H)
37 of the internal revenue code as amended by section 1211 of the American
38 recovery and reinvestment act of 2009 (P.L. 111-5) or as amended by
39 section 13 of the worker, homeownership, and business assistance act of
40 2009 (P.L. 111-92).

41 21. For taxable years beginning from and after December 31, 2013,
42 the amount of any net capital gain included in federal adjusted gross
43 income for the taxable year derived from investment in a qualified small
44 business as determined by the Arizona commerce authority pursuant to
45 section 41-1518.

1 22. An amount of any net long-term capital gain included in federal
2 adjusted gross income for the taxable year that is derived from an
3 investment in an asset acquired after December 31, 2011, as follows:

4 (a) For taxable years beginning from and after December 31, 2012
5 through December 31, 2013, ten percent of the net long-term capital gain
6 included in federal adjusted gross income.

7 (b) For taxable years beginning from and after December 31, 2013
8 through December 31, 2014, twenty percent of the net long-term capital
9 gain included in federal adjusted gross income.

10 (c) For taxable years beginning from and after December 31, 2014,
11 twenty-five percent of the net long-term capital gain included in federal
12 adjusted gross income. For the purposes of this paragraph, a transferee
13 that receives an asset by gift or at the death of a transferor is
14 considered to have acquired the asset when the asset was acquired by the
15 transferor. If the date an asset is acquired cannot be verified, a
16 subtraction under this paragraph is not allowed.

17 23. If an individual is not claiming itemized deductions pursuant
18 to section 43-1042, the amount of premium costs for long-term care
19 insurance, as defined in section 20-1691.

20 24. The amount of eligible access expenditures paid or incurred
21 during the taxable year to comply with the requirements of the Americans
22 with disabilities act of 1990 (P.L. 101-336) or title 41, chapter 9,
23 article 8 as provided by section 43-1024.

24 25. For taxable years beginning from and after December 31, 2017,
25 the amount of any net capital gain included in Arizona gross income for
26 the taxable year that is derived from the exchange of one kind of legal
27 tender for another kind of legal tender. For the purposes of this
28 paragraph:

29 (a) "Legal tender" means a medium of exchange, including specie,
30 that is authorized by the United States Constitution or Congress to pay
31 debts, public charges, taxes and dues.

32 (b) "Specie" means coins having precious metal content.

33 26. Benefits, annuities and pensions received as retired or
34 retainer pay of the uniformed services of the United States in amounts as
35 follows:

36 (a) For taxable years through December 31, 2018, an amount totaling
37 not more than \$2,500.

38 (b) For taxable years beginning from and after December 31, 2018
39 through December 31, 2020, an amount totaling not more than \$3,500.

40 (c) For taxable years beginning from and after December 31, 2020,
41 the full amount received.

42 27. For taxable years beginning from and after December 31, 2020,
43 the amount contributed during the taxable year to an achieving a better
44 life experience account established pursuant to section 529A of the
45 internal revenue code on behalf of the designated beneficiary to the

1 extent that the contributions were not deducted in computing federal
2 adjusted gross income. The amount subtracted may not exceed:

3 (a) \$2,000 per beneficiary for a single individual or a head of
4 household.

5 (b) \$4,000 per beneficiary for a married couple filing a joint
6 return. In the case of a husband and wife who file separate returns, the
7 subtraction may be taken by either taxpayer or may be divided between
8 them, but the total subtractions allowed both husband and wife may not
9 exceed \$4,000 per beneficiary.

10 28. For taxable years beginning from and after December 31, 2020,
11 Arizona small business adjusted gross income, but only if an individual
12 taxpayer has elected to separately report and pay tax on the taxpayer's
13 Arizona small business adjusted gross income on the Arizona small business
14 income tax return.

15 29. THE AMOUNT THAT THE EMPLOYER DEPOSITS PURSUANT TO SECTION
16 15-249.17, SUBSECTION B, PARAGRAPH 5 AND DISBURSES TO PARTICIPANT
17 EMPLOYEES PURSUANT TO SECTION 15-249.17, SUBSECTION B, PARAGRAPH 6 DURING
18 THE FIRST TAXABLE YEAR THAT THE TAXPAYER EMPLOYS PARTICIPANT EMPLOYEES WHO
19 SUCCESSFULLY COMPLETE THE STUDENT APPRENTICESHIP PROGRAM ESTABLISHED BY
20 SECTION 15-249.17.

21 Sec. 3. Section 43-1122, Arizona Revised Statutes, is amended to
22 read:

23 43-1122. Subtractions from Arizona gross income:
24 corporations

25 In computing Arizona taxable income for a corporation, the following
26 amounts shall be subtracted from Arizona gross income:

27 1. The excess of a partner's share of income required to be
28 included under section 702(a)(8) of the internal revenue code over the
29 income required to be included under chapter 14, article 2 of this title.

30 2. The excess of a partner's share of partnership losses determined
31 pursuant to chapter 14, article 2 of this title over the losses allowable
32 under section 702(a)(8) of the internal revenue code.

33 3. The amount allowed by section 43-1025 for contributions during
34 the taxable year of agricultural crops to charitable organizations.

35 4. The portion of any wages or salaries paid or incurred by the
36 taxpayer for the taxable year that is equal to the amount of the federal
37 work opportunity credit, the empowerment zone employment credit, the
38 credit for employer paid social security taxes on employee cash tips and
39 the Indian employment credit that the taxpayer received under sections
40 45A, 45B, 51(a) and 1396 of the internal revenue code.

41 5. With respect to property that is sold or otherwise disposed of
42 during the taxable year by a taxpayer that complied with section 43-1121,
43 paragraph 4 with respect to that property, the amount of depreciation that
44 has been allowed pursuant to section 167(a) of the internal revenue code

1 to the extent that the amount has not already reduced Arizona taxable
2 income in the current taxable year or prior taxable years.

3 6. With respect to a financial institution as defined in section
4 6-101, expenses and interest relating to tax-exempt income disallowed
5 pursuant to section 265 of the internal revenue code.

6 7. Dividends received from another corporation owned or controlled
7 directly or indirectly by a recipient corporation. For the purposes of
8 this paragraph, "control" means direct or indirect ownership or control of
9 fifty percent or more of the voting stock of the payor corporation by the
10 recipient corporation. Dividends shall have the meaning provided in
11 section 316 of the internal revenue code. This subtraction shall apply
12 without regard to section 43-961, paragraph 2 and article 4 of this
13 chapter.

14 8. Interest income received on obligations of the United States.

15 9. The amount of dividend income from foreign corporations. For
16 the purposes of this paragraph, gross up income as described in section 78
17 of the internal revenue code, global intangible low-taxed income as
18 defined in section 951A of the internal revenue code and subpart F income
19 as defined in section 952 of the internal revenue code shall be considered
20 foreign dividends.

21 10. The amount of net operating loss allowed by section 43-1123.

22 11. The amount of any state income tax refunds received that were
23 included as income in computing federal taxable income.

24 12. The amount of expense recapture included in income pursuant to
25 section 617 of the internal revenue code for mine exploration expenses.

26 13. The amount of deferred exploration expenses allowed by section
27 43-1127.

28 14. The amount of exploration expenses related to the exploration
29 of oil, gas or geothermal resources, computed in the same manner and on
30 the same basis as a deduction for mine exploration pursuant to section 617
31 of the internal revenue code. This computation is subject to the
32 adjustments contained in section 43-1121, paragraph 10 and paragraphs 12
33 and 13 of this section relating to exploration expenses.

34 15. The amortization of pollution control devices allowed by
35 section 43-1129.

36 16. The amount of amortization of the cost of child care facilities
37 pursuant to section 43-1130.

38 17. The amount of income from a domestic international sales
39 corporation required to be included in the income of its shareholders
40 pursuant to section 995 of the internal revenue code.

41 18. The income of an insurance company that is exempt under section
42 43-1201 to the extent that it is included in computing Arizona gross
43 income on a consolidated return pursuant to section 43-947.

1 19. The amount by which a capital loss carryover allowable pursuant
2 to section 43-1130.01, subsection F exceeds the capital loss carryover
3 allowable pursuant to section 1341(b)(5) of the internal revenue code.

4 20. An amount equal to the depreciation allowable pursuant to
5 section 167(a) of the internal revenue code for the taxable year computed
6 as if the election described in section 168(k)(7) of the internal revenue
7 code had been made for each applicable class of property in the year the
8 property was placed in service.

9 21. The amount of eligible access expenditures paid or incurred
10 during the taxable year to comply with the requirements of the Americans
11 with disabilities act of 1990 (P.L. 101-336) or title 41, chapter 9,
12 article 8 as provided by section 43-1124.

13 22. For taxable years beginning from and after December 31, 2017,
14 the amount of any net capital gain included in Arizona gross income for
15 the taxable year that is derived from the exchange of one kind of legal
16 tender for another kind of legal tender. For the purposes of this
17 paragraph:

18 (a) "Legal tender" means a medium of exchange, including specie,
19 that is authorized by the United States Constitution or Congress to pay
20 debts, public charges, taxes and dues.

21 (b) "Specie" means coins having precious metal content.

22 23. With respect to a public service corporation operating a water
23 system or sewage disposal facility, the amount of monies or property
24 received as a contribution in aid of construction. For the purposes of
25 this paragraph:

26 (a) "Contribution in aid of construction" means any amount of
27 monies or other property contributed to a public service corporation that
28 provides water or sewage disposal services to the extent that the purpose
29 of the contribution is to provide for expanding, improving or replacing
30 the public service corporation's water system or sewage disposal
31 facilities, including any amount of monies or other property contributed
32 to a public service corporation for a water system or sewage disposal
33 facility subject to a contingent obligation to repay the amount, in whole
34 or in part, to the contributor.

35 (b) "Public service corporation" means a public service corporation
36 as defined in article XV, section 2, Constitution of Arizona, that is
37 regulated by the corporation commission.

38 24. THE AMOUNT THAT THE EMPLOYER DEPOSITS PURSUANT TO SECTION
39 15-249.17, SUBSECTION B, PARAGRAPH 5 AND DISBURSES TO PARTICIPANT
40 EMPLOYEES PURSUANT TO SECTION 15-249.17, SUBSECTION B, PARAGRAPH 6 DURING
41 THE FIRST TAXABLE YEAR THAT THE TAXPAYER EMPLOYS PARTICIPANT EMPLOYEES WHO
42 SUCCESSFULLY COMPLETE THE STUDENT APPRENTICESHIP PROGRAM ESTABLISHED BY
43 SECTION 15-249.17.