

REFERENCE TITLE: public school tax credit; purposes

State of Arizona  
Senate  
Fifty-sixth Legislature  
Second Regular Session  
2024

# SB 1455

Introduced by  
Senator Bennett

AN ACT

AMENDING SECTION 43-1089.01, ARIZONA REVISED STATUTES; RELATING TO  
INDIVIDUAL INCOME TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 43-1089.01, Arizona Revised Statutes, is amended  
3 to read:

4 43-1089.01. Tax credit; public school fees and contributions;  
5 definitions

6 A. A credit is allowed against the taxes imposed by this title for  
7 the amount of any fees paid or cash contributions made by a taxpayer or on  
8 the taxpayer's behalf pursuant to section 43-401, subsection G during the  
9 taxable year to a public school located in this state for the following  
10 public school purposes:

11 1. Standardized testing for college credit or readiness offered by  
12 a widely recognized and accepted educational testing organization.

13 2. The career and technical education industry certification  
14 assessment.

15 3. Preparation courses and materials for standardized testing.

16 4. Cardiopulmonary resuscitation training pursuant to section  
17 15-718.01.

18 5. Extracurricular activities.

19 6. Character education programs.

20 7. ~~From and after June 30, 2019 through June 30, 2024:~~

21 ~~(a)~~ Acquiring capital items, as defined in the uniform system of  
22 financial records, including those items listed in section 15-903,  
23 subsection C, paragraphs 2 through 8.

24 ~~(b)~~ 8. Community school meal programs. An amount paid by an  
25 individual to receive a meal or a meal card does not qualify as a fee or  
26 donation for community school meal programs.

27 ~~(c)~~ 9. Student consumable health care supplies.

28 ~~(d)~~ 10. Playground equipment and shade structures for playground  
29 equipment.

30 B. The amount of the credit shall not exceed:

31 1. \$200 for a single individual or a head of household.

32 2. \$400 for a married couple filing a joint return.

33 C. A husband and wife who file separate returns for a taxable year  
34 in which they could have filed a joint return may each claim only one-half  
35 of the tax credit that would have been allowed for a joint return.

36 D. The credit allowed by this section is in lieu of any deduction  
37 pursuant to section 170 of the internal revenue code and taken for state  
38 tax purposes.

39 E. If the allowable tax credit exceeds the taxes otherwise due  
40 under this title on the claimant's income, or if there are no taxes due  
41 under this title, the taxpayer may carry the amount of the claim not used  
42 to offset the taxes under this title forward for not more than five  
43 consecutive taxable years' income tax liability.

44 F. The site council of the public school that receives  
45 contributions that are not designated for a specific purpose shall

1 determine how the contributions are used at the school site. If a charter  
2 school does not have a site council, the principal, director or chief  
3 administrator of the charter school shall determine how the contributions  
4 that are not designated for a specific purpose are used at the school  
5 site. If at the end of a fiscal year a public school has unspent  
6 contributions that were previously designated for a specific purpose or  
7 program and that purpose or program has been discontinued or has not been  
8 used for two consecutive fiscal years, these contributions shall be  
9 considered undesignated in the following fiscal year for the purposes of  
10 this subsection, and the site council may transfer these undesignated  
11 contributions to any school within the same school district.

12 G. A public school that receives fees or a cash contribution  
13 pursuant to subsection A of this section shall report to the department,  
14 in a form prescribed by the department, by February 28 of each year the  
15 following information:

16 1. The total number of fee and cash contribution payments received  
17 during the previous calendar year.

18 2. The total dollar amount of fees and contributions received  
19 during the previous calendar year.

20 3. The total dollar amount of fees and contributions spent by the  
21 school during the previous calendar year, categorized by specific  
22 standardized testing, preparation courses and materials for standardized  
23 testing, extracurricular activity or character education program.

24 H. For the purposes of this section, a contribution for which a  
25 credit is claimed and that is made on or before the fifteenth day of the  
26 fourth month following the close of the taxable year may be applied to  
27 either the current or preceding taxable year and is considered to have  
28 been made on the last day of that taxable year.

29 I. For the purposes of this section:

30 1. "Career and technical education industry certification  
31 assessment" means an assessment for career and technical preparation  
32 programs for pupils.

33 2. "Character education programs" means a program described in  
34 section 15-719.

35 3. "Community school meal program" means a school meal program that  
36 takes place before or after the regular school day on school property.

37 4. "Extracurricular activities" means school-sponsored activities  
38 that may require enrolled students to pay a fee in order to participate,  
39 including fees for:

40 (a) Band uniforms.

41 (b) Equipment or uniforms for varsity athletic activities.

42 (c) Scientific laboratory materials.

43 (d) In-state or out-of-state trips that are solely for competitive  
44 events. Extracurricular activities do not include any senior trips or  
45 events that are recreational, amusement or tourist activities.

1           5. "Public school" means a school that is part of a school  
2 district, a career technical education district or a charter school.

3           6. "Standardized testing for college credit or readiness" includes  
4 the SAT, PSAT, ACT, advanced placement and international baccalaureate  
5 diploma tests and other similar tests.

6           7. "Student consumable health care supplies" includes tissues, hand  
7 wipes, bandages and other health care consumables that are generally used  
8 by children.

9           8. "Widely recognized and accepted educational testing  
10 organization" means the college board, the ACT, the international  
11 baccalaureate and other organizations that are widely recognized and  
12 accepted by colleges and universities in the United States and that offer  
13 college credit and readiness examinations.

14           Sec. 2. Retroactivity

15           This act applies retroactively to from and after June 30, 2024.