

Calendar Year Tax Credit Allocation Table for 5% Set Aside for Commercial Advertisements and Music Videos

Calendar Year	Maximum Available	Pre-Approved Tax Credits	Remaining Cap Allocation
2008	\$2,500,000	\$310,455	\$0
2009	\$3,000,000	\$171,483	\$0
2010	\$3,500,000	\$50,000	\$3,450,000

Disclaimer

A. Commerce cannot pre-approve more than \$3 million in tax credits for commercial advertisements and music videos in calendar year 2009.

B. The date of submittal of an application dictates the cap year from which the allocation is made. The total amount of credits pre-approved for a single production shall be applied against the calendar year cap in which pre-approval occurred.

C. When initial application is made, if sufficient cap is not available the company may either:

1. Accept any remaining allocation amount, and any TPT and use tax exemptions, or
2. Proceed with pre-approval for the application knowing the production will not receive tax credits at this time and accept any TPT and use tax exemptions, or
3. Irrevocably decline any remaining tax credit allocation amount for that calendar year and accept any TPT and use tax exemptions, or
4. Withdraw the initial application and apply in the next year when sufficient cap may be available.

D. A company may voluntarily relinquish all or part of the pre-approved tax credit amount by submitting the Commerce form "Voluntary Relinquishment of Tax Credits." It is important to note, when a company relinquishes tax credits the company is voluntarily relinquishing any and all rights to the tax credits and is prohibited from claiming, using, carrying forward, selling or transferring the relinquished tax credits. However, the company may continue receiving transaction privilege and use tax exemptions, even though the company relinquished all or part of its tax credit allocation. To retain any transaction privilege and use tax exemptions the company must maintain eligibility and submit a completion report to Commerce. Failure to submit a completion report would constitute ineligibility and would make any TPT and use tax exemptions received since pre-approval subject to recapture of the incentive amounts plus interest and penalties as provided by A.R.S. §42-5009(H).

E. In case of conflict between what is presented here and the Arizona Revised Statutes, the statutes and the Arizona Administrative Code shall prevail. See A.R.S §§ 41-1517, 43-1075 and 43-1163.