

CORPORATION TAXATION PAYROLL FACTOR

- Total paid in Arizona ÷ Total paid everywhere
- Compensation paid in Arizona
 - Service entirely in Arizona or
 - Service outside state incidental to service in Arizona or
 - Some service in Arizona, base in Arizona (or in no state in which service performed), person resident of Arizona

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CORPORATION TAXATION SALES FACTOR

- Total sales in state ÷ Total sales everywhere
- Tangible property - delivered or shipped to purchaser within Arizona (aside from U.S. Government)
- Other sales
 - Income producing activity performed in Arizona or
 - Greater proportion of activity performed in Arizona, based on costs incurred

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CORPORATION TAXATION APPORTIONMENT

- Taxpayer may request or ADOR may require
 - Separate accounting
 - Exclusion of one or more factors
 - Inclusion of additional factor
 - Other methods
- ADOR has full discretion, but must use for at least one taxable year

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