

Qualified Facility Tax Credit Program

- Calendar Year 2025 Annual Report

Prepared by the:

ARIZONA
COMMERCE AUTHORITY

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Program Overview

The Qualified Facility Tax Credit Program (the “Program”) was established to promote the location and expansion of manufacturing facilities, manufacturing research and development facilities, and all business headquarters for the sake of i) generating high quality employment opportunities for Arizonans, ii) increasing Arizona’s property tax base and iii) enhancing Arizona’s position as a center for manufacturing and business headquarters. The Program achieves these goals by providing refundable income tax credits to businesses expanding or locating qualified facilities in Arizona.

The Arizona Commerce Authority (“Authority”) is authorized to pre-approve refundable income tax credits of up to \$125 million each calendar year. Pre-approvals in respect to any taxpayer in any calendar year are limited to \$30 million.

Refundable income tax credits under the Program equal the lesser of:

- 10% of the qualified investment made at the facility;
- \$20,000 per net new job associated with the facility if the total qualifying investment is less than \$2,000,000,000, or \$30,000 per net new full-time employment position associated with the facility if the total qualifying investment is \$2,000,000,000 or more; or
- \$30 million per taxpayer, per year.

A business is eligible for Program tax credits if it:

- 1) Makes a qualifying capital investment not greater than 36 months prior to submittal of an application for pre-approval to establish or expand a facility that devotes at least 80% of both the property and payroll at the facility to one or more of the following:
 - a. Qualified manufacturing if at least 65% of the manufactured products are sold outside of Arizona;
 - b. Qualifying research and development if conducted by a manufacturing business that derives at least 65% of its revenues from sales outside of Arizona; or
 - c. Qualified headquarters activities for a business that derives at least 65% of its revenues from sales outside of Arizona; *and*
- 2) Creates net new employment positions associated with the facility at least 51% of which are paid a wage equal to or greater than 125% of the state’s annual median wage for production occupations if located in an urban area or 100% of the state’s annual median wage for production occupations if located in a rural area. The net new employment positions must be:
 - a. Full-time and permanent (1,750 hours per year);
 - b. Filled for at least 90 days by an employee who has not worked for the taxpayer within 12 months before the date of hire (other than an employee relocating to Arizona from another state); and
 - c. Offered health insurance at least 65% of the cost of which is paid by the employer.

If a business satisfies the Program’s eligibility requirements, the Authority will issue a certification of pre-approval and reserve tax credits for the applicant-business. After the qualified facility begins operations, the business can apply to the Authority for post-approval, at which point the applicant-business must submit a managed review report to the Authority, prepared by a third-party CPA, that confirms the extent of the business’s investment and job creation. If the applicant-business receives “post-approval,” the applicant-business may claim Program tax credits with the Arizona Department of Revenue in five equal annual installments.

Reporting Requirements

Pursuant to A.R.S. § 41-1512(U) and (V), the Authority is required to prepare and publish an annual report, not later than April 30 of each year, providing the following Program information in respect to the preceding calendar year:

1. The name of each business receiving pre-approval and the amount of income tax credits pre-approved for each business’s qualifying investment,
2. The amount of income tax credits post-approved with respect to each qualifying investment,
3. A percentage comparison of (i) the annual amount of monies credited by Arizona to qualified facilities with (ii) the estimated amount of monies spent in Arizona in the form of qualifying investments, and
4. Data on growth in Arizona of qualified facilities and related employment and wages.

Calendar Year 2025 Program Activity

i) Pre-Approvals

During calendar year 2025, the Authority issued thirty pre-approvals¹ to twenty-nine unique businesses. The names of the businesses and the amount of Program income tax credits pre-approved for each business are reflected in the chart below.

Calendar Year 2025 Pre-Approvals¹	
Business Name	Pre-Approved Tax Credit Amount
Next Level Steel, LLC (Goodyear) ²	\$585,576
Amkor Technology, Inc. ³	\$5,960,349
Arete Associates	\$239,866
ATF Aerospace LLC.	\$152,600
Axon Enterprise Inc.	\$7,050,000
Ball Metal Beverage Container Corp.	\$1,000,000
BrandWell	\$111,196
Brooklyn Bedding, LLC	\$2,220,000
Dutch Bros., LLC	\$1,410,000
Florence Copper LLC	\$4,060,000
Foresight Technologies, Inc. ⁴	\$358,226
Hims & Hers Health Inc.	\$12,300,000
Howmet Aerospace Inc.	\$645,200
Insight Enterprises, Inc.	\$1,060,000
Lactalis US Yogurt, Inc. ⁴	\$1,280,000
LAM Research Corporation ⁵	\$4,940,000
LG Energy Solution Arizona, Inc. ⁴	\$30,000,000
Magna International Inc.	\$4,200,000
NAMMO Defense Systems, Inc.	\$2,326,434
Nautilus Systems, Inc.	\$176,500
Next Level Steel, LLC	\$497,199
Paxauris LLC	\$30,000

Republic Services Inc.	\$4,000,000
Schneider Electric Holdings, Inc. & S	\$2,500,000
Sprouts Farmers Market, Inc.	\$1,400,000
Top Aces (fka Advanced Training Systems International, Inc.) ⁵	\$2,600,000
Trinity Capital, Inc.	\$1,300,000
TSMC Arizona Corporation	\$30,000,000
TYR Tactical, LLC	\$1,340,000
Vensure Employer Services, Inc.	\$1,256,854
Total	\$125,000,000

1 Pre-approval applications received, and tax credits reserved during the calendar year.

2 Portion of the 2024 application applied to the 2025 cap.

3 Portion of the 2025 application will be applied to the 2026 cap.

4 Application complete, pre-approved, and awaiting payment of application fee.

5 Credit amount reserved, but pre-approval is not finalized.

II) Post-Approvals

During calendar year 2025, the Authority issued sixteen post-approvals to fifteen unique businesses. The names of the businesses and the amount of Program income tax credits post-approved for each business are reflected in the chart below.

Calendar Year 2025 Post-Approvals	
Business Name	Post-Approved Tax Credit Amount
Allied Graphite Inc. (FKA) Urbix, Inc.	\$250,000
Andersen Corporation	\$9,000,000
APEL Extrusions Inc.	\$1,860,000
Applied Materials, Inc.	\$440,000
Applied Materials, Inc.	\$4,800,000
Arete' Associates	\$239,866
Brooklyn Bedding, LLC	\$2,200,000
KP Aviation, LLC	\$460,000
NAMMO Defense Systems, Inc.	\$2,326,434

Next Level Steel, LLC	\$520,735
Olam Farming, Inc.	\$1,580,000
Sunstate Equipment Co.	\$652,563
Trinity Capital, Inc.	\$488,445
TSMC Arizona Corporation	\$30,000,000
Viavi Solutions Inc.	\$1,420,000
Yerecic Label, Inc.	\$400,000
Total	\$56,638,043

Comparison of Program Tax Credits with Facility Investments

Based on data provided in the thirty applications that received pre-approvals, pre-approved tax credits in calendar year 2025 represented less than two percent (1.74%) of the projected qualifying investment in new and expanding facilities: \$125,000,000 in pre-approved tax credits in relation to \$7,185,447,585 of projected qualifying investment.¹

¹ This ratio includes all Amkor Technology capital expenditure.

Industry Growth Data

Manufacturing represents a vital aspect of the Arizona economy. According to estimates from the Arizona Office of Economic Opportunity,¹ 192,091 people were employed by 6,018 manufacturing establishments in Arizona in 2025. Arizona’s average annual wages and salaries in the manufacturing industry equaled \$95,576 in 2025. Furthermore, for every one in-state manufacturing job in Arizona, an additional 2.50 jobs are supported, which means that, based on current 2025 employment estimates, manufacturing activities in Arizona supported an additional 480,228 jobs in Arizona.²

Based on 2025 estimated employment,³ Arizona’s three largest manufacturing sectors by employment were aerospace products and parts manufacturing, semiconductor and other electronic component manufacturing, and medical equipment and supplies manufacturing.

In 2025, manufacturers in Arizona exported \$39.3 billion in manufactured goods, 41% percent more than in 2024.⁴ Manufactured goods exports also accounted for 88.5 percent of the state’s total exports in 2025.⁵ Finally, according to the most recent Bureau of Economic Analysis statistics, manufacturing’s contribution to Arizona’s gross state product (GSP) totaled \$44.7

billion (current dollars, not adjusted for inflation), which represents 7.5% of the state’s total GSP.⁶

¹ Data from U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages (QCEW) via the Arizona Office of Economic Opportunity. QCEW data are updated each quarter and revised annually. The Arizona Office of Economic Opportunity’s estimates include QCEW 2025 Q3 data.

² Multiplier provided by Elliott D. Pollack & Company

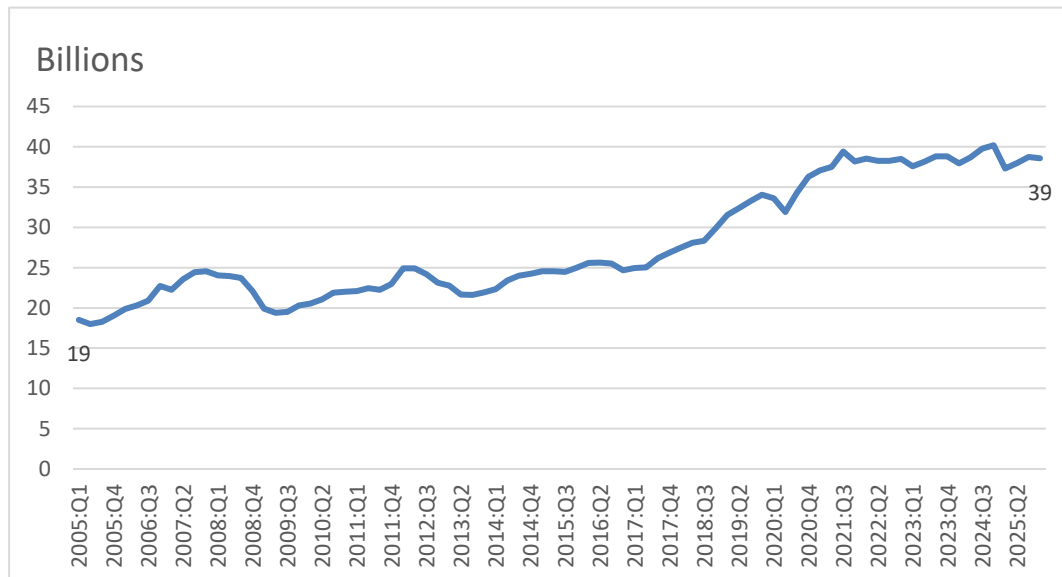
³ Using the North American Industry Classification System (NAICS) codes at the 4-digit level

⁴ Not adjusting for inflation.

⁵ WiserTrade, accessed April 20, 2026. Based on NAICS codes at the 3-digit level

⁶ Bureau of Economic Analysis, GSP by state in current dollars. Most recent data are for 2025 Annual. Accessed April 20, 2026.

Arizona’s Manufacturing Output, 2005 to 2025



Sources: Bureau of Economic Analysis quarterly real gross domestic product by state. Figures in billions of chained 2017 dollars. Accessed 4/20/2026.

Arizona Commerce Authority