

2017 Arizona Tax Credits – Monica J. Stern, CPA

Arizona individual taxpayers have the opportunity to redirect state income tax to a variety of Arizona charities through the use of Arizona tax credit contributions. Contributions to certain charities or public schools will also qualify for a Federal charitable contribution deduction, but not Arizona, in most cases. Taxpayers do not need to itemize to claim the tax credits. A couple filing a joint return in Arizona can qualify to redirect as much as \$4,777 for 2017.

A taxpayer can contribute and take all the credits, subject to the amount of State tax for any particular year. The credits are non-refundable. Unused amounts of credit carry forward for five years, except for the military credit, which does not carry forward.

Contribution to Qualifying Charitable Organizations

Charity must be on this list

<https://www.azdor.gov/Portals/0/RefundCredits/CertifiedCharities2017.pdf>

Single, Head of Household, or Married Filing Separate \$400, Married Filing Joint \$800

Can make contribution up to April filing deadline for prior year credit

Contribution to Qualifying Foster Care Organizations

Charity must be on this list

<https://www.azdor.gov/Portals/0/RefundCredits/CertifiedFosterCareCharities2017.pdf>

Single, Head of Household, or Married Filing Separate \$500, Married Filing Joint \$1000

Can make contribution up to April filing deadline for prior year credit

Contribution or Fee paid to Public School for Extracurricular Activities

Must be a public school in Arizona – to find one go to:

<http://ade.az.gov/edd/>

Single, Head of Household, or Married Filing Separate \$200, Married Filing Joint \$400

Can make contribution up to April filing deadline for prior year credit

Allowed to use fees paid for your child to participate, as well as direct contributions to the school.

Fees paid for your child to participate are not a Federal charitable deduction.

Contribution to Certified School Tuition Organization

Organization must be on this list

https://www.azdor.gov/Portals/0/RefundCredits/sto_i_list.pdf

2017 Single, Head of Household, or Married Filing Separate \$546, Married Filing Joint \$1,092 for original credit plus

2017 Single, Head of Household, or Married Filing Separate \$543, Married Filing Joint \$1,085 for switcher (aka plus, overflow or other name chosen by the Organization)

Limits are indexed each year; Can make contribution up to April filing deadline for prior year credit

Contribution to Military Family Relief Fund

Can only contribute here:

<https://dvs.az.gov/mfrf>

Must contribute by 12/31, but the fund generally meets its million dollar cap in November.

Credit is only available through 12/31/2018

Single, Head of Household, or Married Filing Separate \$200, Married Filing Joint \$400