

2021 ARIZONA TAX CREDITS

If you are interested in contributing dollars to a state charity, consider using Arizona tax credits to reduce your Arizona income tax liability. These four credits provide you with a reduced tax bill in addition to assisting children and Qualifying Charitable Organizations. **You do not have to itemize or use the long form to take advantage of these opportunities. You must contribute to the organizations that qualify for the credits. These lists are located at www.azdor.gov. There is a website where you can contribute online to each type of charity at www.aztaxcreditfunds.com** The four available opportunities are listed below:

1) **The Public School Credit** – to qualify for this credit you must make cash contributions, pay fees, or make payroll withholding contributions to a public or charter school in Arizona for support of extra-curricular activities or for character education programs. It also includes testing fees for college credit, prep courses for standardized testing and CPR. The credit is equal to the amount contributed or amount of fees paid with a limit of \$200 for individual taxpayers and \$400 for a married filing joint return.

2) **The Private School Tuition Credit** – to qualify for this credit, you must make cash or payroll withholding contributions to a tuition organization who provides scholarships or grants to qualified schools in Arizona not designated to directly benefit a dependent. There are two parts to this credit. The first credit is equal to a maximum of \$611 for individual taxpayers and \$1,221 for a married filing joint return. Individuals may claim **an additional credit** if the maximum amount was donated on the first credit. This second credit is \$608 for individuals and \$1,214 for a married filing joint return.

3) **Credit for Contributions to Qualifying Charitable Organizations** – to qualify for this credit, you must make cash contributions to qualifying charitable organizations. The list for qualifying organizations is located at www.azdor.gov. The maximum credit for contributions made is \$400 for individual taxpayers and \$800 for a married filing joint return.

4) **Credit for Contributions to Qualifying Foster Care Charitable Organizations** –The maximum credit for contributions made is \$500 for individual taxpayers and \$1000 for a married filing joint return.

These nonrefundable credits may be used to reduce your tax liability to a minimum of zero. Any unused amounts for the school credits may be carried forward for no more than five consecutive taxable years.

The deadline for making the first four credits listed above for the 2021 tax year is April 15, 2022.

Information about all the credits discussed in this letter may be found by visiting the Arizona Department of Revenue's website at www.azdor.gov . Please call our office at (480) 993-0660 with any questions.