

Tax Credit Donation Frequently Asked Questions (FAQs)

Who can make a contribution?

We can accept contributions only from individuals. We cannot accept contributions from businesses or corporations.

Do I have to have children enrolled in school?

No - Any Arizona individual paying state income tax can make a tax credit contribution to be used towards extra-curricular fees.

Do I have to live within the District?

No - Any individual who pays Arizona State income tax can contribute.

Do I have to donate the full \$200 or \$400?

No – But remember, you can take this credit on any tax liability for state income taxes up to \$200 on an individual tax return or \$400 on a joint return. You may donate up to your \$200 or \$400 limit in installments during the calendar year or donate it at one time.

How does this work on my tax return?

As an example, if you made a \$300 tax credit contribution. When you file your state taxes, you will note the credit with a 322 form. (downloadable from the State.) If your State tax return calculates to a \$500 refund, applying the credit will increase your refund to \$800. If your State tax return calculates to a \$400 liability (you owe) then applying the credit will reduce your liability to \$100. However, you cannot receive a refund greater than your State income tax assessment for the tax year.

Can a taxpayer receive a refund of these credits?

No – The credits may only be used to the extent they reduce a tax liability to zero on your Arizona tax return. Any unused amounts may be carried forward for not more than five consecutive taxable years.

Can a taxpayer make a payment of fees to an organization (e.g., PTA, school foundation, school district or school club) which then gives the funds in a lump sum to the school or directly pays for extra-curricular activities?

No – ARS § 43-1089.01 requires that the fees be paid “to a public school”. Therefore, the payment must be made directly to the public school only.