



QCO code: 20492

Q & A with Certified Public Accountant James Danovich

What is the Arizona Charitable Tax Credit?

The Charitable Tax Credit is a dollar-for-dollar charitable contribution you can give to 501(c)3 organizations. You can receive a dollar-for-dollar credit – up to \$400 for individuals and \$800 for married couples filing jointly – by redirecting your state taxes via the Arizona Charitable Tax Credit.

How does the Charitable Tax Credit (CTC) work?

If you make a donation to an Arizona Qualified Charity, you can take a credit against your Arizona state income taxes. Maggie's Place is a qualified charity. A credit is better than a deduction, as a credit is a dollar for dollar reduction in your tax liability.

Can I donate to receive both School Tax Credit and the Charitable Tax Credit?

The state of Arizona has a number of independent tax credits. The Public School – Extra-Curricular Tax credit and the Private School – Tuition Organization credits are two of these. Each work similarly, yet independently. As long as your tax liability exceeds the credit parameters of each, you can take advantage of the many tax credit programs available including CTC.

Will I be refunded if I donate more than I owe?

First, be careful NOT to confuse “what I owe” with “what is my tax liability.” You may be getting a refund because you had more taxes withheld (from your paycheck, pension, other sources, etc.) than what your liability was. In this case, if you qualify for the CTC, you would get a larger refund. The direct answer to the above question is you cannot get a refund if you donate more than your income tax liability; however, any unused contribution may be carried forward and used up to 5 years after the donation.

Is there a limit to how much credit I can receive?

Yes. Your contribution amount, not to exceed \$400 (\$800 if married filing jointly). Otherwise there is a limit based on your income tax liability as discussed above.

How do I file for the credit?

You can file for the CTC when you file your income tax return for the state of Arizona. Arizona Forms 321 and 301 are necessary to claim the refund (available at the end of the year).

When is the last day I can donate?

New 2016 law extends the contribution date for these tax credit donations to April 15th of the following year similar to your IRA contributions.

When will I receive a Maggie's Place receipt?

A tax receipt will be sent by mail within two weeks of your donation.

If I donate on April 15th of the following year, do I still get the credit even if it hits my account a few days later?

The IRS will view the transaction date as the point of reference.

Do you have to itemize to qualify for the CTC?

It is not necessary to itemize.

Can I make contributions to more than one qualifying charitable organization?

The total Arizona Charitable Tax Credit allowed is \$400 per individuals and \$800 for married couples filing jointly regardless of how many organizations you contribute to.

Where can I get more information?

You can get more information on the Arizona Charitable Tax Credit by visiting the Arizona Department of Revenue's [website](#) or by calling Taxpayer Assistance at 602-255-3381 and 800-352-4090.

Arizona

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Ohio

P.O. Box 25612, Garfield Hts, OH 44125 - P: 440.886.2620 F:440.499.6045