

2019 Arizona State Tax Credits

Description	Due By	Single	MFJ	
Qualifying Charitable Organization (Form 321)	4/15/2020	\$400.00	\$800.00	Qualifying Charitable Organizations
Foster Care Charitable Organization (Form 352)	4/15/2020	\$500.00	\$1,000.00	Foster Care Organizations
Public School Tax Credit (Form 322)	4/15/2020	\$200.00	\$400.00	Look up Arizona public schools here
Certified School Tuition Tax Credit (Forms 323 and 348)	4/15/2020	\$1,135.00 (\$569 – Form 323 \$566 – Form 348)	\$2,269.00 (\$1,138 – Form 323 \$1,131 – Form 348)	School Tuition Organizations qualified for the Arizona tax credits
Military Family Relief Fund Tax Credit* (Form 340)	12/31/2019	\$200.00	\$400.00	Download the form and payment instructions here

As a result of the above increases in caps, if you have an Arizona tax liability large enough to absorb the tax credits, married couples and single/heads of household taxpayers are eligible for up to \$4,869.00 and \$2,435.00 in 2019 Arizona tax credits respectively. Should you have questions on this or how much you should give to offset your anticipated 2019 Arizona tax, please contact your tax professional.

Contributions to QCOs and QFCOs

Arizona provides two separate tax credits for individuals who make contributions to charitable organizations: one for donations to Qualifying Charitable Organizations (QCO) and the second for donations to Qualifying Foster Care Charitable Organizations (QFCO). Individuals making cash donations made to these charities may claim these tax credits on their Arizona Personal Income Tax returns.

Effective in 2016, credit eligible contributions made on or before the 15th day of the fourth month following the close of the taxable year may be applied to either the current or the preceding taxable year and are considered to have been made on the last day of that taxable year.

Effective in 2018, the Arizona Department of Revenue has assigned a five (5) digit code number to identify each Qualifying Charitable Organization and Qualifying Foster Care Charitable Organization for Arizona tax credit purposes on Form 321 and Form 352, which is included with the Arizona income tax return. Taxpayers must use the “QCO Code” or “QFCO Code” of certified organizations to claim the tax credits for contributions QCOs or QFCOs. The department’s lists of qualifying charities include the code assigned to each organization.

Credit for Contributions to Qualifying Charitable Organizations

This individual income tax credit is available for contributions to Qualifying Charitable Organizations that provide immediate basic needs to residents of Arizona who receive temporary assistance for needy families (TANF) benefits, are low income residents of Arizona, or are individuals who have a chronic illness or physical disability. The tax credit is claimed on [Form 321](#). The maximum credit allowed is \$800 for married filing joint filers and \$400 for single, heads of household, and married filing separate filers.

Credit for Contributions to Qualifying Foster Care Charitable Organizations

This individual income tax credit is available for contributions to Qualifying Foster Care Charitable Organizations that provide immediate basic needs to residents of Arizona who receive temporary assistance for needy families (TANF) benefits, are low income residents of Arizona, or are individuals who have a chronic illness or physical disability, and provide immediate basic needs to at least 200 qualifying individuals in the foster care system. The tax credit is claimed on [Form 352](#). The maximum credit allowed is \$1,000 for married filing joint filers and \$500 for single, heads of household, and married filing separate filers.

List of Qualifying Charities

2020	QCO (link is external)	QFCO (link is external)	*
2019	QCO (link is external)	QFCO (link is external)	*
2018	QCO (link is external)	QFCO (link is external)	*
2017	QCO (link is external)	QFCO (link is external)	*
2016	QCO (link is external)	QFCO (link is external)	*
2015	QCO (link is external)	QFCO (link is external)	*
2014	QCO (link is external)	QFCO (link is external)	Umbrella (link is external)
2013	QCO (link is external)	QFCO (link is external)	Umbrella (link is external)
2012	QCO (link is external)	N/A	Umbrella (link is external)

**As of 2015, the Department will no longer publish a list of umbrella-type organizations. Taxpayers may donate to a Qualifying Charitable Organization through an umbrella-type organization provided that the donation is designated to be directed to a Qualifying Charitable Organization or that is certified by the Department.*

Resources

- Form 321 - Credit for Contributions to Qualifying Charitable Organizations
- Form 352 - Credit for Contributions to Qualifying Foster Care Charitable Organizations
- [Publication 710 \(link is external\)](#)

Public School Tax Credit

Taxpayers Making Contributions or Paying Fees

An individual may claim a nonrefundable tax credit for making contributions or paying fees directly to a public school in this state for support of eligible activities, programs or purposes as defined by statute. The public school tax credit is claimed by the individual taxpayer on [Form 322](#). The maximum credit allowed is \$400 for married filing joint filers and \$200 for single, heads of household and married filing separate filers.

For the purpose of claiming Arizona's tax credit for contributions made or certain fees paid to a public school, the Arizona Department of Revenue now requires taxpayers report the school's County Code, Type Code, and District Code & Site Number (CTDS) number on Form 322, which is included with the Arizona income tax return.

The CTDS is a nine (9) digit number that the Arizona Department of Education uses to identify Arizona public and charter schools.

Resources for Taxpayers:

- [List of Schools and CTDS - County Code, Type Code, and District Code & Site Number \(link is external\)](#)
- [Form 322 with instructions](#)
- [707 Publications: School Tax Credit Information \(link is external\)](#)

Public Schools Receiving Contributions or Fees

A public school can accept contributions for eligible activities, programs or purposes. A credit is allowed against the taxes imposed by the state for the amount of any fees paid or cash contributions made by a taxpayer pursuant to section A.R.S. § 43-401, subsection G during the taxable year to a public school located in this state.

[View Eligible Activities or Programs](#)

[View How to Determine if an Extracurricular Activity is Tax Credit Eligible](#)

[View Requirements for Public Schools When Accepting Contributions or Fees](#)

Resources for Public Schools:

- [Guidelines for Public Schools](#) (link is external)
- [707 Publication: School Tax Credits](#) (link is external)
- [Yearly Public School Statistics](#)
- [A.R.S. § 43-1089.01](#) (link is external)

Certification for School Tuition Organizations

Certified School Tuition Organizations (STOs) are established to receive income tax credit contributions that fund scholarships for students to attend qualified private schools located in Arizona (A.R.S. Title 43, Chapters 15 and 16). A nonprofit organization in this state that is exempt or has applied for exemption from federal taxation under section 501(c)(3) may apply to ADOR for certification as an STO. Once certified, an STO may receive tax credit donations from individual and/or corporate taxpayers.

Requirements for an STO to be eligible for and retain certification for receiving tax credit donations:

- The STO must allocate at least 90% of its annual tax credit contributions to scholarships;
- The STO shall not limit the availability of scholarships to students of one school;
- The STO must allow ADOR to verify that the scholarships issued are awarded to students attending a qualified school (corporate income tax credit program);
- The STO must not knowingly collude with any other STO to circumvent the limits of the low-income corporate scholarship (corporate income tax credit program);
- The STO may allow donors to recommend student beneficiaries but shall not award, designate or reserve scholarships solely on the basis of donor recommendations (individual income tax credit programs);
- The STO shall not allow donors to designate student beneficiaries as a condition of any contribution to the organization (individual income tax credit programs);
- The STO shall not facilitate, encourage or knowingly permit the exchange of student beneficiary designations (i.e. swapping) (individual income tax credit programs);
- The STO shall include on the organization's website, if one exists, the percentage and total dollar amount of educational scholarships and tuition grants awarded during the previous fiscal year to (a) students whose family income is up to 185% of poverty level and (b) students whose family income is greater than 185% of poverty level but not more than 342.25% of poverty level;
- The STO must not award scholarships to students who are simultaneously enrolled in a district school or charter school and a qualified school;
- The STO shall follow all other statutory requirements in A.R.S. §§ 43-1089, 43-1089.03, 43-1089.04 or Title 43, Chapter 16;
- The STO shall follow all other statutory requirements in A.R.S. §§ 20-224.06, 20-224-07, 43-1183, 43-1184 or Title 43, Chapter 15.

Resources:

- [STO Manual](#) (link is external) – Guidelines for School Tuition Organizations
- [List of School Tuition Organizations Certified to Receive Corporate Donations](#) (link is external)
- [List of School Tuition Organizations Certified to Receive Donations for the Individual Income Tax Credit](#) (link is external)
- [Application for Certification to Receive Individual Donations](#)
- [Application for Certification to Receive Corporate Donations](#)

Credits for Contributions to Certified School Tuition Organizations

Arizona provides tax credits for contributions made to Certified School Tuition Organizations which provide scholarships to students enrolled in Arizona private schools. Credits are available for donations made by individual taxpayers and for donations made by corporate taxpayers.

Information for Individual Taxpayers

Two separate nonrefundable tax credits are available to individuals for contributions made to a Certified School Tuition Organization which provides scholarships for students enrolled in Arizona private schools. An individual who is a shareholder of an S corporation may also claim two separate nonrefundable credits for contributions made by the S corporation when the S corporation qualifies for a corporate credit and elects to pass the credit through to its individual shareholders.

Credit for Contributions to Private School Tuition Organizations (Original Individual Income Tax Credit)

This tax credit is claimed on [Form 323](#). For tax year 2019, the maximum credit allowed is \$569 for single, heads of household and married filing separate filers and \$1,138 for married filing joint filers. For tax year 2020, the maximum credit allowed is \$593 for single, heads of household and married filing separate filers and \$1,186 for married filing joint filers.

Credit for Contributions to Certified School Tuition Organizations (Switcher Individual Income Tax Credit)

This tax credit is claimed on [Form 348](#) and is available to individual taxpayers who donate the maximum amount allowed under the **Credit for Contributions to Private School Tuition Organizations** (Form 323) and make an additional donation to a Certified School Tuition Organization. For tax year 2019, the maximum credit allowed is \$566 for single, heads of household and married filing separate filers and \$1,131 for married filing joint filers. For tax year 2020, the maximum credit allowed is \$590 for single, heads of household and married filing separate filers and \$1,179 for married filing joint filers.

Credit for Business Contributions by an S Corporation to School Tuition Organizations

This tax credit is claimed on [Form 335-I](#) is available for individual shareholders to claim their pro rata amount of contributions made by an S corporation to a Certified School Tuition Organization.

Credit for Business Contributions by an S Corporation to School Tuition Organizations for Displaced Student or Students with Disabilities

This tax credit is claimed on Form [341-I](#) is available for individual shareholders to claim their pro rata amount of contributions made by an S corporation to a Certified School Tuition Organization.

Resources

- [List of School Tuition Organizations Certified to Receive Donations for the Individual \(link is external\)](#)
- [Publication 707 \(link is external\)](#) - School Tax Credits

Information for Corporate Taxpayers

There are two separate nonrefundable corporate tuition tax credits for donations made to Certified School Tuition Organizations which provides scholarships for students to attend Arizona private schools. Due to the statutory caps on the aggregate amount of credits allowed in a fiscal year, both the low-income corporate tax credits and the disabled/displaced corporate tax credits must be pre-approved by the Arizona Department of Revenue.

Credit for Corporate Contributions to School Tuition Organizations (Low-Income)

This tax credit is claimed on [Form 335](#). Corporations interested in making a donation to a Certified School Tuition Organization for the low-income tax credit must contact a School Tuition Organization directly to discuss applying for a corporate credit donation pre-approval. Corporate partners, S corporation individual shareholders and exempt organizations subject to unrelated business taxable income may also be eligible to claim the low-income corporate credit.

The Low-Income Corporate Tax Credit Cap for FY2019/20 is **\$106,993,207**.

Credit for Corporate Contributions to School Tuition Organizations for Displaced Students or Students with Disabilities

This tax credit is claimed on [Form 341](#). Corporations interested in making a donation to a School Tuition Organization for the disabled/displaced tax credit must contact a School Tuition Organization directly to discuss applying for a corporate credit donation pre-approval. Corporate partners, S corporation individual shareholders and exempt organizations subject to unrelated business taxable income may also be eligible to claim the disabled/displaced corporate credit.

The Disabled/Displaced Corporate Tax Credit Cap each fiscal year is **\$5,000,000**.

Pre-Approval of Corporate Donations to School Tuition Organizations

Corporations interested in making a donation for either corporate credit must contact a School Tuition Organization directly to discuss applying for a corporate credit donation pre-approval. School Tuition Organizations submit the corporate donation application for credit pre-approval to the Arizona Department of Revenue. Pre-approval applications submitted by a corporation to the Arizona Department of Revenue will not be accepted.

Resources

- [List of School Tuition Organizations Certified to Receive Corporate Donations \(link is external\)](#)
- Credit Donation Pre-Approval Application – *Corporations must contact a School Tuition Organization directly to discuss applying for donation pre-approval*

Health Insurance Premium Tax Credit

The Health Insurance Premium Tax Credit is a tax credit for a participating health insurance company that enrolls qualified small businesses who were not previously covered by health insurance. The credit amount is passed on to the small business in the form of reduced premiums. The credit is based on the total of \$1,000 per year for single coverage and \$3,000 per year for family coverage or 50% of the annual premium, whichever is less.

Small Business Applicants

For a small business to qualify, they must have been in existence in Arizona for at least one year, not have provided health insurance to their employees for at least six consecutive months prior to submitting an application and had at least two but no more than 25 employees during the most recent calendar year. The number of employees includes full-time, part-time and employees that are not eligible for benefits.

When funds are available a Certificate of Eligibility will be issued to qualified applicants. The business then has 90 days to obtain coverage with a participating health insurance company or the certificate will expire. The expiration date will be noted on the certificate. The expiration date refers to when coverage must be obtained meaning that the health insurance company has processed the application and issued a group number for health insurance coverage. Thus, an effective date after the 90 days is acceptable as long as the group number was issued by the 90 day expiration date. This is a one-time opportunity to participate in this program. If health insurance coverage is not obtained within 90 days, the certificate will expire and a second certificate cannot be issued anytime in the future.

The Certificate of Eligibility should be passed on to your health insurance company at the time you apply for coverage. The certificate confirms your business is eligible to participate in this program and the health insurance company will report your enrollment to establish the tax credit.

Renewal Applications

Renewal applications will be mailed to the business approximately 90 days before their renewal date. Funds will be reserved for a second or third year renewal based on the number of employees enrolled in the prior year. A request to increase the number of employees will be placed on the waiting list. If money becomes available prior to the renewal date, a revised certificate will be issued for the requested increase. The business can select a different health insurance company on the effective date of their renewal. However, the business will forfeit any unused balance of reduced premiums if they transfer to another health insurance company mid-year.

Waiting List

Currently there are no funds available under the \$5 million calendar year limit. However, money is released throughout the year for applicants on the waiting list. Funds must become available and a certificate issued prior to obtaining health insurance coverage in order to participate in this program.

[CLICK HERE \(link is external\)](#) for a printable copy of the program procedures .

Available Forms

- [Individual - Application for Certificate of Eligibility for the Health Insurance Premium Tax Credit](#)
- [Small Business - Application for Certificate of Eligibility for the Health Insurance Premium Tax Credit](#)
- [Notification of Health Insurance Coverage](#)

Renewable Energy Investment and Production for Self-Consumption

International Operations Centers Tax Credit

An individual or corporate income tax credit is available for taxpayers that invest at least \$100 million in one or more new renewable energy facilities in Arizona that generate energy for self-consumption using renewable energy resources. At least 51% of the energy produced must be used for self-consumption for an international operations center in Arizona. Final certification from the Arizona Department of Revenue is required. Furthermore, the international operations center must be certified by the Arizona Commerce Authority with an investment of at least \$1.25 billion on or before the tenth anniversary of certification.

“Renewable energy facility” means a facility in which the taxpayer invested at least \$30 million; has at least 20 megawatts generating capacity or a minimum typical annual generation of 40,000 megawatt hours; is located on land in Arizona owned or leased by the taxpayer; and produces electricity using a qualified energy resource. The \$100 million investment in one or more new renewable energy facilities must be completed by December 31, 2018.

Resources

- [Program Guidelines \(link is external\)](#)

Renewable Energy Production Tax Credit

An individual or corporate income tax credit is available for taxpayers who own a qualified energy generator that first produces electricity from and after Dec. 31, 2010, and before Jan. 1, 2021, using a qualified energy resource.

A qualified energy generator is a facility that has at least 5 megawatts (or 5,000 kW) generating capacity located on land in Arizona that is owned or leased by the taxpayer, that produces electricity using a qualified energy resource and that sells electricity to an unrelated entity, unless the electricity is sold to a public service corporation.

Approval and certification from the Arizona Department of Revenue is required prior to claiming the tax credit based on applications submitted between January 2 and January 31 of the following the calendar year of production. No more than \$20 million can be approved by the department in a calendar year.

- [Program Guidelines \(link is external\)](#) - (For details about this credit, please read the program guidelines first.)
- [Application for Approval of Renewable Energy Production Tax Credit](#)

Note: The Renewable Energy Production tax credit is for a qualified energy generator that has at least 5 megawatts generating capacity and is not for a residential application. No preapproval is required for an individual income tax credit for a residential Solar Energy Device tax credit that is claimed on [Form 310](#).

University Research & Development Tax Credit

An individual or corporate income tax credit is available for taxpayers with qualifying basic research payments to a university under the jurisdiction of the Arizona Board of Regents. The credit is for taxpayers that qualify for the general Arizona Research and Development income tax credit.

To be eligible to take the additional income tax credit for making basic research payments to Arizona State University, Northern Arizona University or the University of Arizona, a taxpayer must:

- Have a letter of certification from the Arizona Commerce Authority
- Have a letter of approval certifying the credit amount from the Arizona Department of Revenue

Resources

- [Program Guidelines \(link is external\)](#) – For details about this credit, please read these program guidelines first.
- [Application for Approval of University Research & Development Credit](#)

Public School Tax Credit

Taxpayers Making Contributions or Paying Fees

An individual may claim a nonrefundable tax credit for making contributions or paying fees directly to a public school in this state for support of eligible activities, programs or purposes as defined by statute. The public school tax credit is claimed by the individual taxpayer on [Form 322](#). The maximum credit allowed is \$400 for married filing joint filers and \$200 for single, heads of household and married filing separate filers.

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Resources for Taxpayers:

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- [Form 322 with instructions](#)
- [707 Publications: School Tax Credit Information \(link is external\)](#)

Military Family Relief Fund - 2020

Tax Credit Donations are OPEN for mail-in & online donations.

How do I donate to the Arizona Military Family Relief Fund (MFRF)?

Donations for the Post-9/11 MFRF program are accepted both online or via check.

Donations for the Pre-9/11 MFRF program are ONLY accepted via check at this time. Donations for the Pre-9/11 MFRF program (see **UPDATE** below) will be available online in the future. Please check our website for updates.

Donate Online Now - Click the TAX CREDIT Button



... or **Donate by Check**

1. [Find the MFRF Donation Form online HERE \(link is external\)](#).
2. Save a copy of the form to your computer, complete the form, return the form and your check per the form's instructions.

What is the Arizona Military Family Relief Fund?

The Arizona Military Family Relief Fund was established by the Arizona Legislature in 2007 (click **HERE** [\(link is external\)](#) to see [Arizona statute 41-608.04 online \(link is external\)](#)). The Fund provides financial assistance to the families of currently deployed service members and post-9/11 Military and Veteran Families for hardships caused by the service member's deployment to a combat zone. Assistance from the *Arizona Military Family Relief Fund* is determined by an Advisory Committee. The Committee is comprised of twelve members appointed by the Governor, as well as the Director of the Arizona Department of Veterans' Services.

UPDATE: On April 23, 2018, Gov. Doug Ducey approved House Bill 2191, amending current statute 41-608.04 regarding the MFRF program. The amendments expanded the MFRF program to include Pre-9/11 applicants who meet all three of the *qualifying MFRF criteria*. *We're accepting donations to the Pre-9/11 MFRF program* and are asking donors to mail donations via check.

In addition to specifying that all of their tax credit donations be applied toward either the “Post-9/11” or the “Pre-9/11” program fund (\$200 for single, \$400 for married, filing jointly), MFRF donors now have an option to designate half of their MFRF tax credit contribution (\$100 of \$200 or \$200 of \$400) to either the “Post-9/11” or the “Pre-9/11” program fund. Per statute 41-608.04 the MFRF program can receive a maximum of \$1 million in donations every calendar year (January – December) for the combined programs.

Who is affected by deployments to a combat zone? EVERYONE!

When our troops are deployed into combat zones, their family, friends, and community go with them. Mothers, fathers, wives, husbands, and children are affected emotionally, physically, and financially.

What type of needs are there?

The Iraq and Afghanistan theaters of operation have produced combat veterans who are faced with severe injuries that are not comparable to previous conflicts. In many cases, long-term medical care is needed, requiring families to be by the side of their military hero. Cash-strapped families must pick up the tab for travel, lodging, and household expenses while their family member undergoes rehabilitation.

In worst-case scenarios, when military families lose a loved one in the line of duty, they are frequently faced with devastating financial hardship. Unforeseen expenses add to the stress of tremendous loss. Families are forced with little to no warning to restructure their lives and manage day-to-day bills, all while laying their hero to rest.

How does the Fund help?

The families of Arizona Service Members who are currently deployed, have been injured or killed during combat, or are facing hardships caused by their deployment can now receive assistance through the fund to ease any significant financial crisis they might encounter.

How do I request assistance from the Fund?

[Visit this web page](#) for information on how to request assistance from the Fund.

What about the Arizona Tax Credit?

With this useful tax credit, you can assist Arizona veterans in need while also enjoying a dollar-for-dollar tax credit on your Arizona state tax return. Contributions are also deductible on your federal tax return (though not a dollar-for-dollar tax credit on the federal return; only the Arizona State return). This charity fund has a \$1,000,000 cap for refundable Arizona tax credits, so it's best to get your contribution in early during the year. Once \$1,000,000 in donations is reached, contributions must be returned, therefore it's best to send your donation in early, so you are ensured a credit on your Arizona tax return.

[Review the AZ Tax Credit Form 340 online HERE \(link is external\)](#) for \$200 single/head-of-household or \$400 married filing-jointly. It costs you nothing, yet allows you to redirect Arizona state tax dollars to support veterans in need, making you the boss of the taxman!

Where may I find online News & Information about the Fund?



[Follow us on Facebook \(link is external\)](#) to read how the Arizona Military Family Relief Fund is helping Arizona's service members and veterans overcome hardships caused by their deployment. Also, watch for news and information specific to Service Members and Veterans - and their families - who have served in combat deployments since September 11, 2001.

Arizona Military Family Relief Fund Advisory Committee Meetings

In the section below, please find agendas and meeting minutes for the Arizona Military Family Relief Fund Advisory Committee, which meets monthly. The attached files appear in the order of most-recent-first.