

ARIZONA TAX CREDITS

The total you can take for 2016 is as follows. Many of these can now be made up until April 15, 2017 for the 2016 tax return. You specify to the organization which year you want the donation applied to - 2016 or 2017. One catch to this is that you need to make the contribution no later than April 15 even if it falls on a weekend or the tax return is extended.

| Contribution can be made up until 4/15/17 | Married Filing Jointly | Single |
|--|-------------------------------|-----------------|
| Qualifying Charitable Organization | \$ 800 | \$ 400 |
| Qualifying Foster Care Organization | \$ 1,000 | \$ 500 |
| Public School Tax Credit | \$ 400 | \$ 200 |
| Private School Tuition Credit | \$ 2,173 | \$ 1,087 |
| Contribution must be made by 12/31/16 | Married Filing Jointly | Single |
| Arizona Military Relief Fund | \$ 400 | \$ 200 |
| Total | \$ 4,773 | \$ 2,387 |

The Arizona Military Relief Fund may reach their maximum contributions before year end so always check with them or their website before making the contribution if you want to receive a tax credit.

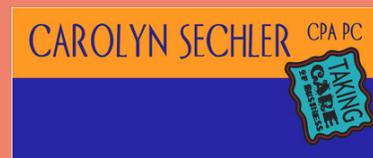
Taking tax credits allows you to direct the amount of tax you are paying to specific causes. If you make the contribution, it is a direct reduction of the amount of state of Arizona tax owed and it counts as a charitable contribution for federal tax purposes. You pay out the same amount in total, but you pay part of it (tax credits) to organizations you choose rather than to the state of Arizona in income taxes. You need to have an Arizona tax liability to claim the tax credit.

Information and list of qualifying organizations can be found on the Arizona Department of Revenue website at www.azdor.gov/taxcredits.

SECHLER CPA PC

Sechler CPA PC is a virtual nonprofit CPA firm with 28 remote team members serving over 500 nonprofit organizations. We are client-focused, supportive, innovative, attentive, and accountable. We provide support for nonprofit organizations by filing Form 1023/1024 to obtain exempt status or reinstatement, accounting and bookkeeping services, tax compliance, visioning, consulting needs, and coaching.

CONTACT



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THE FOLLOWING TAX CREDITS ARE AVAILABLE FOR 2016

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QUALIFYING 501(C)(3) CHARITABLE ORGANIZATION

\$800 for married filing joint return; \$400 for single. The charities must be certified by the state of AZ to qualify. The qualifying charitable organizations spend at least 50% of their budget on services to Arizona residents under defined income levels. The link below is a list of all charities and umbrella organizations certified by the state of Arizona. Donations to certain umbrella agencies such as United Way also qualify if you specify the funds should go to a tax credit organization.

<https://www.azdor.gov/Portals/0/RefundCredits/CertifiedCharities2016.pdf>

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QUALIFYING FOSTER CARE CHARITABLE ORGANIZATIONS

\$1,000 for married filing joint returns; \$500 for single. This credit is for organizations that are Qualifying Foster Care Organizations providing ongoing services to at least 200 foster children in Arizona and spending at least 50% of its budget for care of foster children. This is in addition to the tax credit for charitable organizations. You can give a total of \$1,800 for married filing joint return or \$900 for single (by combining the qualifying charitable organization tax credit and foster care credit) to the same organization or you can split up the two and give the separate limits to two different organizations. The link below is a list of charities certified by the state of Arizona that meet both requirements:

<https://www.azdor.gov/Portals/0/RefundCredits/CertifiedFosterCareCharities2016.pdf>

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PUBLIC SCHOOL TAX CREDIT

A contribution to a public school (this includes charter schools) for support of extra-curricular activities, character education programs, or CPR Training - \$400 for married filing joint return; \$200 for single. Extra-curricular activities are school-sponsored activities that require enrolled students to pay a fee to participate, including band uniforms, equipment or uniforms for varsity athletic activities, or scientific laboratory materials. This does not include out of state trips that are solely for competitive events, senior trips, or events that are recreational, amusement or tourist alternatives. You can donate even if you have a child participating in the activity. A list of schools can be found at:

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

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PRIVATE SCHOOL TUITION TAX CREDIT

donation to a qualified school tuition organization that provides scholarships to private schools - \$1,090 for married filing joint return; \$545 for single. You can specify the private school you want scholarship to go to but you cannot specify a student you want to receive the scholarship. Once you have made the maximum contribution (\$1,090 or \$545) you can then make an additional contribution of \$1,083 for married filing joint or \$542 for single (called the switcher credit). The total credit for both types is \$2,173 for married filing jointly and \$1,087 for filing single. The link below is a list of school tuition organizations certified by the state of Arizona for 2016:

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

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SCHOOL TUITION CREDIT FOR CORPORATIONS

No maximum for donor except for the total limited annual donation for all donors of \$51,598,000 for low-income students and \$5,000,000 for disabled/displaced students. The total credit cap allowed has been reached for the 2016-17 year and the approval process will begin July 1, 2017 for the 2017-18 year. Preapproval process is requirement - notify the School Tuition Organization and they make the application to the state of Arizona. S-Corporations must make a minimum aggregate contribution of \$5,000.

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

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AZ MILITARY RELIEF FUND

\$400 for married filing joint return; \$200 for single. The Az Military Relief Fund provides support to families of Arizona service members who are currently deployed, have been injured or killed while fighting the Global War on Terror or are facing hardship caused by their deployment. Families can now receive assistance to ease any financial crisis they might encounter. This one is limited to a total contribution of \$1,000,000 for the tax credit each year and they have reached that limit before year end in prior years. This is the only tax credit that must be made by December 31, 2016 for the 2016 tax year. You can make a contribution at the following site:

<https://dvs.az.gov/military-family-relief-fund-2016>