

McGeorge CPAs PLLC

Tax Preparation | Tax Planning | Bookkeeping | Payroll Services

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Arizona State Tax Credits 2017

Residents of Arizona have a variety of state tax credits available to them. Benefits beyond a dollar-for-dollar reduction of your Arizona state tax liability include: help local schools in your neighborhood and organizations you care about, enjoy additional benefits on your federal tax return if you are subject to AMT, and in specific situations take advantage of the federal sales tax deduction, and get points by donating via credit card.

An individual income tax credit is available for contributions made to qualifying charitable organizations, contributions made to public schools, contributions made to school tuition organizations and contributions made to the Military Family Relief Fund. If you typically have an Arizona tax liability, you should consider taking advantage of this opportunity to give. Contributions made to these specific Arizona charities provide a dollar-for-dollar reduction of your state tax liability and can still be taken as itemized deductions on your federal income tax return.

Donations to these charities can be made up until April 15, 2018, with exception of the AZ Military Relief Fund which must be made prior to December 31, 2017, and applied as a credit to your 2017 Arizona tax return. The deduction for charitable contributions allowed on your Federal Schedule A Itemized Deductions will be taken in the year the contribution is made; either 2017 if made prior to December 31, 2017, or on your 2018 tax return if made from January 1, 2018, through April 15, 2018. Please check the Arizona Department of Revenue website at www.azdor.gov/TaxCredits.aspx for additional details.

Below is a list of the Arizona Income Tax Credits available in 2017 (corresponding hyperlink):

<u>Tax Credit</u> (website or list of eligible schools/org.)	<u>Single Max</u>	<u>Married Max</u>
Qualifying Charitable Donation (List of Charitable Organizations)	\$400.00	\$800.00
Qualified Foster Care Orgs (List of Foster Care Organizations)	\$500.00	\$1,000.00
Public School (Department of Education School Listing)	\$200.00	\$400.00
Private School Tuition Orgs (Organizations Certified to Receive Donations for Credit)	\$546.00	\$1,092.00
add. Private School Tuition Orgs	\$543.00	\$1,085.00
AZ Military Family Relief Fund (Military Family Relief Fund Donation Form)	\$200.00	\$400.00

Many of the state credit eligible charities accept credit cards (POINTS!) and have websites where you can make your donation online.

These are non-refundable tax credits so taxpayers need to have an Arizona tax liability to utilize the credits in the current year. If the credits are fully or partially unutilized they roll forward up to 5 years.

If you have any questions regarding the information above, please contact us and visit:

www.mcgeorgecpas.com

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