

St. Mary's Food Bank 2021 Guide to the Arizona Charitable Tax Credit

Everything you need to know to take advantage of the Arizona Charitable Tax Credit in 2022, updated for the 2021 tax year.



Currently, the state of Arizona provides multiple individual tax credits, including the Arizona Charitable Tax Credit and the Public School Tax Credit. These tax credits allow taxpayers to make charitable contributions and receive dollar-for-dollar reductions in what they may owe on their annual Arizona state taxes.

The Arizona Charitable Tax Credit is one of the most popular tax credits talked about today. However, many taxpayers are unaware of how to take full advantage of Arizona's state tax credits, including the ability to combine multiple tax credits and carry forward the tax benefits over several years.

This document will provide the clarity you need. Consider this a guide to the Arizona Charitable Tax Credit for 2022. Taxpayers will find everything they need to know in order to take advantage of this and other Arizona state tax credits. After digesting this information, please consult with your tax advisor for advice on your specific tax situation.

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Chapter 1: Understanding the Arizona Charitable Tax Credit



What is the Arizona Charitable Tax Credit?

The Arizona Charitable Tax Credit is a set of two nonrefundable individual income tax credits for charitable contributions to Qualifying Charitable Organizations (QCOs) and Qualifying Foster Care Charitable Organizations (QFCOs). The maximum allowable credit for contributions to QCOs for married filing jointly is \$800 or for single, married filing separately, and heads of household filers, the maximum is \$400. The maximum credit for contributions to QFCOs is \$1,000 for married filing jointly or \$500 for single, married filing separately, and heads of household filers.

These tax credits provide dollar-for-dollar tax benefits, allowing taxpayers to reduce their state tax liabilities for each dollar donated to charities, up to the maximum allowable limits.

Guidelines for the Arizona Charitable Tax Credit

The following are general guidelines for using the Arizona Charitable Tax Credit. As always, please consult your accountant or tax advisor for advice on your specific tax situation.

- Donations must be made by individuals (corporations, foundations, partnerships, etc. do not qualify).
- Donations must be made in cash (property donations do not qualify, nor do in-kind donations such as toys, books and services).
- Donations must be made to [Qualified Charitable Organizations or Qualifying Foster Care Charitable Organizations that have been certified by the state of Arizona](#); gifts to non-certified charities are not eligible for the AZ Charitable Tax Credit.
- Credits that are not applied to tax obligations for the current tax year can be carried forward to future tax years (further explained below).

How Does the Arizona Charitable Tax Credit Work?

The process for making a charitable contribution and claiming the Arizona Charitable Tax Credit is relatively straightforward. There are four (4) steps to document your donation and claim your tax credits.

1. Donate to a certified charitable organization (QCO or QFCO), such as a 501(c)(3) organization like [St. Mary's Food Bank](#).
2. Maintain a receipt of your gift from the charity, in order to provide a copy with your tax return.
3. Complete the relevant tax form to claim one or more credits for your gift(s): [Arizona Form 321](#) for gifts to QCOs, and/or [Arizona Form 352](#) for gifts to QFCOs.
4. Calculate your individual tax return (e.g. Arizona Form 140, 140NR, 140PY or 140X), subtracting your tax credits from your tax liability, in order to reduce your Arizona state tax balance. Include either Arizona Form 321 or Arizona Form 352, or both, with this return.

For example, if a single individual owes \$2000 in taxes but donates \$400 to a qualifying charitable organization, his tax liability is reduced to \$1600.

Donate, maintain your documentation, complete the relevant forms, and calculate your tax credit against your tax liability.



Utilizing the Arizona Charitable Tax Credit through Payroll Withholding

Are you interested in an easier way to give to your favorite qualifying charity? On both [Arizona Form 321](#) and [Arizona Form 352](#), you are permitted to record charitable contributions made through payroll withholding, provided that your employer is able to withhold contributions to eligible Arizona Charitable Tax Credit organizations from your pay. Be sure to contact your employer prior to setting up donations through payroll withholding.

How the Arizona Charitable Tax Credit Shifts Control to Taxpayers

The Arizona Charitable Tax Credit gives taxpayers more choice in how their tax dollars are allocated. Consider the example of a single taxpayer who makes a \$400 donation to an eligible Qualifying Charitable Organization, and a second \$500 gift to a Qualifying Foster Care Charitable Organization. The taxpayer then claims the maximum allowable credit for these contributions (the \$400 maximum tax credit for a QOC, and the \$500 maximum credit for a QFCO), reducing his/her state tax liability, dollar-for-dollar.

This taxpayer has effectively redirected \$900 of his/her State tax payment from the State's general fund to the two charitable organizations of her choice. This is the underlying benefit of the Arizona Charitable Tax Credit – it shifts control away from the State and gives individuals the power to determine which deserving organizations will receive tax revenue. Taxpayers themselves can direct tax dollars to charities whose services they believe provide the most value to their local communities.



This program grows in popularity each year—and for good reason. The impact on the community continues to increase; according to the Arizona Department of Revenue (ADOR), in tax year 2017 over 165,000 Arizona residents contributed more than \$68.5 million to qualifying charities.

Tax Credits vs. Tax Deductions

This is often misunderstood, so let's clarify. There is a distinction between tax **credits** and tax **deductions**. Credits and deductions differ in how they impact an individual's tax obligations.

A **tax credit** reduces an individual's tax liability (or the total amount of tax debt owed to the



government) on a dollar-for-dollar basis. For every dollar an individual claims as a tax credit, her tax obligation is reduced by a dollar. In contrast, a **tax deduction** reduces an individual's taxable income. For every dollar an individual claims as a tax deduction, their taxable income is reduced by a dollar. Based on the calculation from his/her income bracket, the individual pays a tax on the amount left over after deductions are subtracted.

Consider the example of a single taxpayer with \$40,000 in taxable income and an effective Arizona State tax rate of 3 % (this rate is just used for the purposes of an example; current Arizona state income tax rates can be found [on the IRS website](#)). In this case, the taxpayer's Arizona state tax liability is \$1,200 (3 % of \$40,000).

Now let's assume this individual has donated \$400 to a Qualifying Charitable Organization and \$500 to a Qualifying Foster Care Charitable Organization; then she takes the \$400 maximum allowable tax credit for a gift to a QCO, and the \$500 maximum allowable tax credit for a gift to a QFCO. In this scenario, these two tax **credits** would reduce the individual taxpayer's liability by \$900 (\$400 + \$500), from \$1,200 to \$300. The individual would end up paying **\$300** to the State of Arizona.

Now let's consider the implications of two equivalent tax **deductions** for the same taxpayer. In this example, assume the individual makes the same two donations of \$400 and \$500, except in this case the gifts are made to two charities that have not been certified as either Qualifying Charitable Organizations or Qualifying Foster Care Charitable Organizations by the State of Arizona. In this scenario, these two tax deductible gifts would reduce the individual's taxable income by \$900 (\$400 + \$500), from \$40,000 to \$39,100. After applying the 3% effective tax rate to the individual's \$39,100 of taxable income, the individual taxpayer's liability would be **\$1,173**, resulting in a higher payment to the state of Arizona.

The Working Poor Tax Credit

History lesson: the tax credit for gifts to Qualifying Charitable Organizations dates back to 1998 and used to be called the "Working Poor Tax Credit." In the tax year 2012, the credit grew to include charities that provide for needy families, children with chronic illness or physical disability, and Arizonians that qualify as low income. Now, this credit is part of the "Arizona Charitable Tax Credit" umbrella term that is used to describe the tax credits for gifts to both QCOs and QFCOs.

Chapter 2: Limits to the AZ Charitable Tax Credit



What is the Maximum Allowable Credit?

As noted above, the maximum allowable credit for contributions to QCOs for single taxpayers, married (filing separately) filers or heads of households is \$400; for joint taxpayers, the maximum credit is \$800. And to recap, the maximum credit for contributions to QFCOs for single taxpayers, married (filing separately) filers or heads of households is \$500; for joint taxpayers, the maximum credit is \$1,000. Other Arizona tax credits have similar limits, and these are outlined later on in this article.

Minimum Dollar Requirements for the Arizona Charitable Tax Credit

Donors often wonder whether they can receive tax credits under the Arizona Charitable Tax Credit for smaller gifts, especially when they want to support a charity but are not able to donate hundreds of dollars. To clarify, there is no minimum dollar requirement for the Arizona Charitable Tax Credit. Charitable contributions to QCOs and QFCOs do not have to exceed a minimum dollar threshold. A single taxpayer who wants to contribute \$400 to a QCO and claim the maximum allowable credit may do so; likewise, a taxpayer can make a \$5 donation, record this gift on Arizona Form 321, and receive a tax credit in the amount of \$5 from the state of Arizona.

Five Year Carry Forward Period

The Arizona Charitable Tax Credit permits any credits for contributions to QCOs and QFCOs that are not applied against tax obligations for the most recent taxable year to be carried forward for a period of five consecutive years. However, the [instructions for Arizona Form 321](#) and [Arizona Form 352](#) both contain an important, identical caveat: “You may carry over only that portion of the credit that you do not apply to tax. You cannot carry over any amount that you gave that was more than the maximum amount allowed as a credit.”

Let’s clarify this limitation with an example. Consider the case of a single taxpayer with an Arizona state liability of \$700, who had contributed \$500 to a QFCO and \$1000 to a QCO in the most recent taxable year. In order to offset their \$700 tax liability, this individual may claim the \$500 maximum allowable tax credit for a gift to a QFCO and a \$200 tax credit for the QCO gift (remember, the maximum allowable tax credit for a gift to a QCO is \$400, so this is within the limit). Since these two credits completely offset the \$700 tax owed, the taxpayer now owes the state of Arizona nothing (\$0).

But what about the remaining \$800 from the QCO gift (\$1000 minus the \$200 tax credit that was applied)? In this case, the individual has an available credit carryover of \$200, since only \$200 of the \$400 maximum allowable tax credit for a QCO donation was applied against her current tax liability. This remaining \$200 tax credit may be used for the next tax year. The remaining \$600 of the original \$1000 gift (\$1000 – \$200 tax credit – \$200 credit carryover) may not be used as a tax credit for the most recent tax year, nor may it be used as a tax credit in any future years.

Arizona State Tax Credits Cannot Exceed a Taxpayer’s Current Tax Liability



You may have noticed from the example above that the taxpayer did not use the \$200 tax credit carryover to generate a tax refund for the most recent tax year. This is due to another limitation that is spelled out in the instructions for both Arizona Form 321 and Arizona Form 352, which state,



“because this is a **nonrefundable** credit, the total amount of available credit [current year plus any valid carryover amount(s)] that a taxpayer may use for the taxable year cannot be greater than the tax liability shown.” Put simply, this means that tax credits from the Arizona Charitable Tax Credit can only be applied up to a taxpayer’s current Arizona state tax liability. The tax credits cannot be used to receive money back from the State of Arizona. Of course, based on your specific tax situation, you may still be eligible for a State tax refund, so be sure to consult with your tax advisor for advice on your specific tax circumstances.

By comparison, “a **refundable** tax credit can reduce a taxpayer’s tax liability to below zero, which means if the amount of a refundable tax credit is more than the amount of taxes due, the difference will be paid to the taxpayer as a tax refund,” according to the Arizona Department of Revenue.

Arizona Standard Deduction Adjustments

In 2019, the passage of [Arizona HB 2757 introduced adjustments to Arizona's standard deduction amounts](#), aligning them with the federal standard deduction. For single and married (filing separately) taxpayers, Arizona's standard deduction was increased to \$12,200, from \$5,312 -- a 130% increase. For head of household filers, Arizona's standard deduction was raised to \$18,350, from \$10,336 (up 78%). And for married (filing jointly) taxpayers, Arizona's standard deduction was boosted to \$24,400, from \$10,336, a whopping 136% hike.

To allay fears that increasing Arizona’s standard deductions could curb charitable giving, The ADOR says that Arizona HB 2757 stipulates “the Arizona standard deduction can be increased by 25 percent of the charitable deductions the taxpayer would have claimed if they had itemized their deductions.” This increase ensures that taxpayers who would have otherwise donated and claimed those gifts while itemizing their tax deductions will still be incentivized to make charitable contributions.

Chapter 3: Eligible Charity Organizations for the Arizona Charitable Tax Credit



The Arizona Charitable Tax Credit is meant to provide taxpayers with a mechanism for supporting charities that offer services to low-income residents of Arizona. For that reason, St. Mary's Food Bank is certified as a Qualifying Charitable Organization. St. Mary's Food Bank exists to help feed hungry families throughout Phoenix and 9 Arizona counties. St. Mary's has a perfect 4/4 star rating with Charity Navigator and 95% of all donations received at St. Mary's Food Bank directly funds our mission to help feed the hungry. St. Mary's Food Bank works with over 700 nonprofit partners to distribute food. Plus, with programs like Kids Cafe, which provides 6,000 meals daily to Arizona's children, and Community Kitchen, a culinary training program which provides students with skills to be successful in the food service industry, St. Mary's is committed to building community and improving the quality of life for Arizonans in need.

What is a Qualifying Charitable Organization (QCO)?

The Arizona Department of Revenue [defines](#) Qualifying Charitable Organizations (QCOs) as those that “provide immediate basic needs to residents of Arizona who receive temporary assistance for needy families (TANF), are low income residents of Arizona, or are children who have a chronic illness or physical disability.” QCO organizations are also required to spend at least half of their annual budgets on services to support those Arizonans that qualify for assistance.

Let's clarify a couple of these QCO requirements.

Temporary Assistance for Needy Families (TANF)

[TANF](#) is a federal program that provides grant money to states. The program has a variety of goals, and income eligibility for TANF is determined at the state level. States utilize the federal government's grant funding, often in the form of direct cash assistance, in order to help families meet basic needs.

What is “Low Income” in Arizona?

“Low income” sounds like a subjective term, and to some extent it is – [the income threshold for receiving cash assistance from TANF in Arizona](#) differs from [the income limit for Arizona Health Care Cost Containment System \(AHCCS\) eligibility](#), for example – but the state's underlying purpose is clear. The Arizona Charitable Tax Credit is intended to spur donations to charitable organizations that provide a significant number of services for Arizona residents experiencing financial insecurity.

What is a Qualified Foster Care Charitable Organizations (QFCOs)?

Qualifying Foster Care Charitable Organizations (QFCOs) meet all the requirements listed above for QCOs, but with one additional condition. A QFCO charity must spend at least 50% of its budget on services for children who have been placed in foster homes or child welfare agencies, according to [the instructions for Arizona Form 352](#).

List of Qualifying Charitable Organizations (QCOs) and Qualified Foster Care Charitable Organizations (QFCOs)

Each year, the ADOR updates its [list of the qualifying charities](#) that meet the Department's [certification requirements](#). Arizona taxpayers should review this list every year to ensure the charity is certified by ADOR as a qualifying organization.

St. Mary's Food Bank is a 501(c)(3) organization that meets the state of Arizona's QCO certification requirements, qualifying the food bank to receive charitable contributions under the Arizona Charitable Tax Credit.

Chapter 4: Deadlines and Key Dates for the Arizona Charitable Tax Credit



Contrary to popular belief, Arizona taxpayers do not need to make their charitable contributions to QCOs and QFCOs before December 31 of a given year in order to be eligible for state tax credits for that tax year. The state of Arizona allows taxpayers to claim tax credits for gifts through April of the current year for the prior tax year. In 2022, the deadline for making a charitable contribution for the 2021 tax year under the AZ Charitable Tax Credit is April 15, 2022.

The state of Arizona, however, does require donations from different calendar years to be listed separately on Arizona Form 321 and Arizona Form 352. For the 2021 tax year, cash contributions that were made between January 1, 2021, and December 31, 2021, are required to be listed on Part 1, section A of both [Arizona Form 321](#) (for QCO gifts) and [Arizona Form 352](#) (for QFCO gifts). Cash contributions that were made between January 1, 2022, and April 15, 2022, are required to be listed on Part 1, section B of both Arizona Form 321 (for QCO gifts) and Arizona Form 352 (for QFCO gifts).

The IRS Deadline for Federal Credits and Deductions Differs from State Deadlines

IRS deadlines are different from Arizona's state deadlines, however. The IRS specifies that, in order for contributions to be deductible on federal tax returns, contributions must be made "[by the end of your tax year.](#)" Keep this in mind when planning your charitable contributions and estimating your state and federal tax credits and deductions, and be sure to consult with your tax advisor regarding the optimal timing of your charitable gifts.

Chapter 5: Additional Arizona State Tax Credits That You Need to Know About



The state of Arizona offers [additional state tax credits](#) that allow taxpayers to contribute to a variety of charitable organizations and specify how a portion of their tax dollars are allocated. Note that these tax credits are independent, so taxpayers can take advantage of multiple tax credits on the same tax return.

Public School Tax Credit

The [Public School Tax Credit](#) is a nonrefundable credit for cash contributions to Arizona public schools, including the direct payment of certain types of public school fees, which are outlined in the [instructions for Arizona Form 322](#). This credit was created for individual taxpayers (corporations, partnerships, etc., are not eligible) so they can donate to a public school, who can then use those funds for extracurricular activities.

According to the Arizona Department of Revenue the scope of this tax credit has expanded for the 2021 tax year and is in effect until June 30, 2022. Taxpayers contribution to the school can now be used for capital items as well as extracurricular activities. It can help the school get items such as books, equipment, health care supplies, and more.

The maximum allowable credit for contributions to public schools is \$400 for married filing jointly filers, or \$200 for single, married filing separately, and heads of household filers. This tax credit is available for cash contributions, and is claimed on [Arizona Form 322](#). Taxpayers can claim charitable contributions to Arizona public schools made through payroll withholding, and this tax credit has a five -ear carryover period. Like the Arizona Charitable Tax Credit, the deadline for making a charitable contribution for the 2021 tax year under the Public-School Tax Credit is April 15, 2022.

Credit for Contributions to Private School Tuition Organizations

The [Credit for Contributions to Private School Tuition Organizations](#), otherwise known as the Private School Tax Credit, is a nonrefundable individual income tax credit for charitable contributions to private school tuition organizations (STOs) that provide educational scholarships to private school students. This credit is only available for individuals (corporations, partnerships, etc., are not eligible). The maximum allowable credit for contributions to private schools is \$1,186 for married filing jointly filers, or \$593 for single, married filing separately, and heads of household filers.

This tax credit is available for cash contributions, and is claimed on [Arizona Form 323](#). Taxpayers can claim charitable contributions to Private School Tuition Organizations made through payroll withholding, and this tax credit has a five-year carryover period. Like the Arizona Charitable Tax Credit, the deadline for making a charitable contribution for the 2021 tax year under the Private School Tax Credit is April 15, 2022.

Credit for Contributions to Certified School Tuition Organizations

The [Credit for Contributions to Certified School Tuition Organizations](#), also known as the Switcher Individual Income Tax Credit, is available for individual taxpayers who not only claim the maximum allowable credit on Arizona Form 323 for the Credit for Contributions to Private School Tuition Organizations, but also make an additional charitable gift to a Certified School Tuition Organization (STO). [The instructions for Arizona Form 348](#) define the requirements for certified STOs. Notably, STO organizations must make “scholarships or grants available to students of more than one qualified school,” and neither charter schools nor programs run by charter schools are considered to be qualified schools for the purposes of this tax credit.

The maximum allowable credit allowed for this specific tax credit is \$1,179 for married filing jointly filers, or \$590 for single, married filing separately, and heads of household filers.

This tax credit is available for cash contributions, and is claimed on [Arizona Form 348](#). Taxpayers can



claim charitable contributions made through payroll withholding for the purposes of this tax credit, and there is a five-year available credit carryover. Like the Arizona Charitable Tax Credit, the deadline for making a charitable contribution for the 2021 tax year under the Credit for Contributions to Certified School Tuition Organizations is April 15, 2022.

Electric Vehicle Tax Credits in Arizona

A tax credit is still available for electric vehicles. [Edmunds does a good job explaining the details of this credit](#), including the federal government's timeline for phasing it out. The amount of the credit (up to \$7,500) [depends on the cars kilowatt hours](#) needed to power the vehicle and phases out to 50% once manufacturers reach a certain amount of vehicles sold. For more information click to see [Arizona's DMV State Incentives](#).

More Arizona State Tax Credits

The state of Arizona offers a handful of additional individual and business tax credits. Visit azdor.gov/tax-credits for more information, and [see Arizona Form 301 for an exhaustive list of Arizona's state tax credits](#).

Chapter 6: Arizona State Tax Credits vs. Federal Tax Credits and Deductions



While the state of Arizona permits both tax credits and tax deductions for charitable gifts, IRS rules stipulate that charitable gifts – both cash and property – must be claimed as tax deductions, rather than credits. In fact, page 3 of [IRS Publication 526](#) spells this out plainly, “Generally, you can deduct contributions of **money or property** you make to, or for the use of, a qualified organization.” The IRS only [allows deductions for gifts made to qualified tax-exempt organizations](#), such as 501(c) (3) entities and other eligible organizations; IRS

Publication 526 covers this in detail.

Reducing Tax Deductions by Value Received

[IRS rules dictate](#) that if a taxpayer receives a benefit from a charitable contribution, the taxpayer can only deduct the value of the gift minus the value of any goods or services received (note that the state of Arizona also has this requirement). For example, a taxpayer who donates \$1,000 in return for an event ticket worth \$200 would only be able to recognize a tax deduction of \$800 (\$1000 – \$200).

Arizona and IRS Credit Carry Forward Period

Both the state of Arizona and the federal government allow a carry forward period of five consecutive years when itemizing deductions for charitable contributions. See [IRS Publication 526](#) for federal tax guidelines. [As noted above](#), this 5-year carry forward period also applies for tax credits under the Arizona Charitable Tax Credit.

IRS and Arizona State Charitable Gift Documentation Requirements

The IRS and the state of Arizona both require documentation to substantiate charitable contributions. Page 1 of [IRS Publication 1771](#) outlines recordkeeping requirements for federal tax deductions. Substantiation requirements for charitable donations in the state of Arizona are similar, and Qualifying Charitable Organizations and Qualifying Foster Care Charitable Organizations will provide donation receipts for use in substantiating state tax credits and deductions.

Arizona and the IRS Allow Charitable Contributions through Payroll Withholding

[As described in Chapter 2 above](#), the state of Arizona allows charitable contributions through payroll withholding, and IRS rules also permit this practice for federal tax purposes. According to [IRS Publication 1771](#), donors may substantiate payroll deductions through a pledge card from the charitable organization, along with one of the following: a pay stub from an employer, a W-2 form, or another employer-provided document that details the amount withheld and donated to a charitable organization.

IRS Rule Changes for Adjusted Gross Income Limit

For years, the IRS had limited tax deductions for charitable contributions to up to 50% of a taxpayer’s [Adjusted Gross Income](#) (AGI). However, in 2019, the IRS raised the limit on charitable contributions of cash from 50% to 60% of a taxpayer’s Adjusted Gross Income, according to [page 8 of IRS Publication 5307](#).



The latest version of IRS Publication 526 for the 2021 Tax Year should provide additional details on AGI limits. Be sure to consult with your tax advisor before claiming deductions up to the 60% AGI limit.

Recent Federal Regulations on Charitable Contributions and State and Local Tax Credits

In August 2018, the IRS and US Department of the Treasury [proposed new regulations](#) aimed toward limiting federal tax deductions for charitable gifts for which taxpayers also plan to claim state and local tax credits. Although complicated, the regulations were proposed in order to introduce two high-level changes to federal tax law. First, the regulations would require tax-deductible charitable contributions to be [“reduced by the amount of the state or local tax credit received or expected to be received”](#) on federal tax returns. Second, the regulations would place a \$10,000 cap on state and local tax deductions on federal tax returns.

These regulations [sparked concern](#) that local charities might see fewer charitable contributions, as state tax credits could become less appealing to donors.



Fortunately, however, the regulations – which become law late in 2018 – do not preclude Arizona taxpayers from claiming the maximum credits allowed under the Arizona Charitable Tax Credit. Arizona residents can still utilize the Arizona Charitable Tax Credit, Public School Tax Credit, Credit for



Contributions to Private School Tuition Organizations, and other individual tax credits to support state-certified charities and receive dollar-for-dollar state tax credits. Individual taxpayers now have to reduce any corresponding federal tax deductions by these credits. However, [The CPA Journal](#) provides an overview regarding cases in which a taxpayer's entire charitable contribution can and cannot be deducted on federal returns. Still, you should consult with your tax advisor regarding your specific tax situation.

IRS Forms to Use for Documenting Federal Tax Credits and Deductions

To itemize your federal tax deductions, use [IRS Form 1040, Schedule A](#). Donations of property or other goods should be recorded on [IRS Form 8283 for Noncash Charitable Deductions](#). [See Chapter 2 above](#) for Arizona state tax forms.

Chapter 7: Relevant Contact Information for the Arizona Charitable Tax Credit



If you've made it this far and still have questions, then you're probably wondering who you can call for help. Please remember: call a tax advisor first, to discuss your specific situation. If you need recommendations for a good tax advisor, then [contact us here at St. Mary's Food Bank](#). We will be happy to point you in the direction of a tax consultant who is well-versed on the details of the Arizona Charitable Tax Credit.

Contact Information Provided by Arizona Form 321 and Arizona Form 352

The instructions for both [Arizona Form 321](#) and [Arizona Form 352](#) provide two phone numbers for inquiries about the credits for contributions to Qualifying Charitable Organizations and Qualifying Foster Care Charitable Organizations.

- From within the Phoenix metro area, call: 602-255-3381
- From area codes 520 and 928, call toll-free: 800-352-4090

Arizona Department of Revenue Contact Information

For more [general inquiries](#), the Arizona Department of Revenue provides a customer care line at 602-255-3381, and the general line for the Department is 602-255-3381. You can find additional contact information for the Arizona Department of Revenue [on the Department's website](#).

Summary: Key Points for the Arizona Charitable Tax Credit



So that is what you need to know in 2022 in order to take advantage of the Arizona Charitable Tax Credit for the 2021 tax year. It's a lot of information to take in, and many readers will have skimmed this article, so a handful of key points about the tax credit are summarized below. Hopefully, the tips and information above will prove useful as you calculate your taxable income, plan your charitable contributions, and complete your state and federal tax forms for the 2021 tax year.

Top Takeaways Regarding the Arizona Charitable Tax Credit

In summary, Arizona taxpayers have a lot of options when it comes to utilizing state tax credits to reduce their Arizona state tax liabilities. But there is a lot of information to absorb in order to utilize these credits, especially the Arizona Charitable Tax Credit. Here are some of the key facts to know, along with links to the associated chapters above:

- As **tax credit**, the Arizona Charitable Tax Credit reduces an individual's **tax liability**. This differs from **tax deductions**, which reduce **taxable income** ([Chapter 1](#)).
- The Arizona Charitable Tax Credit permits any credits for contributions to Qualified Charitable Organizations (QCOs) and Qualifying Foster Care Charitable Organizations (QFCOs) that are not applied against tax obligations for the most recent taxable year to be **carried forward for a period of five consecutive years** ([Chapter 1](#)).
- For single taxpayers, married filing separately filers or heads of household filers, the **maximum allowable credit** for contributions to **QCOs** is **\$400**; for joint taxpayers, the maximum credit for QCO contributions is **\$800**. For **QFCO** donations, the maximum allowable credits are **\$500** for single, married filing separately and head of household filers, or **\$1,000** for married filing jointly ([Chapter 2](#)).
- To qualify for the Arizona Charitable Tax Credit, **donations must be made to state-certified QCOs or QFCOs** ([Chapter 3](#)).
- The **deadline** for making a donation and claiming a tax credit under the AZ Charitable Tax Credit for 2021 is **April 15, 2022** ([Chapter 4](#)).
- In addition to the Arizona Charitable Tax Credit, the state of **Arizona offers several additional tax credits; taxpayers can combine these credits** to reduce their state tax liability ([Chapter 5](#)).
- **Recent federal regulations** have **limited** how taxpayers can utilize state tax credits ([Chapter 6](#)).

Ready, Set Go!

Now it's your turn. It's time to take the information that you've learned above, donate to the state-certified charitable organizations of your choice, and utilize Arizona's state tax credits to control how a portion of your tax dollars are spent. And when you're evaluating charitable organizations, please consider [donating to support St. Mary's Food Bank](#), a 501(c)(3) organization that qualifies for the Arizona Charitable Tax Credit as a state-certified Qualifying Charitable Organization.