

We hope you have been safe and healthy this year. We wanted to provide you with a summary of the more popular tax credits available in Arizona. Additional information for these and other credits can be found at <https://azdor.gov/tax-credits>

Public School Tax Credit :

In order to qualify for the Credit for Contributions Made or Fees Paid to a Public School, you must contribute or pay fees to a public school for support of extra-curricular activities or for character education programs. It is also available for contributions to public schools to support preparation courses, materials, fees for standardized testing for college credit or readiness and contributions to support career and technical education certifications. The credit is equal to the amount contributed or the amount of fees paid. The maximum credit is **\$400** for married taxpayers that file a joint return and **\$200** for all other filers. We have found that the school and district websites are a great resource to direct funds to a school and program of your choice. Credit eligible contributions from January 1, 2023 to April 17, 2023 may be used as a tax credit on either your 2022 or 2023 Arizona income tax return.

Private School Tuition Credit:

In order to qualify for the Private School Tuition Credit, you must make contributions to a school tuition organization (STO) that provides scholarships or grants to qualified schools. This credit is equal to the amount contributed. The maximum credit cannot exceed **\$1,245** for married taxpayers that file a joint return and **\$623** for all other filers. Credit eligible contributions made to an STO from January 1, 2023 to April 15, 2023 may be used as a tax credit on either your 2022 or 2023 Arizona income tax return. Once a taxpayer has donated the maximum amount allowed for the Private School Tuition Credit, an individual may claim an additional credit for donating to a Certified School Tuition Organization (same organizations that qualify for Private School Tuition). The maximum credit cannot exceed **\$1,245** for married taxpayers that file a joint return and **\$623** for all other filers.

Qualifying Foster Care Charitable Organizations (QFCO):

You can make donations to a Qualified Foster Care Organization up to **\$1,000** for married taxpayers and **\$500** for all other filers. The Arizona Department of Revenue has compiled a list of organizations that qualify for the credit. Here is a link to that list of QFCO's

https://azdor.gov/sites/default/files/media/CREDITS_2022_qfco.pdf

Contributions to Qualifying Charitable Organizations (QCO):

Donations made to a QCO, up to **\$800** for married taxpayers and **\$400** for all other filers. The Arizona Department of Revenue has compiled a 19-page list of organizations that qualify for the credit. Here is a link to that list of QCO's.

https://azdor.gov/sites/default/files/media/CREDITS_2022_qco.pdf

Military Family Relief Fund Credit:

For years 2008 through 2022 this credit is equal to cash donations made to the Military Family Relief Fund up to **\$200** if single, **\$400** if married and filing jointly. ***This credit is capped at \$1 million and as of October 26, 2022 they have not reached the cap yet. Please look at the website before donations are made to determine the way to pay.*** It usually is reached by the end week in November but it is one to think about for next year to donate sooner rather than later. More information can be found at <https://dvs/az/gov/donate/military-family-relief-fund-2022>

If you donate, please forward copies of receipts for our files.

Please call our office if you have any questions regarding Arizona credits or other tax questions.

If you would like our office to determine whether or not these would be beneficial to you, please note that any additional assistance or work we perform for you is considered separate from the tax preparation since it requires additional time from our staff and your CPA to complete the work and may be billed separately.

We look forward to working with you through the 2022 tax season.

Sincerely,
Gallacher, Bosen & Goodman, PLLC