

Phone Numbers

For information or help, call one of the numbers listed:

Phoenix (602) 255-3381
From area codes 520 and 928, toll-free (800) 352-4090

Tax forms, instructions, and other tax information

If you need tax forms, instructions, and other tax information, go to the department's website at www.azdor.gov.

Income Tax Procedures and Rulings

These instructions may refer to the department's income tax procedures and rulings for more information. To view or print these, go to our website and click on *Legal Research* then click on *Procedures* or *Rulings* and select a tax type from the drop down menu.

Publications and Brochures

To view or print the department's publications and brochures, go to our website and click on *Publications*.

General Instructions

Note: Beginning 2014, you must also complete Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture, and include Forms 301 and 322 with your tax return to claim this credit.

Arizona law provides a credit for cash contributions made and for certain fees paid to public schools in Arizona. The credit for contributions made or fees paid to a public school must be claimed in the year of the donation.

The credit is equal to the amount contributed or the amount of fees paid. For single taxpayers or heads of household, the credit cannot exceed \$200. For married taxpayers that file a joint return, the credit cannot exceed \$400. In most cases, for married taxpayers who file separate returns, each spouse may claim only one-half (1/2) of the credit that would have been allowed on a joint return.

If the allowable tax credit is more than your tax or if you have no tax, you may carry the unused credit forward for up to the next five consecutive taxable years' income tax liability.

This credit is available only to individuals. Corporations may not claim this credit. A partnership may not pass the credit through to its partners. An S corporation may not pass the credit through to its shareholders.

To qualify for the credit, you must make contributions or pay fees to a public school for support of character education programs, or extra curricular activities.

You may be able to make credit eligible contributions to a public school through payroll withholding. Check with your employer to see if your employer has agreed to withhold contributions that qualify for this credit from your pay.

A character education program is a program defined in Arizona Revised Statutes (A.R.S.) § 15-719. Under this statute, each district may develop its own course of study for each grade. At a minimum, the character education

program must include instruction in the definition and application of at least six of the following character traits: truthfulness, responsibility, compassion, diligence, sincerity, trustworthiness, respect, attentiveness, obedience, orderliness, forgiveness, and virtue.

Extracurricular activities are school-sponsored activities that require enrolled students to pay a fee in order to participate. The activities must supplement the school's education program and may be educational or recreational. Each school district will determine what activities are extra curricular activities for each public school located in that district. Extracurricular activities may include the following.

- Use of band uniforms
- Use of equipment or uniforms for varsity athletics
- Use of scientific laboratory equipment or materials
- In-state or out-of-state trips that are solely for competitive events

Extra curricular activities do not include any senior trips or events that are recreational, amusement or tourist activities.

You must make cash contributions or pay fees to a public school or charter school located in Arizona. The school must provide instruction in grades kindergarten through 12.

Contributions made or fees paid to any of the following **do not** qualify for this credit.

- A nongovernmental school
- A pre-school
- A community college
- A university
- A public school located outside of Arizona

You cannot claim both a tax credit and an itemized deduction for the amount of contributions made to a public school for which you are claiming a credit.

Before claiming this credit, make sure the public school issues you a receipt for the contributions or qualifying fees you paid. The receipt should show **all** of the following.

- Name of the public school
- Name and number of the school district
- Name of the taxpayer
- Amount paid or contributed
- Date paid or contributed
- Description of the activity for which the contributions were made or the fees were paid

Please keep this receipt with your tax records. For more information on school tax credits, see the Arizona Department of Revenue brochure, Pub 707, *School Tax Credits*.

Line-by-Line Instructions

Enter your name and Social Security Number (SSN) as shown on Arizona Forms 140, 140PY, 140NR, or 140X.

All returns, statements, and other documents filed with the department require a taxpayer identification number (TIN). The TIN for an individual is the taxpayer's SSN or an Internal Revenue Service (IRS) individual taxpayer identification number (ITIN). Taxpayers that fail to include their identification number may be subject to a penalty.

Part 1 - Current Year's Credit**Lines 1, 2 and 3**

Enter the following information for each Arizona public school for which you made cash contributions or paid fees.

- Name of the public school
- Location of the public school (city and state)
- District name and number of the public school
- Amount of contributions or fees paid to the school

If you made qualifying cash contributions or paid qualifying fees to a second and third school, complete line(s) 2 and 3.

If you made qualifying cash contributions or paid qualifying fees to four or more schools, complete an additional schedule. The schedule should show the same information required on lines 1, 2 and 3 for each of the additional schools to which you made cash contributions or paid fees.

Line 4 -

Add the amount of qualifying cash contributions and fees paid to all schools listed on lines 1 through 3, and any additional schedule. Enter the total on line 4.

Line 5 -

Single taxpayers and taxpayers filing as head of household enter \$200. Married taxpayers enter \$400.

Line 6 - Current Year's Credit

Enter the smaller of line 4 or line 5. If you are married filing a separate return, but you could have filed a joint return, you may take only 1/2 of the total credit that you and your spouse would have been allowed to take on a joint return, up to a maximum of \$200. In this case, enter 1/2 of the smaller of line 4 or line 5.

Part 2 - Available Credit Carryover**Lines 7 through 12 -**

Use lines 7 through 12 to figure your total available credit carryover from taxable years 2009 through 2013. Complete lines 7 through 12 if you claimed this credit on a return for one of these years and the allowable credit was more than your tax.

***NOTE:** 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 paid that was more than the amount allowed as a credit.*

***For example,** during 2014, John, a single person, paid \$400 to School A for extra curricular activity fees for John's child. For 2014, John is allowed a credit of \$200. John's 2014 tax is \$100. John applied \$100 credit to his tax liability and may carryover \$100 of the unused \$200 credit to 2015. John cannot claim any credit for the \$200 fee he paid that was more than the allowable credit (\$400 minus allowable credit of \$200).*

- In column (b), enter the credit originally computed for that taxable year listed in column (a).
- In column (c), enter the amount of the credit from that taxable year which you have already used.
- In column (d), subtract the amount in column (c) from column (b) and enter the difference.

- Add the amounts entered on lines 7 through 11 in column (d).

Enter the total on line 12, column (d).

Part 3 - Total Available Credit**Lines 13 through 15 -**

Use lines 13 through 15 to figure your total available credit for 2014.

Line 13 -

Enter the amount from Part I, line 6.

Line 14 -

Available credit carryover from prior taxable years. Enter the amount from Part 2, line 12, column (d).

Line 15 - Total Available Credit

Add line 13 and line 14. Enter the total.

Enter the amount from Form 322, Part 3, line 15 on Arizona Form 301, Part 1, line 13, column (c).