

## 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 Internet home page at [www.azdor.gov](http://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 home page 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 home page and click on *Publications*.

## General Instructions

**NOTE:** 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.

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 5 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.

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.

Extra curricular 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. Extra curricular activities may include:

- 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.

- The name of the public school.
- The name and number of the school district.
- The name of the taxpayer.
- The amount paid or contributed.
- The date paid or contributed.
- A 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

### Part I - Current Year's Credit

#### Lines 1, 2 and 3

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

- The name of the public school.
- The location of the public school (city and state).
- The district name and number of the public school.
- Enter the 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 4 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 II - Available Credit Carryover**

**Lines 7 through 12 -**

Use lines 7 through 12 to figure your total available credit carryover from taxable years 2008 through 2012. 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 2013, John, a single person, paid \$400 to School A for extra curricular activity fees for John's child. For 2013, John is allowed a credit of \$200. John's 2013 tax is \$100. John applied \$100 credit to his tax liability and may carryover \$100 of the unused \$200 credit to 2014. 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.
- Subtract the amount in column (c) from column (b) and enter the difference in column (d).
- Add the amounts entered on lines 7 through 11 in column (d).

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

**Part III - Total Available Credit**

**Lines 13 through 15 -**

Use lines 13 through 15 to figure your total available credit for 2013.

**Line 13 -**

Enter the amount from Part I, line 6.

**Line 14 -**

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

**Line 15 - Total Available Credit**

Add line 13 and line 14. Enter the total.

If this is the only credit that you are claiming, and the credit shown on line 15 is equal to or less than your Arizona tax, enter the amount from Part III, line 15 on Form 140, page 1, line 25, or Form 140NR, page 1, line 27, or Form 140PY, page 1, line 28.

If you are claiming the family income tax credit or other credits from only Forms 310, 321, and/or 323, complete the following worksheet, or one of the credit worksheets in the Form 310, 321, or 323 instructions.

<b>Credit Worksheet</b>	
1. Enter your Arizona tax less the family income tax credit, if applicable.	.00
2. Enter the credit from Form 310, Part III, line 18.	.00
3. Enter the credit from Form 321, Part III, line 17.	.00
4. Enter the credit from Form 322, Part III, line 15.	.00
5. Enter the credit from Form 323, Part III, line 14.	.00
6. Add the amounts on lines 2, 3, 4, and 5. Enter the total.	.00
<p>Compare the amount on line 6 to the amount on line 1.</p> <p>If the amount on line 6 is equal to or less than the amount on line 1, do one of the following:</p> <ul style="list-style-type: none"> <li>• If filing Form 140, enter the amount from line 6 on Form 140, page 1, line 25.</li> <li>• If filing Form 140NR, enter the amount from line 6 on Form 140NR, page 1, line 27.</li> <li>• If filing Form 140PY, enter the amount from line 6 on Form 140PY, page 1, line 28.</li> </ul> <p>If the amount on line 6 is more than the amount on line 1, you must complete Form 301.</p>	

If you are claiming nonrefundable credits from forms other than Form 310, 321, 322, and/or 323, you must complete Form 301.

If you have to complete Form 301, enter the amount from Form 322, Part III, line 15 on Form 301, Part I, line 13.