



Arizona Department of Revenue Individual Income Update

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January 2024

Prepare for Tax Season

FILING REQUIREMENTS

In the state of Arizona, full-year resident or part-year resident individuals must file a tax return if they are:

- Single or married filing separately and gross income (GI) is greater than \$13,850;
- Head of household and GI is greater than \$20,800; or
- Married and filing jointly and GI is greater than \$27,700.

Note: For non-resident individuals the threshold numbers above are prorated based on the individual's Arizona gross income to their federal adjusted gross income.

2023 ARIZONA STANDARD DEDUCTIONS AMOUNTS

The Arizona standard deduction amounts are:

- \$13,850 for a single taxpayer or a married taxpayer filing a separate return;
- \$20,800 for individuals filing a head of household return; and
- \$27,700 for a married couple filing a joint return.

An individual may claim itemized deductions on an Arizona return even if taking a standard deduction on a federal return.

DUE DATE FOR CALENDAR YEAR FILERS

Taxpayers have until **Monday, April 15, 2024** to file their 2023 tax return or an extension. If filing an **extension**, the extended due date to file the income tax return is October 15, 2024.

2023 NEW TAX RATE OF 2.5% FOR ALL INCOME LEVELS AND FILING STATUS

For tax year 2023 and beyond, the individual income [tax rate](#) has been set to 2.5%. The Optional Tax Table and the X and Y Tax Table are now obsolete.

E-FILE

The IRS announced that the 2023 electronic tax filing season begins January 29, 2024. Taxpayers have additional options this year for filing their individual tax return for free! See [Free File Alliance](#) and a free Direct File option is coming soon.

ARIZONA FAMILIES TAX REBATE - FORM 1099-MISC

The Internal Revenue Service has determined that the Arizona Families Tax Rebate is subject to federal income tax and, thus, requires it to be reported as part of your federal adjusted gross income on your 2023 federal income tax return. For this reason, the Arizona Department of Revenue is issuing a Form 1099-MISC, Miscellaneous Information, which reports miscellaneous compensation and other payments, to those who received an Arizona Families Tax Rebate.

Note that the rebate is not subject to Arizona income tax and should be subtracted from your federal adjusted gross income on your 2023 Arizona individual income tax return.

ADOR will provide taxpayers with Form 1099-MISC online **on and after January 31, 2024** by visiting azdor.gov/arizona-families-tax-rebate and clicking on "View my 1099-MISC".



(602) 255-3381 or toll-free at (800) 352-4090



www.azdor.gov



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CHANGE FOR CHARITABLE CONTRIBUTIONS COMPUTATION

For taxpayers who do not itemize deductions on their 2023 Arizona income tax return and elect to take the standard deduction, the allowable Standard Deduction Increase was modified. For tax year 2023, the allowable portion of your charitable contributions used to compute your Standard Deduction Increase was inflated from 27% to 31% of the qualified charitable contributions made during the tax year. Taxpayers must complete page 3 of their personal income tax form to claim the Standard Deduction Increase. (Arizona Form 140, Form 140PY or Form 140NR).

CREDIT FOR CONTRIBUTIONS TO QUALIFYING CHARITABLE ORGANIZATIONS (FORM 321)

The allowable current year credit for contributions to qualifying charitable organizations was adjusted for inflation purposes. For 2023, the maximum current year credit is:

- \$421 for single and head of household taxpayers.
- \$841 for married taxpayers filing a joint return.

CREDIT FOR CONTRIBUTIONS TO PRIVATE SCHOOL TUITION ORGANIZATIONS (FORM 323)

The allowable current year credit for contributions to private school tuition organizations was adjusted for inflation purposes. For 2023, the maximum current year credit is:

- \$655 for single and head of household taxpayers.
- \$1,308 for married taxpayers filing a joint return.

CREDIT FOR CONTRIBUTIONS MADE TO CERTIFIED SCHOOL TUITION ORGANIZATIONS (FORM 348)

The allowable current year credit for contributions to a certified school tuition organization was adjusted for inflation purposes. For 2023, the maximum current year credit is:

- \$652 for single and head of household taxpayers.
- \$1,301 for married taxpayers filing a joint return.

CREDIT FOR CONTRIBUTIONS TO QUALIFYING FOSTER CARE CHARITABLE ORGANIZATIONS (FORM 352)

The allowable current year credit for contributions to a qualifying foster care charitable organization was adjusted for inflation purposes. For 2023, the maximum current year credit is:

- \$526 for single and head of household taxpayers.
- \$1,051 for married taxpayers filing a joint return.

CREDIT FOR MOTION PICTURE PRODUCTION COSTS (FORM 334)

For taxable years beginning from and after December 31, 2022, a tax credit is allowed against production costs paid by a motion picture production company in this state that are subject to taxation by this state and that are directly attributable to a motion picture production. The tax credit may be claimed on either the individual's personal income tax return (Form 140, 140NR, or 140PY) or the Small Business Income tax return, if filing. (Form 140-SBI, 140NR-SBI, or 140PY-SBI).





Tips for a Seamless Tax Filing

- It's important to gather documents and file a complete and accurate tax return. Returns that are detected to have a possible calculation error, missing information, or if there is suspected identity theft or fraud, require manual review and thereby delaying the process.
- You must complete your federal return before you can start your Arizona return.
- Choose e-file and direct deposit for a faster refund.
- Choose the right [tax preparer](#).
- Avoid phone delays and use [online resources](#) such as tutorials, live chat, and dedicated web pages for general information and frequently asked questions.
- Verify you are using the correct tax year form by looking at the upper right corner.
- Confirm essential information like your tax ID number, Social Security number, routing number, or account number is correct in all the appropriate boxes.
- Double-check to ensure you have all the information and supporting documentation, and include all pages that have information entering your name and tax ID number on the top of each page. ADOR cannot process incomplete tax returns.

