

**This booklet contains:**

- FORM 301 -
Nonrefundable Individual Tax Credits and Recapture
- FORM 309 -
Credit for Taxes Paid to Another State or Country
- FORM 310 -
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- FORM 321 -
Credit for Contributions to Qualifying Charitable Organizations
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- FORM 323 -
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2024 Nonrefundable Individual Tax Credits and Recapture

Arizona Form 301

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 select the *About* tab on the home page and select *Legal Research* from the drop-down menu and then click on *Procedures* or *Rulings* from the drop-down menu. Using the Category box, select the tax type and then scroll down to find the *Document ID* or use the *Search Keyword* function to locate the document.

Publications

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General Instructions

You must complete and include Arizona Form 301 and the credit form(s) with your Arizona income tax return to claim nonrefundable tax credits unless you meet one of the exceptions listed under *When Form 301 is Not Required*.

Use this form to:

- Summarize your total available nonrefundable tax credits.
- Determine the application of the available tax credits.
- Summarize your tax liability related to recapture of tax credits.
- Claim *any* available credit carryover.

If you don't meet one of the exceptions below and do not complete and include Form 301 and all required tax credit forms with your income tax return, your claim for tax credit(s) may be denied.

When Form 301 is Not Required

You are not required to complete and include Form 301 with your tax return to *only* claim any of the following credits:

- Dependent Tax Credit
- Family Income Tax Credit (from the worksheet in your income tax form instructions).
- Property Tax Credit (Arizona Form 140PTC).
- Increased Excise Tax Credit (from the worksheet in your income tax form instructions or Arizona Form 140ET).
- The refundable portion of the Increased Research Activities Credit (Arizona Form 308-I).

- The credit for Motion Picture Production Costs (Arizona Form 334).

The credit for Qualified Facilities (Arizona Form 349).

Line-by-Line Instructions

Enter your name and Social Security Number (SSN) as shown on Arizona Form 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: Nonrefundable Individual Tax Credits Available

Complete Part 1 to determine the total amount of *available* nonrefundable tax credits. The available tax credit amount for a particular credit is the total of the current taxable year's credit and any unused credit carryovers available from prior taxable years.

On lines 1 through 26 complete columns (a), (b) and (c) for each of the following credits available to you this taxable year.

Line 1 – Credit for Increased Research Activities - Individuals

If you are claiming a refund of 75% of current year's excess credit:

Column (a): Enter the amount from Form 308-I, line 34(d).

Column (b): Enter "0". No carry forward of any amount is allowed from the year of the refund.

Column (c): Enter the amount from column (a).

If you are **not** claiming a refund of 75% of current year's excess credit:

Column (a): Enter the amount from Form 308-I, line 68.

Column (b): Enter the amount from Form 308-I, line 69.

Column (c): Enter the amount from Form 308-I, line 70.

Line 2 – Credit for Taxes Paid to Another State or Country

Column (a): Enter the amount from Form 309, line 17.

Column (b): Do not enter an amount here.

Column (c): Enter the amount from column (a).

Line 3 – Credit for Solar Energy Devices

Column (a): Enter the amount from Form 310, line 16.

Column (b): Enter the amount from Form 310, line 17.

Column (c): Enter the amount from Form 310, line 18.

Line 4 – Agricultural Water Conservation System Credit

Column (a): Enter the amount from Form 312, line 17.

Column (b): Enter the amount from Form 312, line 18.

Column (c): Enter the amount from Form 312, line 19.

Line 5 – Pollution Control Credit

Column (a): Do not enter an amount in column (a)
 Column (b): Enter the amount from Form 315, line 26.
 Column (c): Enter the amount from Form 315, line 27.

Line 6 – Credit for Contributions to Qualifying Charitable Organizations

Column (a): Enter the amount from Form 321, line 20.
 Column (b): Enter the amount from Form 321, line 21.
 Column (c): Enter the amount from Form 321, line 22.

Line 7 – Credit for Contributions Made or Fees Paid to Public Schools

Column (a): Enter the amount from Form 322, line 20.
 Column (b): Enter the amount from Form 322, line 21.
 Column (c): Enter the amount from Form 322, line 22.

Line 8 – Credit for Contributions to Private School Tuition Organizations

Column (a): Enter the amount from Form 323, line 20.
 Column (b): Enter the amount from Form 323, line 21.
 Column (c): Enter the amount from Form 323, line 22.

Line 9 – Agricultural Pollution Control Equipment Credit

Column (a): Enter the amount from Form 325, line 25.
 Column (b): Enter the amount from Form 325, line 26.
 Column (c): Enter the amount from Form 325, line 27.

Line 10 – Credit for Donation of School Site

Column (a): Enter the amount from Form 331, line 19.
 Column (b): Enter the amount from Form 331, line 20.
 Column (c): Enter the amount from Form 331, line 21.

Line 11 – Credit for Employing National Guard Members

Column (a): Enter the amount from Form 333, line 17.
 Column (b): Enter the amount from Form 333, line 18.
 Column (c): Enter the amount from Form 333, line 19.

Line 12 – Credit for Business Contributions by an S Corporation to School Tuition Organizations - Individual

Column (a): Enter the amount from Form 335-I, line 19.
 Column (b): Enter the amount from Form 335-I, line 20.
 Column (c): Enter the amount from Form 335-I, line 21.

Line 13 – Credit for Investment in Qualified Small Businesses

Column (a): Enter the amount from Form 338, line 9.
 Column (b): Enter the amount from Form 338, line 10.
 Column (c): Enter the amount from Form 338, line 11.

Line 14 – Credit for Donations to the Military Family Relief Fund

Column (a): Enter the amount from Form 340, line 6.
 Column (b): Do not enter an amount here.
 Column (c): Enter the amount from column (a).

Line 15 – Credit for Business Contributions by an S Corporation to School Tuition Organizations for Displaced Students or Students with Disabilities - Individual

Column (a): Enter the amount from Form 341-I, line 19.
 Column (b): Enter the amount from Form 341-I, line 20.
 Column (c): Enter the amount from Form 341-I, line 21.

Line 16 – Renewable Energy Production Tax Credit

Column (a): Enter the amount from Form 343, line 14.
 Column (b): Enter the amount from Form 343, line 15.
 Column (c): Enter the amount from Form 343, line 16.

Line 17 – Credit for New Employment

Column (a): Enter the amount from Form 345, line 22.
 Column (b): Enter the amount from Form 345, line 23.
 Column (c): Enter the amount from Form 345, line 24.

Line 18 – Additional Credit for Increased Research Activities for Basic Research Payments

Column (a): Enter the amount from Form 346, line 20.
 Column (b): Enter the amount from Form 346, line 21.
 Column (c): Enter the amount from Form 346, line 22.

Line 19 – Credit for Contributions to Certified School Tuition Organizations (for contributions that exceed the allowable credit on Arizona Form 323)

Column (a): Enter the amount from Form 348, line 23.
 Column (b): Enter the amount from Form 348, line 24.
 Column (c): Enter the amount from Form 348, line 25.

Line 20 – Credit for Contributions to Qualifying Foster Care Charitable Organizations

Column (a): Enter the amount from Form 352, line 20.
 Column (b): Enter the amount from Form 352, line 21.
 Column (c): Enter the amount from Form 352, line 22.

Line 21 – Healthy Forest Production Tax Credit

Column (a): Enter the amount from Form 353, line 15.
 Column (b): Enter the amount from Form 353, line 16.
 Column (c): Enter the amount from Form 353, line 17.

Line 22 – Affordable Housing Tax Credit

Column (a): Enter the amount from Form 354, line 20.
 Column (b): Enter the amount from Form 354, line 21.
 Column (c): Enter the amount from Form 354, line 22.

Line 23 – Credit for Entity-Level Income Tax

Column (a): Enter the amount from Form 355, line 11.
 Column (b): Enter the amount from Form 355, line 12.
 Column (c): Enter the amount from Form 355, line 13.

Line 24 – Reserved

Do not enter any amount on line 24.

Line 25 – Total Available Nonrefundable Tax Credits

For column (c), add lines 1 through 23. Enter the total. This is the total amount of all nonrefundable tax credits, except the family income tax credit, *available* for your use.

Part 2: Application of Tax Credits and Recapture

Complete Part 2 to: figure any recapture. Also, complete Part 2 to determine which tax credits you will use and the portion of the available credit amount from Part 1 that you will use for a particular tax credit.

Line 26 –

Enter the amount of tax from your income tax form.

If you file Form:	Enter the amount from line:
140	46
140PY	56
140NR	56
140X	37

Line 27 – Motion Picture Production Costs Recapture Tax

Enter the amount of tax from recapture of the credit for Motion Picture Production Costs from Form 334, line 15.

Line 28 – Qualified Facilities Recapture Tax

Enter the amount of tax from recapture of the credit for Qualified Facilities from Form 349, line 19.

Line 29 – Affordable Housing Recapture Tax

Enter the amount of tax from recapture of the credit for Affordable Housing from Form 354, line 12.

Line 30 – Recapture Total

Add lines 27, 28 and 29. Enter the total here and on your income tax form.

If you file Form:	Enter the amount on line:
140	47
140PY	57
140NR	57
140X	38

Line 31 – Subtotal

Add lines 27 and 31. Enter the total here.

Line 32 – Family Income Tax Credit and Dependent Tax Credit

If you claimed a family income tax credit and/or the dependent tax credit, enter the total amount of family income tax credit and dependent tax credit claimed on your income tax form.

If you file Form:	Enter the total amount from lines:
140	50 and 49
140PY	60 and 59
140NR	59
140X	40a and 40b

Line 33

Subtract line 32 from line 31. Enter the difference. **If less than zero, enter “0”.**

Nonrefundable Tax Credits Used This Taxable Year

The total amount of tax credits you use cannot exceed the amount entered on line 33. In order for you to determine which tax credit(s) to use and the amount to use for a particular tax credit, you must consider any limitations on the allowable amount of a particular tax credit and whether you may carry the unused portion of a particular tax credit forward. The amount entered on each of lines 35 through 58 cannot exceed the Total Available Credit amount on the corresponding lines on Form 301, page 1, column (c).

Line 34 – Credit for Increased Research Activities - Individuals

The amount you enter on line 34 cannot exceed the amount from Form 301, line 1, column (c). The unused portion of this tax credit may be carried forward for 15 succeeding taxable years. See Form 308-I for details. Enter the amount used.

If you qualify for and are claiming a 75% refund of your excess credit for the current year, enter **only** the nonrefundable portion of the current year’s credit here (from Form 308-I, **Part 6, line 34d**). Enter the refundable portion of the credit (the amount from Form 308-I, **Part 7 line 38**) on Form 140, line 58; or Form 140NR, line 65; or Form 140PY, line 67; or Form 140X, line 45.

Carry forwards from previous years of the credit for increased research activities will carry over to the following year, provided the credit is within the 15 year carry forward period.

Line 35 – Credit for Taxes Paid to Another State or Country

The amount you enter on line 35 cannot exceed the amount from Form 301, line 2, column (c). There is no carry forward of the unused portion of this tax credit. See Form 309 for details. Enter the amount used.

Line 36 – Credit for Solar Energy Devices

The amount you enter on line 36 cannot exceed the amount from Form 301, line 3, column (c). You may carry the unused portion of this credit forward for five succeeding taxable years. See Form 310 for details. Enter the amount used. Nonresidents filing Form 140NR; enter “0”.

Line 37 – Agricultural Water Conservation System Credit

The amount you entered on line 37 cannot exceed the amount from Form 301, line 4, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 312 for details. Enter the amount used.

Line 38 – Pollution Control Credit

The amount you enter on line 38 cannot exceed the amount from Form 301, line 5, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 315 for details. Enter the amount used.

Line 39 – Credit for Contributions to Qualifying Charitable Organizations

The amount you enter on line 39 cannot exceed the amount from Form 301, line 6, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 321 for details. Enter the amount used.

Line 40 – Credit for Contributions Made or Fees Paid to Public Schools

The amount you enter on line 40 cannot exceed the amount from Form 301, line 7, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 322 for details. Enter the amount used.

Line 41 – Credit for Contributions to Private School Tuition Organizations

The amount you enter on line 41 cannot exceed the amount from Form 301, line 8, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 323 for details. Enter the amount used.

Line 42 – Agricultural Pollution Control Equipment Credit

The amount you enter on line 42 cannot exceed the amount from Form 301, line 9, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 325 for details. Enter the amount used.

Line 43 – Credit for Donation of School Site

The amount you enter on line 43 cannot exceed the amount from Form 301, line 10, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 331 for details. Enter the amount used.

Line 44 – Credit for Employing National Guard Members

The amount you enter on line 44 cannot exceed the amount from Form 301, line 11, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 333 for details. Enter the amount used.

Line 45 – Credit for Business Contributions by an S Corporation to School Tuition Organizations - Individual

The amount you enter on line 45 cannot exceed the amount from Form 301, line 12, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 335-I for details. Enter the amount used.

Line 46 – Credit for Investment in Qualified Small Businesses

The amount you enter on line 46 cannot exceed the amount from Form 301, line 14 column (c). You may carry the unused portion of this tax credit forward for three succeeding taxable years. See Form 338 for details. Enter the amount used.

Line 47 – Credit for Donations to the Military Family Relief Fund

There is no carryover for this credit. You must use this credit on the tax return filed for the taxable year in which you made your donation.

The amount of the credit that you may use is limited to the amount of your tax liability. See Form 340 for details. Enter the smaller of the amount entered on Form 301, Part 1, line 15 or on Form 301, Part 2, line 32.

Line 48 – Credit for Business Contributions by an S Corporation to School Tuition Organizations for Displaced Students or Students with Disabilities - Individual

The amount you enter on line 48 cannot exceed the amount from Form 301, line 16, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 341-I for details. Enter the amount used.

Line 49 – Renewable Energy Production Tax Credit

The amount you enter on line 49 cannot exceed the amount from Form 301, line 17, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 343 for details. Enter the amount used.

Line 50 – Credit for New Employment

The amount you enter on line 50 cannot exceed the amount from Form 301, line 18, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 345 for details. Enter the amount used.

Line 51 – Additional Credit for Increased Research Activities for Basic Research Payments

The amount you enter on line 51 cannot exceed the amount from Form 301, line 19, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 346 for details. Enter the amount used.

Line 52 – Credit for Contributions to Certified School Tuition Organizations (for contributions that exceed the allowable credit on Arizona Form 323)

The amount you enter on line 52 cannot exceed the amount from Form 301, line 20, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 348 for details. Enter the amount used.

Line 53 – Credit for Contributions to Qualifying Foster Care Charitable Organizations

The amount you enter on line 53 cannot exceed the amount from Form 301, line 21, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 352 for details. Enter the amount used.

Line 54 – Healthy Forest Production Credit

The amount you enter on line 54 cannot exceed the amount from Form 301, line 22, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 353 for details. Enter the amount used.

Line 55 – Affordable Housing Tax Credit

The amount you enter on line 55 cannot exceed the amount from Form 301, line 23, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 354 for details. Enter the amount used.

Line 56 – Credit for Entity-Level Income Tax

The amount you enter on line 56 cannot exceed the amount from Form 301, line 24, column (c). You may carry the unused portion of this tax credit forward for five succeeding taxable years. See Form 355 for details. Enter the amount used.

Line 57 – Reserved

Do not enter any amount on line 57.

Line 58 – Tax Credits Used

Add lines 34 through 56 and enter the total here.

Line 59 – Tax Credit Used from Form 301-SBI

If you are filing Form 301-SBI, to claim credits on Form 140-SBI, Form 140NR-SBI, Form 140PY-SBI or Form 140X-SBI, you may transfer credits not used on Form 301-SBI to Form 301 to use on your individual income tax return (Forms 140, 140NR, 140PY or Form 140X). Enter the amount from Form 301-SBI, line 66 on Form 301, line 61. For more information, see Form 301-SBI, page 3.

Line 60 – Total Tax Credits Used

Add lines 58 and 59.

This amount cannot exceed the amount entered on Form 301, line 33.

Enter the amount from this line on your income tax form.

If you file Form:	Enter the amount on line:
140	51
140PY	61
140NR	60
140X	41

Credit Carryover Worksheet

To figure how much of a credit carryover that you will have for next year, complete the carryover worksheet on the next page.

Keep the worksheet with your records and use the information to complete your 2025 return that you will file in 2026. If you have more than four credit types available, use your own worksheet. Make sure the additional worksheet has the same information as this worksheet.

Credit Carryover Worksheet

Keep this worksheet with your records. Use this information to complete your 2025 credit forms that you will file in 2026.
Note: For Credit Form 308-I: Do not include the 308-I in the schedule if you received the excess as a refundable credit. In this case, there is no carryover available.

(a) Credit Type		(b) Carryover?		(c) Credit Available for 2024	(d) Credit Used for 2024	(e) Carryover Available for 2024
On lines 1 through 10 below, enter the form number of the credit(s) available to you for 2024.		May the unused portion from the credit listed in column (a) be carried forward? (See the applicable credit form for carry forward information.) Check either yes or no. If the answer is no, do not complete columns (c) through (e) for that line.		On lines 1 through 10 below, enter the amount of each credit <i>available</i> to you for 2024. Take these amounts from Form 301, lines 1 through 24.	On lines 1 through 10 below, enter the amount of each credit <i>used</i> for 2024. Take these amounts from Form 301, lines 35 through 58.	For each line on which you have entered an amount, subtract the amount in column (d) from the amount in column (c). This is the amount of each credit that you may carryover to 2024, providing carryover may be carried to 2024. Use this figure when completing the appropriate carryover amount(s) on the 2024 credit form(s).
1.				.00	.00	.00
2.				.00	.00	.00
3.				.00	.00	.00
4.				.00	.00	.00
5.				.00	.00	.00
6.				.00	.00	.00
7.				.00	.00	.00
8.				.00	.00	.00
9.				.00	.00	.00
10.				.00	.00	.00

2024 Credit for Taxes Paid to Another State or Country

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Publications

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Purpose of Form

NOTE – To claim this credit:

- **Individual taxpayers that did not make the Small Business Income election**, complete this credit form and Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture. Include both completed forms with your Individual Income Tax Return, (Form 140, 140PY, 140NR, or 140X).
- **Individual taxpayers that made the Small Business Income election and also paid tax on the small business income to another state or country**, complete credit Form 309-SBI and Arizona Form 301-SBI, Nonrefundable Individual Tax Credits and Recapture for Form 140-SBI, 140PY-SBI, 140NR-SBI and 140X-SBI. Include both completed forms with your SBI Tax Return (Form 140-SBI, 140PY-SBI, 140NR-SBI, or 140X-SBI).

Use Arizona Form 309 to figure your credit for taxes paid to Arizona and another state or country on the same income. If claiming a credit for more than one state or country, complete a separate Form 309 for **each** state or country.

NOTE: If you are claiming a credit on Form 301 or 301-SBI for taxes paid to another state or county for the amount of taxes paid by a partnership or S corporation that elected to pay taxes at the entity level, the allowable tax credit on Form 309 may not exceed the amount that would have been allowed if the income were taxed at the individual level and not taxed at the entity level. **For more information, see Arizona Revised Statute § 43-1071(G).**

If you are claiming a credit for taxes paid to more than one foreign country for income received from an investment in a regulated investment company (RIC) including, but not

limited to, mutual funds, exchange trade funds (ETF), and real estate investment trusts (REITS), see Income Tax Procedure (ITP) 20-1, *Procedure for Calculating Credit for Taxes Paid to Another Country by Arizona Resident Individuals*, for additional instructions.

NOTE: *Individuals claiming this credit must also complete Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture, and include Form 301 and Form(s) 309 with your tax return to claim this credit.*

Estates and Trusts claiming a credit for taxes paid to another state or country are not required to complete Forms 301 and 309. See the instructions for Arizona Form 141AZ (line 18) for requirements to claim this credit.

If you are not sure what amounts you should enter on Form 309, see the department’s procedure, ITP 08-1, *Procedure for Calculating Credit for Taxes Paid to Another State or Country by Arizona Resident Individuals*.

NOTE: *You must notify the department immediately if the other state or country credits or refunds taxes for which you have received an Arizona credit. In this case, you must file an amended return.*

Complete this form only if you meet the following:

1. You are filing a 2024 Arizona income tax return.
 2. You paid a **net** income tax to another qualified state or country for 2024.
- If you are claiming a credit for taxes paid to another state, payroll taxes withheld from income do not constitute a net income tax. Having tax withheld from your pay by Arizona and another state does not by itself qualify you for this credit. You must file a net income tax return to the other state.
 - If you are claiming a credit for taxes paid to another country, a net income tax paid to another country includes those taxes that qualify for a credit under Internal Revenue Code (IRC) §§ 901 and 903.

NOTE: *To claim a credit for taxes paid to a foreign country, you must complete Form 309. You must complete Form 309 even if you did not have to complete federal Form 1116 to claim a credit on your federal return.*

You may not claim this credit for the following:

- income taxes paid to any city or county, and
- interest or penalties paid to another state or country.

NOTE: *If you file an amended return after you claim this credit, be sure to recalculate the credit, if required.*

Application of Credit

Claim this credit only if the income was subject to tax in both Arizona and the other state or country in the same tax year.

You cannot apply this credit against interest or penalties payable to Arizona.

NOTE: *You may use this credit only in the year incurred. You cannot carry the credit forward to the next year. You also cannot carry the credit back to a prior year.*

Are You Claiming Other Arizona Tax Credits?

A.R.S. § 43-1071 provides that residents shall be allowed a credit against the taxes imposed by Title 43, Chapter 10, for net income taxes imposed by and paid to another state or country on income taxable under this chapter.

“Taxes payable under this chapter” means the income tax imposed by this state on the taxpayer’s taxable income as defined under section 43-1001 minus any tax credit amount claimed for the taxable year under this article but not including the credit amount under this section.”

Therefore, Arizona will only allow a taxpayer to claim the credit for taxes paid to another state or country *after* applying all other available credits.

To determine if you have any remaining tax liability in which to apply the credit for taxes paid to another state or country, use the following rules when applying other tax credits.

- First, apply any credits that cannot be carried over or refunded.
- Second, apply any credits that can be carried over for a limited duration.
- Third, apply refundable credits

If there remains an income tax liability after applying those credits, then you may apply the credit for taxes paid to another state or country.

Arizona Resident

Arizona residents are allowed a credit against Arizona income taxes for net income taxes imposed by and paid to another state or country if the following apply:

- The income taxed in Arizona is derived from sources within another state or country. This income is subject to a net income tax in the other state or country regardless of your residence.
- The other state or country does not allow Arizona residents a credit for taxes imposed on income subject to tax in both Arizona and the other state or country.

As an Arizona resident, nonresident returns filed with the following states qualify for the credit:

Alabama, Arkansas, Colorado, Connecticut, Delaware, District of Columbia (see note below), Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Utah, Vermont, West Virginia and Wisconsin.

NOTE: *Only income tax paid under the District of Columbia's Unincorporated Business Franchise Tax qualifies for the credit. The tax must be paid by an individual and not the business entity for the credit to qualify.*

Important: *As an Arizona resident, nonresident returns filed with the following states DO NOT QUALIFY for the credit on the Arizona return:*

Alaska, California, Florida, Indiana, Nevada, New Hampshire, Oregon, South Dakota, Tennessee, Texas, Virginia, Washington and Wyoming.

You may be able to claim a credit for taxes paid to Arizona on the nonresident return filed with any of those states listed above.

For tax year 2024, as an Arizona resident, nonresident returns filed with the following states qualify for the credit for the pass-through taxes paid on behalf of the Arizona resident.

Alabama, Arkansas, Colorado, Connecticut, District of Columbia, Georgia, Idaho, Illinois, Kansas, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri (beginning in 2024), New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Utah, and Wisconsin.

Important: *As an Arizona resident, nonresidents returns filed with the following states DO NOT QUALIFY for the PTE tax credit on the Arizona return:*

California, Oregon and Virginia.

You may be able to claim a credit for taxes paid to Arizona on the nonresident return filed with any of those states listed above.

Nonresident

A credit against Arizona income taxes is allowed for Arizona nonresidents who are not allowed a credit by their state or country of residence for taxes paid to Arizona if either:

- The other state or country does not tax Arizona residents on income derived from sources within the other state or country.
- The other state or country allows Arizona residents credit for taxes paid on income subject to tax by the other state or country and Arizona.

Arizona nonresidents who file resident returns with the following states qualify for the credit.

- California, Indiana, Oregon, and Virginia

NOTE: *This list is subject to change at any time.*

Arizona nonresidents who file resident returns with the following states qualify for the PTE credit.

- California, Oregon, and Virginia

NOTE: *This list is subject to change at any time.*

Part-Year Residents

For that part of the year you were a resident of Arizona, follow the instructions for residents.

For that part of the year you were an Arizona nonresident, follow the instructions for nonresidents.

Dual Resident

You may be eligible to claim the credit if you are a full-year Arizona resident filing Arizona Form 140 and you are also considered to be a resident of another state under the laws of that other state. Figure your credit for taxes paid to Arizona and that other state on the same income that is taxable by both Arizona and the other state, but only on income that would be sourced to the other state if you had to report that income as a nonresident.

You may claim the credit as a dual resident if you meet the following:

1. You are filing a 2024 full-year Arizona resident income tax return.
2. You are considered to be a resident of another state under the laws of that other state.
3. You paid a **net** income tax to that other state.

An Arizona resident who is also considered to be a resident of another state under the laws of that state is allowed a credit against Arizona income taxes for net income taxes imposed by and paid to that other state if the following apply:

- The other state taxes the income of the Arizona resident and does not allow the Arizona resident a credit for taxes imposed on income subject to tax in both Arizona and the other state.
- The credit is allowed only for taxes imposed on income that would have been sourced to the other state if the Arizona resident had filed as a nonresident to the other state.

NOTE: *If you are an Arizona full-year resident and also considered to be a resident of another state under the laws of that other state, complete the Schedule of Income Allocation, on page 2 of Form 309 before you complete page 1 of Form 309.*

Required Forms

Upon request by the department, the taxpayer shall provide the following as proof for claiming the credit.

- Copy of other state or country's tax return.
If the other country does not require a taxpayer to file a tax return, provide documentation showing amount of tax imposed and paid.
- Copy of brokerage statement, if applicable.
- Proof of payment.
- Statement showing conversion rate for taxes paid to other country.

Line-by-Line Instructions

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

Make sure that every return, statement, or document that you file with the department has your SSN. Failing to include the proper numbers may subject you or your preparer to a penalty. Make sure that all of the required identification numbers are clear and correct. Your return may take longer to process if identification numbers are missing, incorrect, or unclear.

If your name appears first on the return, make sure your SSN is the first number listed.

Part 1 - Computation of Income Subject to Tax by Both Arizona and the Other State or Country During 2024

A. If you are claiming a credit for income taxes paid to another state, enter in the space provided, the two-letter abbreviation for that state. See the last page of these instructions for a list of state abbreviations.

B. If you are claiming a credit for income taxes paid to another country, enter the name of that country on the line provided. *See note on top of the next column.*

NOTE: *If you are claiming a credit for taxes paid to more than one foreign country for income received from an investment in a regulated investment company (RIC) including, but not limited to, mutual funds, exchange trade funds (ETF), and real estate investment trusts (REITS), enter "Various" in Part 1, on line B.*

In order for income to be taxed by both Arizona and another state or country, the following must exist.

For an Arizona resident:

1. The same income must be taxed by both Arizona and the other state or country.
2. The income must have its source within the other state or country.

For a nonresident:

1. The same income must be taxed by both Arizona and the other state or country.
2. The income must have its source within Arizona.

Lines 1 through 6

NOTE: Do **not** include any income item reported on your small business income tax return.

Provide a breakdown of your income which is subject to tax in both Arizona and the other state or country. Complete lines 1 through 5 separately for each income item listed in columns (a) through (c). If you have more than three items of income from the other state or country for which you are claiming the credit, complete additional schedules.

NOTE: *If you are an Arizona resident who is also considered to be a resident of another state under the laws of that other state, complete the Schedule of Income*

Allocation, on page 2 of Form 309 before you complete Part 1, lines 1 through 6 of Form 309.

Line 1

Identify the income item from which the income subject to tax in both Arizona and the other state or country is derived. If you have more than one income item, complete column(s) (b) and (c), as necessary. Examples of such income are business income, partnership income, wages, etc. Enter an item in column (a) only if your Arizona adjusted gross income and the adjusted gross income of the return filed with the other state or country includes the income from that item.

If you are an Arizona resident and also considered to be a resident of another state, enter the income item and amount from column (d) of the *Schedule of Income Allocation*.

If you are claiming a credit for taxes paid to another country, and that country withheld at the source, and you are not required to file a return with that country, enter the item of income from which the foreign taxes were withheld.

Line 2

Enter the amount of income from the item listed on line 1 reportable to both Arizona and the other state or country. This is the amount of income derived from that item which you must include in the income reported to both Arizona and the other state or country.

NOTE: *If you are claiming a credit for taxes paid to more than one foreign country for income received from an investment in a regulated investment company (RIC) including, but not limited to, mutual funds, exchange trade funds (ETF), and real estate investment trusts (REITS), enter the total amount of income received on line 2, column (a).*

Line 3

Enter that portion of income on line 2 included in your Arizona adjusted gross income. This amount is that portion of the amount of income included on line 2 that is also included in your Arizona gross income adjusted by any additions or subtractions related to that income required under Arizona law.

For example, during the tax year, Taxpayer A, a full-year Arizona resident, had Schedule C business income of \$50,000 from State P. This \$50,000 of Schedule C income is reportable to both Arizona and to State P.

For federal purposes, Taxpayer A included the \$50,000 in federal adjusted gross income, but also reduced that Schedule C business income by ½ of the self-employment tax related to that income (\$3,532) and by the amount of self-employed health insurance deduction (\$6,000). Therefore, only \$40,468 [$\$50,000 - (\$3,532 + \$6,000)$] of the \$50,000 Schedule C income is included in Taxpayer A's Arizona gross income. Arizona law requires no further additions or subtractions related to this Schedule C income included in Taxpayer A's Arizona gross income. Therefore, the amount of Schedule C income included in Taxpayer A's Arizona adjusted gross income would be \$40,468. Taxpayer A would enter \$40,468 on line 3.

Line 4

Enter that portion of income on line 2 which is included in the other state or country's equivalent of Arizona adjusted gross income. If you are a full-year Arizona resident filing a nonresident return to the other state or country, this would be the other state or country's income computed under the equivalent of Arizona Revised Statute (A.R.S.) § 43-1094 (adjusted gross income of a nonresident). In other words, the income computed as if only source income were included, and then adjusted by any additions or subtractions related to that income required under the other state or country's law.

For example, during the tax year, Taxpayer A, a full-year Arizona resident, had Schedule C business income of \$50,000 from State P. This \$50,000 of Schedule C income is reportable to both Arizona and to State P.

For federal purposes, Taxpayer A included the \$50,000 in federal adjusted gross income, but also reduced that Schedule C business income by ½ of the self-employment tax related to that income (\$3,532) and by the amount of self-employed health insurance deduction (\$6,000). Taxpayer A was required to make these same adjustments on the return filed to State P. Therefore, only \$40,468 [$\$50,000 - (\$3,532 + \$6,000)$] of the \$50,000 Schedule C income is included in State P's equivalent of Arizona gross income.

Additionally, State P law allows Taxpayer A to subtract an additional \$2,000 of depreciation related to the Schedule C income. Therefore, the amount of Schedule C income included in State P's equivalent of Arizona adjusted gross income would be \$38,468 ($\$40,468 - \$2,000$). Taxpayer A would enter \$38,468 on line 4.

NOTE: *If you are claiming a credit for taxes paid to another country, and that country withheld at the source, and you are not required to file a return with that country, enter the amount of income subject to tax in that foreign country.*

Line 5

Enter the smaller of the amount entered on line 3 or line 4. This is the amount of income from that item which is subject to tax by both Arizona and the other state or country.

Line 6

Add line 5, columns (a) through (c). This is the total income subject to tax in both Arizona and the other state or country.

If less than zero, enter "0." In this case, there is no income that is subject to tax in both Arizona and the other state or country. You cannot claim a credit for taxes paid to the other state or country.

Enter the amount from Part 1, line 6, on Part 2, line 8, and also on Part 2, line 13.

NOTE: *The amounts on lines 2 through 5 may be the same. However, differences may occur due to the application of the other state's law. See the example on page 5.*

The following example illustrates how to complete lines 1 through 6 of Arizona Form 309. If you are an Arizona resident who is also considered to be a resident of another state under the laws of that other state, see the example following the instructions for the *Schedule of Income Allocation* for an example of how to complete lines 1 through 6 of Form 309.

EXAMPLE:

Facts:

Mr. and Mrs. M are Arizona residents. Mr. M is an active duty military member who is stationed in State X. Mr. M receives wages from the military and from a part-time job in State X. Mr. and Mrs. M receive rental income from property in Arizona. During the taxable year for which the credit is being claimed, Mr. and Mrs. M received the following income.

Mr. M's military wages	\$ 15,000
Mr. M's part-time employment wages	\$ 10,000
Rental income from AZ property	<u>\$ 20,000</u>
Total Income	\$ 45,000

As Reported on State X Return		As Reported on Arizona Return	
Federal adjusted gross income	\$ 45,000	Federal adjusted gross income	\$ 45,000
Less non-state X income (military & rental income)	\$ (35,000)	Less subtractions from income (military income of \$15,000 and other exemption of \$2,300)	\$ (17,300)
Less subtraction for second job income	\$ (1,000)	Arizona adjusted gross income	\$ 27,700
State X adjusted gross income	\$ 9,000		

Mr. and Mrs. M must include Mr. M's part-time employment wages of \$10,000 in both the Arizona gross income and the State X's equivalent of Arizona gross income. Therefore, the amount of wage income reportable to both Arizona and State X is \$10,000. For Arizona purposes, there are no additions or subtractions related to that \$10,000 wage income included in Arizona gross income, so the entire \$10,000 of wage income is included in Arizona adjusted gross income. However, under State X law, \$1,000 of the \$10,000 wage income is subtracted from State X's equivalent of Arizona adjusted gross income, so only \$9,000 of that \$10,000 is included in State X's equivalent of Arizona adjusted gross income. Mr. and Mrs. M complete lines 1 through 6 of Form 309 as follows:

1. Description of income items	(a) wages
2. Amount of income from item listed on line 1, reportable to both Arizona and the other state or country.	\$10,000
3. Portion of income on line 2 included in Arizona adjusted gross income.	\$10,000
4. Portion of income included on line 2 included in the other state or country's equivalent of Arizona adjusted gross income.	\$ 9,000
5. Income subject to tax by both Arizona and the other state or country. Enter the smaller of the amount entered on line 3 or 4.	\$ 9,000
6. Total income subject to tax in both Arizona and the other state or country.	\$ 9,000

Part 2 - Computation of Other State or Country Tax Credit

Line 7

Enter your Arizona tax liability less any credits. However, do not reduce your Arizona tax liability by the other state tax credit.

For 2024, your Arizona tax liability prior to tax credits can be found on the following line number.	
Arizona Form	Line Number
140	46
140PY	56
140NR	56
140X	37

NOTE: *If you are taking other tax credits, you must reduce your Arizona tax by the amount of those other tax credits. For the purpose of this computation, be sure to reduce your Arizona tax by both refundable and nonrefundable credits.*

If you received distributed income from a partnership and/or S Corporation (the Entity) reported on Schedule K-1 or K-1(NR) and the Entity elected to pay Entity-Level Income Tax on your pro-rata share of the distributed income, enter the total taxes paid from the following:

- tax amount paid on your Arizona income tax form (see box above); and
- your pro-rata share of the tax paid by the Entity on your behalf. This tax amount is limited to the amount actually paid by the Entity or the amount of the other state’s individual income tax had the Entity not elected to pay the tax at the entity level, whichever is less.

Line 8

Enter amount from Part 1, line 6.

Line 9 - Entire Income Upon Which Arizona Tax is Imposed

Enter your entire income upon which Arizona tax is imposed. This is the Arizona adjusted gross income excluding allowable exemptions for age 65 or over, blind, dependents, or qualifying parents and grandparents.

Use the appropriate worksheet below to figure your entire income upon which Arizona tax is imposed.

Worksheet for Arizona Residents	
1. Enter the amount from Arizona Form 140, line 42.	
2. Enter the total amount from Form 140, lines 38 through 41.	
3. Add the amounts on line 1 and line 2. Enter the total here and on Form 309, line 9.	

Worksheet for Arizona Nonresidents	
1. Enter the amount from Arizona Form 140NR, line 52.	
2. Enter the amount from Form 140NR, line 51.	
3. Add the amounts on line 1 and line 2. Enter the total here and on Form 309, line 9.	

Worksheet for Arizona Part-Year Residents With No Arizona Source Income for the Period of the Year in Which You Were an Arizona Nonresident	
1. Enter the amount from Arizona Form 140PY, line 52.	
2. Enter the amount from Form 140PY, line 51.	
3. Add the amounts on line 1 and line 2. Enter the total here and on Form 309, line 9.	

Part-Year Residents With Arizona Source Income for the Period of the Year in Which You Were an Arizona Nonresident

If you have Arizona source income for the period of the year in which you were an Arizona nonresident, you must separately determine the amount of Arizona adjusted gross income for the period in which you were a resident and the amount of Arizona adjusted gross income for the period in which you were a nonresident. These figures are not separately stated on any particular line on your Arizona Form 140PY.

Lines 10 and 11

Follow the instructions on the form for lines 10 and 11.

Line 12

12a. Enter the name of the other state or country.

12b. Enter the amount of income tax paid to the other state or country. Do not include federal income taxes or any taxes paid to a city or county. Also, do not include any amount paid to the other state or foreign country for penalty or interest. Amounts of tax paid or accrued to a foreign country do not include amounts that are reasonably certain to be refunded, credited, rebated, abated, or forgiven.

If you received distributed income from a partnership and/or S Corporation (the Entity) reported on Schedule K-1 or K-1(NR) and the Entity elected to pay Entity-Level Income Tax on your pro-rata share of the distributed income, enter the total taxes paid by the Entity on your behalf. This tax amount is limited to the amount actually paid by the Entity or the amount of the other state’s individual income tax had the Entity not elected to pay the tax at the entity level, whichever is less.

Line 13

Enter the amount from Part 1, line 6.

Line 14 - Entire Income Upon Which Other State or Country's Income Tax is Imposed

Enter the entire income upon which the other state or country's income tax is imposed. This is the other state or country's equivalent of Arizona adjusted gross income, but does not include exemptions allowable under the equivalent of A.R.S. § 43-1023. Such income must include items of income and loss, but not exemptions and itemized or standard deductions. Such income must also be adjusted by any additions or subtractions required under the other state's law which relate to the income from sources within the other state. This amount may not be shown on a specific line of the return filed with the other state.

If you are claiming a credit for taxes paid to another country, and that country withheld at the source, and you are not required to file a return with that country, enter the amount of income subject to tax in that foreign country.

NOTE FOR ARIZONA RESIDENTS ONLY: *Since the other state can only tax a nonresident on income which is sourced to that state, the entire income upon which the other state's income tax is imposed includes only income sourced to that other state under its income tax laws. Source income is generally income derived from property located within a state or from an activity carried on within a state when the income recipient is a nonresident.*

NOTE: *You may not be able to take the entire income upon which the other state or country's tax is imposed from a specific line on the return filed to the other state or country. If you must determine this amount, include a schedule.*

The example beginning on page 8 illustrates how an Arizona resident figures the entire income subject to tax in the other state or country.

If you have questions concerning what amount to enter on line 14, call one of the phone numbers listed at the beginning of these instructions.

Lines 15 and 16

Follow the instructions on the form for lines 15 and 16.

Line 17

Enter the smaller of line 11 or line 16. If this is the only state or country for which you are claiming a credit, also enter this amount on Arizona Form 301, Part 1, line 2, column (a).

If you are claiming a credit for more than one state or country, make a separate computation for each. Enter the total from all Arizona Forms 309 on Arizona Form 301, Part 1, line 2, column (a).

EXAMPLE

The following example will illustrate how to figure a credit for taxes paid to another state.
NOTE: The Arizona tax amount used in these examples do not reflect the current year tax amount and is used solely for purpose of providing example computations.

Facts: Mr. and Mrs. F are Arizona residents who derive income from a farm in State XY. During the taxable year for which the credit is being claimed, Mr. and Mrs. F had the following income.

Interest income	\$ 38,000
Dividend income	\$ 4,000
Farm income from State XY	<u>\$ 16,000</u>
Total income	<u>\$ 58,000</u>

As Reported on Arizona Return

Federal adjusted gross income	\$ 58,000
Less other exemption \$2,300	(2,300)
Arizona adjusted gross income	\$ 55,700
Itemized deductions	(18,600)
Arizona taxable income	37,100
Arizona tax	1,030
Credit for Contributions to Public Schools	(300)
Arizona tax liability	730

As Reported on State XY Return		As Reported on State XY Income Allocation Schedule		
			<i>Column A</i> Income from federal return	<i>Column B</i> Income from Column A from State XY sources
1. Federal adjusted gross income	\$ 58,000			
2. Plus State XY additions	0	1. Wages		
3. Less State XY subtractions	0	2. Interest	38,000	
4. State XY adjusted gross income	<u>\$ 58,000</u>	3. Dividends	4,000	
5. Itemized Deductions	(11,000)	4. Farm Income	16,000	16,000
6. Exemptions	(3,000)	5. Capital Gains		
7. State XY taxable income	\$ 44,000	6. Rents, Sub S, Royalties, Partnership		
8. State XY tax	1,760	7. Other Income		
9. Percentage from Income Allocation Schedule	0.2759	8. Total income	58,000	16,000
10. State XY tax on income sourced to State XY. Multiply line 8 by line 9.	\$ 486	9. Tax proration Divide line 8 Column B by Line 8, Column A	16,000/58,000 = .2759	

Credit Computation:

Mr. and Mrs. F complete Arizona Form 309 as follows:

Arizona Form 309

Part I - Computation of Income Subject to Tax by Both Arizona and the Other State or Country

	(a) Farm income	(b)
1. Description of income item(s)		
2. Amount of income from item listed on line 1, reportable to both Arizona and the other state or country.	\$16,000	
3. Portion of income on line 2 included in Arizona adjusted gross income.	\$16,000	
4. Portion of income on line 2 included in State XY's equivalent of Arizona adjusted gross income.	\$16,000	
5. Income subject to tax by both Arizona and the other state or country. Enter the lesser of amount entered on line 3 or line 4.	\$16,000	
6. *Total income subject to tax in both Arizona and the other state or country.		\$16,000

Part II - Computation of Other State or Country Tax Credit

7. **Arizona tax liability less any credits (except other state tax credit)	7	730	
8. Amount from Part I, line 6	8	16,000	
9. ***Entire income upon which Arizona income tax is imposed	9	58,000	
10. Divide the amount on line 8 by the amount on line 9 (cannot be greater than 1).....	10	.2759	
11. Multiply the amount on line 7 by the decimal on line 10.....	11	201	
12. Income tax paid to State XY (tax less credits).....	12	486	
13. Amount from Part I, line 6	13	16,000	
14. ****Entire income upon which State XY income tax is imposed	14	16,000	
15. Divide the amount on line 13 by the amount on line 14 (cannot be greater than 1).....	15	1.0000	
16. Multiply the amount on line 12 by the decimal on line 15.....	16	486	
17. Other state or country tax credit. Enter the lesser of line 11 or line 16.....	17	201	

*** Lines 1 through 6 - Income subject to tax in both Arizona and State XY**

Mr. and Mrs. F must report State XY farm income of \$16,000 in both Arizona gross income and State XY's equivalent of Arizona gross income. There are no additions or subtractions related to the \$16,000 farm income required under either Arizona law, or State XY law. Therefore, \$16,000 of farm income is included in Arizona adjusted gross income and \$16,000 of farm income is included in State XY's equivalent of Arizona adjusted gross income.

****Line 7 - Arizona tax liability**

For the purpose of the credit, Mr. and Mrs. F compute the Arizona tax liability as follows:

Arizona tax	\$ 1,030
Less public school tax credit	(300)
Arizona tax liability	\$ 730

*****Line 9 - Entire income upon which Arizona tax is imposed**

For the purpose of the credit, Mr. and Mrs. F compute the entire income upon which Arizona tax is imposed as follows:

Arizona adjusted gross income	\$ 55,700
Plus other exemptions	<u>2,300</u>
Entire income upon which Arizona income tax is imposed	<u>\$ 58,000</u>

******Line 14 - Entire income upon which State XY tax is imposed**

This is the entire income upon which State XY's tax is imposed. This is State XY's equivalent of Arizona adjusted gross income for these individuals. Since these individuals are nonresidents of State XY, State XY's equivalent of Arizona adjusted gross income (not including exemptions and standard or itemized deductions), includes only that income which is sourced to State XY. It should be noted that in this case, the entire income upon which State XY's income tax is imposed had to be determined. This amount was not separately

shown on a specific line of the State XY return, since State XY computes its tax on the total income and then prorates that tax to reflect the tax attributable to income derived from sources within State XY. For the purpose of the credit, Mr. and Mrs. F compute the entire income upon which State XY's tax is imposed as follows:

Mr. and Mrs. F's Farm income sourced to State XY (State XY's equivalent of Arizona adjusted gross income) computed under A.R.S. § 43-1094)	\$ 16,000
Plus State XY's equivalent of Arizona's dependent exemptions.....	<u>0</u>
Entire income upon which State XY tax is imposed.....	<u>\$ 16,000</u>

Form 309, Page 2 – Schedule of Income Allocation Instructions

Complete page 2, *Schedule of Income Allocation*, **only** if you are a full-year Arizona resident who is also considered a resident of another state under the laws of that other state.

All other taxpayers skip page 2, *Schedule of Income Allocation*.

NOTE: *If you are a full-year Arizona resident that is also considered to be a resident of another state under the laws of that other state, you must complete the Schedule of Income Allocation on page 2 of Form 309 before you complete page 1 of Form 309.*

Because the credit allowed for a full-year Arizona resident that is also considered to be a resident of another state is for taxes paid to that other state on income sourced to that other state, you must complete the *Schedule of Income Allocation*, before you can complete lines 1 through 6 of Form 309.

This schedule allocates income between income sourced to the other state and income from everywhere else that is taxable to the other state. Complete column (a) before completing columns (b) through (d). On lines 1 through 10 of column (a), for each line, enter the amounts reported on your federal income tax return. In column (b), enter the amounts listed in column (a) that are included in income reported on your Arizona return. In column (c), enter the amounts listed in column (a) that are included in income reported on the return filed with the other state. In column (d), enter the amounts listed in column (c) that would be sourced to the other state if you were a nonresident of that state filing a nonresident return to that state.

The following example illustrates how to complete Form 309 for an Arizona resident who is also considered to be a resident of another state under the laws of that other state.

EXAMPLE

Facts:

Mr. and Mrs. R are Arizona residents who are temporarily living and working in State Z. They will be there for one year and then they will return to Arizona. During the current taxable year, Mr. and Mrs. R have been living and working in State Z for 10 and one-half months. Because Mr. and Mrs. R have been living in State Z for more than 183 days during the tax year, State Z considers Mr. and Mrs. R to be residents of State Z and taxes all of their income from the time they moved to State Z. Because Mr. and Mrs. R are Arizona residents who are temporarily out of Arizona, they are still full-year Arizona residents for Arizona income tax purposes and must file a full-year Arizona income tax return and include all income for the taxable year, wherever derived. For the taxable year, Mr. and Mrs. R have the following income.

Mr. R's wages from employment in Arizona	\$ 15,000
Mr. R's wages from employment in State Z	\$ 42,000
Mrs. R's wages from employment in State Z	\$ 5,000
Interest income	\$ 5,000
Rental income from AZ property	<u>\$ 20,000</u>
Total income	<u>\$ 87,000</u>

As Reported on State Z Return		As Reported on Arizona Return	
Wages (Mr. R's State Z wages \$42,000 + Mrs. R's State Z wages \$5,000)	\$ 47,000	Federal adjusted gross income	\$ 87,000
Interest income received after moving to State Z	4,375	Less subtractions from income (other exemption \$2,300)	(2,300)
Rental income from Arizona property received after moving to State Z	17,500	Arizona adjusted gross income	\$ 84,700
State Z gross income	68,875	Arizona itemized deductions	(18,600)
Plus additions to income	0	Arizona taxable income	\$ 66,100
Less subtractions (dependent \$4,000)	(4,000)	Arizona tax	\$ 2,086
State Z adjusted gross income	\$ 64,875		
State Z itemized deductions	(9,500)		
State Z personal exemptions	(7,500)		
State Z taxable income	\$ 47,875		
State Z tax	\$ 2,154		

Before Mr. and Mrs. R can complete Form 309, they must complete the *Schedule of Income Allocation* on page 2 of Form 309. This will help Mr. and Mrs. R determine the income that is taxable in both Arizona and State Z that would be sourced to State Z if Mr. and Mrs. R were filing a nonresident return to State Z.

Schedule of Income Allocation				
	(a) Reported on your 2024 federal return	(b) Amount Entered in column (a) Reported on Your 2024 Form 140	(c) Amount Entered in column (a) Reported on Your Return Filed to Your Statutory State of Residence	(d) Amount Entered in column (c) That Could be Sourced to Your Statutory State of Residence as Income of a Nonresident of that State
1. Wages, salaries, tips, etc.	62,000	62,000	47,000	47,000
2. Interest	5,000	5,000	4,375	0
3. Dividends				
4. Business income (or loss) from federal Schedule C				
5. Gains (or losses) from federal Schedule D				
6. Rents, royalties, partnerships, estates, trusts, small business corporations from federal Schedule E	20,000	20,000	17,500	0
7. Other income reported on your federal return				
8. Total income: <i>Add lines 1 through 7</i>	87,000	87,000	68,875	47,000
9a. Other federal adjustments. <i>List</i>				
9b.				
9c.				
9d. Total adjustments. <i>Add lines 9a through 9c for each column.</i>	0	0	0	0
10. Adjusted gross income. <i>Subtract the sum of amounts entered on line 9d from line 8.</i>	87,000	87,000	68,875	47,000

If Mr. and Mrs. R had filed a nonresident return to State Z, they would have reported \$47,000 of wage income to State Z as State Z source income. Therefore, when Mr. and Mrs. R complete Form 309, they would complete lines 1 through 6 as follows:

Part I	(a)	(b)
1. Description of Income Items	Wages	
2. Amount of income from item listed on line 1, reportable to both Arizona and State Z.	\$ 47,000	
3. Portion of income on line 2 included in Arizona adjusted gross income.	\$ 47,000	
4. Portion of income on line 2 included in State Z's equivalent of Arizona adjusted gross income.	\$ 47,000	
5. Income subject to tax by both Arizona and State Z. Enter the smaller of line 3 or line 4.	\$ 47,000	
6. *Total income subject to tax in both Arizona and State Z.	\$ 47,000	

Part II – Computation of Other State or Country Tax Credit		
7. Arizona tax liability less any credits (except other state tax credit).....	7	2,086
8. Amount from Part 1, line 6.....	8	47,000
9. ** Entire income upon which Arizona income tax is imposed.....	9	87,000
10. Divide the amount on line 8 by the amount on line 9 (cannot be greater than 1).....	10	.5402
11. Multiply the amount on line 7 by the decimal on line 10.....	11	1,127
12. Income tax paid to State Z (tax less credits).....	12	2,154
13. Amount from Part 1, line 6.....	13	47,000
14. ***Entire income upon which State Z's income tax is imposed.....	14	68,875
15. Divide the amount on line 13 by the amount on line 14 (cannot be greater than 1).....	15	.6824
16. Multiply the amount on line 12 by the decimal on line 15.....	16	1,470
17. Other state or country tax credit. Enter the smaller of line 11 or line 16.....	17	1,127

*** Lines 1 through 6 – Income subject to tax in both Arizona and State XY**

Before completing lines 1 through 6, Mr. and Mrs. R must complete page 2 of Arizona Form 309, *Schedule of Income Allocation*. Even though Mr. and Mrs. R must report wage income, interest income and rental income to State Z, only the wage income earned for services performed in State Z would be sourced to State Z if State Z were taxing Mr. and Mrs. R as nonresidents. Therefore, when Mr. and Mrs. R complete the *Schedule of Income Allocation*, Mr. and Mrs. R indicate that only \$47,000 of wages would be sourced to State Z as income of a nonresident of State Z.

Mr. and Mrs. R must report State Z wages of \$47,000 in Arizona gross income and \$47,000 of State Z wages in State Z's equivalent of Arizona gross income. There are no additions or subtractions related to the \$47,000 of State Z wages required under either Arizona law, or State Z law. Therefore, \$47,000 of State Z wage income is included in Arizona adjusted gross income and \$47,000 of State Z wage income is included in State Z's equivalent of Arizona adjusted gross income.

****Line 9 – Entire income upon which Arizona tax is imposed**

For the purpose of the credit, Mr. and Mrs. R compute the entire income upon which Arizona tax is imposed as follows:

Arizona adjusted gross income	\$ 84,700
Plus other exemptions	<u>2,300</u>
Entire income upon which Arizona income tax is imposed	<u>\$ 87,000</u>

*****Line 14 – Entire income upon which State Z tax is imposed**

This is the entire income upon which State Z tax is imposed. This is State Z's equivalent of Arizona adjusted gross income for these individuals. For the purpose of the credit, Mr. and Mrs. R compute the entire income upon which State Z tax is imposed as follows:

State Z's equivalent of Arizona adjusted gross income	\$ 64,875
State Z's equivalent of Arizona's other exemptions	<u>4,000</u>
Entire income upon which State Z's tax is imposed	<u>\$ 68,875</u>

List of State Abbreviations

State		State		State		State	
Alabama	AL	Indiana	IN	Missouri	MO	Pennsylvania	PA
Arkansas	AR	Iowa	IA	Montana	MT	Rhode Island	RI
California	CA	Kansas	KS	Nebraska	NE	South Carolina	SC
Colorado	CO	Kentucky	KY	New Jersey	NJ	Utah	UT
Connecticut	CT	Louisiana	LA	New Mexico	NM	Vermont	VT
Delaware	DE	Maine	ME	New York	NY	Virginia	VA
District of Columbia	DC	Maryland	MD	North Carolina	NC	West Virginia	WV
Georgia	GA	Massachusetts	MA	North Dakota	ND	Wisconsin	WI
Hawaii	HI	Michigan	MI	Ohio	OH		
Idaho	ID	Minnesota	MN	Oklahoma	OK		
Illinois	IL	Mississippi	MS	Oregon	OR		

2024 Credit for Solar Energy Devices

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 select the *About* tab on the home page and select *Legal Research* from the drop-down menu and then click on *Procedures* or *Rulings* from the drop-down menu. Using the Category box, select the tax type and then scroll down to find the *Document ID* or use the *Search Keyword* function to locate the document.

Publications

To view or print the department's publications, go to our website select the *About* tab on the home page and select *Legal Research* from the drop-down menu and then click on *Publications* from the drop-down menu.

General Instructions

NOTE: You *must* also complete Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture, and include Forms 301 and 310 with your tax return to claim this credit.

Arizona law provides a solar energy credit for an individual who installs a solar energy device in his or her residence located in Arizona.

The solar energy credit for buying and installing a solar energy device is 25% (.25) of the cost, including installation, or \$1,000, whichever is less. If you install another device in a later year, the cumulative credit cannot exceed \$1,000 for the same residence.

NOTE: A taxpayer may claim a credit of up to \$1,000 for a second personal home. A taxpayer that claims a credit for **both a primary home and a second home is limited to a maximum credit of \$1,000 in the taxable year.** To claim a credit for a second home you must complete a second form and add the two credit form amounts together and report the total amount of current year credit and total available carryover amount on Form 301 to claim on your 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 years.

NOTE: The maximum amount of credit established for the current taxable year does **not** include any unused valid carryover amount(s) from prior taxable years. Because this is a nonrefundable tax 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.

To be eligible for this credit, you must be an Arizona resident who is not a dependent of another taxpayer.

A solar energy device is a system or series of mechanisms which collect and transfer solar generated energy and which are designed primarily to:

- provide heating,
- provide cooling,
- produce electrical power,
- produce mechanical power,
- provide solar daylighting, or
- provide any combination of the above by means of collecting and transferring solar generated energy into such uses either by active or passive means, including wind generator systems that produce electricity.

Solar energy systems may also have the capability of storing solar energy for future use. Passive systems must clearly be designed as a solar energy device, such as a Trombe wall, and not merely as a part of a normal structure, such as a window.

Only a system or device, which performs one or more of these functions, qualifies for the credit. An individual component of a system does not qualify for the credit by itself.

The following devices, when used for residential purposes, qualify for the credit:

- Solar domestic water heating systems - collectors, storage tanks, heat exchangers, and piping, valves, wiring, etc., directly related to the solar system.
- Solar swimming pool and spa heating systems - collectors, heat exchangers, piping, valves, wiring, etc., directly related to the solar system.
- Solar photovoltaic systems - collectors, batteries, inverters, solar system related wiring, and including solar photovoltaic systems for recreational vehicles used as a residence. End-use appliances (even if they are 12 vdc) are excluded unless they are manufactured specifically for photovoltaic systems applications.
- Solar photovoltaic phones, street lighting, etc. - collectors, batteries, inverters, and solar system related wiring. Phone, lights, etc., are excluded unless they are manufactured specifically for photovoltaic applications.
- Passive solar building systems - Trombe wall components, thermal mass, and components specifically designed for energy gains. Dual pane windows, low-e, and other window coatings, etc., are excluded.
- Solar day lighting systems - those devices and systems specifically designed to capture and redirect visible solar energy while controlling the infrared energy (conventional skylights are specifically excluded).
- Wind generators - windmill, structure, generator, batteries, controls, wiring, and other components directly related to the wind generator. End-use appliances are excluded.
- Wind-powered pumps - windmill, structure, pump, pipes, and other components directly related to the wind pump. The person who sells you your solar energy device must

furnish you with a certificate stating that the solar energy device complies with Arizona's solar energy device requirements. If you designed and installed the system yourself, you will not receive such a statement, but your solar energy device must meet the required criteria.

NOTE: *To qualify for this credit, you **must** purchase the solar energy device(s). If you lease or enter into a power purchase agreement (PPA) for the solar energy device, that device does not qualify for this credit.*

For more information on Arizona's solar energy device credit and the Arizona solar energy device requirements, see the department's income tax ruling (ITR) 13-4, *How do leases and power purchase agreements (PPA) impact the residential solar energy device credit?*, and publication, (Pub) 543, *Solar Energy Credit*.

The following items DO NOT qualify for the credit:

- Conventional plumbing components - water softeners, drinking water systems, etc., even if they are provided (free or otherwise) as part of the system.
- Conventional controls - load controllers, programmable thermostats, etc., even if they are provided (free or otherwise) as part of the system.
- Conventional heating/cooling systems - air conditioners, heat pumps, evaporative coolers, furnaces, regardless of efficiency.
- Conventional windows and window treatments - dual-pane, low-e, shade screens, reflective and dark coatings, awnings, interior shades, drapes, and blinds.
- Conventional skylights.
- Appliances (all voltages) - refrigerators, lights, fans, TVs, etc., unless they are manufactured specifically for photovoltaic systems.
- Fans - ceiling, window, attic, interior, etc., unless they are manufactured specifically for photovoltaic applications.
- Paint - ceramic, reflective roof coatings.
- Insulation (includes "outsulation") and radiant barrier.
- Weather stripping, caulking.
- Misting systems.
- Vegetation - shade trees, shrubs, grass.
- Solar energy cars.
- A solar hot water heater plumbing stub out that was installed by the builder of a house or dwelling unit before title was conveyed to the taxpayer.

NOTE: *If you claim a credit, you cannot take a depreciation deduction for the solar energy device for which the credit is claimed. If such depreciation deduction is included in your federal adjusted gross income, you must add that amount to your Arizona gross income. You must make this addition for each period in which you deduct depreciation for federal purposes.*

Line-by-Line Instructions

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

NOTE: *Complete Parts 1 and 3, if you are claiming a new credit for the current tax year.*

*If you are **only** claiming a carryover amount available from a previous credit, complete Part 1 (**address only**) and Parts 2 and 3.*

Part 1 - Current Year's Credit

Use lines 1 through 9 to figure your credit for the current tax year.

Line 1

Enter the address of the residence where you installed the solar energy device for which you are claiming the credit.

Line 2

Enter the cost of the solar energy device. The cost of installing the device may be included in the cost of the device.

Lines 3 and 4

Follow the instructions on the form for lines 3 and 4.

Line 5

If you claimed a credit for another solar energy device you installed during a prior taxable year (1995 through 2022), at the same residence listed on line 1, enter the total amount of allowable credit for that prior tax year or years.

Lines 6 through 8

Follow the instructions on the form for lines 6 through 8.

Line 9 - Current Year's Credit

Enter the smaller of line 4 or line 8.

If you are married filing a separate return, but you could have filed a joint return, you may take only one-half of the total credit that you and your spouse would have been allowed to take on a joint return. In this case, enter one-half of the smaller of line 4 or line 8.

Part 2 - Carryover from Prior Taxable Years

Lines 10 through 15 Use Part 2 to figure your total available credit carryover from taxable years 2019 through 2023.

NOTE: *If you claimed a credit for your primary residence and a second residence, you must track each carryover amount separately on the original credit form filed for each location. Do not combine the two credit carryover amounts on one credit form. Be sure to add both carryover amounts together from each credit form and report the total on Arizona Form 301.*

Complete lines 10 through 15 if you claimed this credit on a return for one of these years and the credit was more than your tax.

- In column (b), **enter the credit originally** computed for the taxable year listed in column (a). Do not enter the cost of the device. The amount entered in column (b) cannot be more than \$1,000.
- 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 the amount in column (b) and enter the difference.
- Add the amounts entered on lines 10 through 14 in column (d).

Enter the total on line 15, column (d).

Part 3 - Total Available Credit

Lines 16 through 18

Use lines 16 through 18 to figure your total available credit for 2024.

Line 16

Enter the amount from Part 1, line 9. Also, enter this amount on Form 301, line 3, column (a).

Line 17

Enter the amount of available carryover from Part 2, line 15, column (d). Also, enter this amount on Form 301, line 3, column (b).

Line 18 - Total Available Credit

Add line 16 and line 17. Enter the total. Also, enter this amount on Form 301, line 3, column (c).

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Include with your return.

For the calendar year 2024 or fiscal year beginning MM,DD,2024 and ending MM,DD,YYYY.

Your Name as shown on Form 140, 140PY, 140NR or 140X	Your Social Security Number
Spouse's Name as shown on Form 140, 140PY, 140NR or 140X (if a joint return)	Spouse's Social Security Number

Part 1 Nonrefundable Individual Tax Credits Available: Enter total available tax credits.

		(a) Current Year Credit	(b) Available Carryover	(c) Total Available Credit (a) + (b)
1 Credit for Increased Research Activities – Individuals..... Form 308-I ▶	1			00
2 Credit for Taxes Paid to Another State or Country..... Form 309 ▶	2			00
3 Credit for Solar Energy Devices Form 310 ▶	3			00
4 Agricultural Water Conservation System Credit Form 312 ▶	4			00
5 Pollution Control Credit..... Form 315 ▶	5			00
6 Credit for Contributions to Qualifying Charitable Organizations.. Form 321 ▶	6			00
7 Credit for Contributions Made or Fees Paid to Public Schools.... Form 322 ▶	7			00
8 Credit for Contributions to Private School Tuition Organizations Form 323 ▶	8			00
9 Credit for Agricultural Pollution Control Equipment..... Form 325 ▶	9			00
10 Credit for Donation of School Site Form 331 ▶	10			00
11 Credit for Employing National Guard Members..... Form 333 ▶	11			00
12 Credit for Business Contributions by an S Corporation to School Tuition Organizations - Individual Form 335-I ▶	12			00
13 Credit for Investment in Qualified Small Businesses..... Form 338 ▶	13			00
14 Credit for Donations to the Military Family Relief Fund Form 340 ▶	14			00
15 Credit for Business Contributions by an S Corporation to School Tuition Organizations for Displaced Students or Students with Disabilities - Individual Form 341-I ▶	15			00
16 Renewable Energy Production Tax Credit..... Form 343 ▶	16			00
17 Credit for New Employment..... Form 345 ▶	17			00
18 Additional Credit for Increased Research Activities for Basic Research Payments Form 346 ▶	18			00
19 Credit for Contributions to Certified School Tuition Organizations (for contributions that exceed the allowable credit on Arizona Form 323). Form 348 ▶	19			00
20 Credit for Contributions to Qualifying Foster Care Charitable Organizations Form 352 ▶	20			00
21 Healthy Forest Production Tax Credit..... Form 353 ▶	21			00
22 Affordable Housing Tax Credit..... Form 354 ▶	22			00
23 Credit for Entity-Level Income Tax..... Form 355 ▶	23			00
24 Reserved.....	24			00
25 Total available nonrefundable tax credits: Add lines 1 through 23.....	25			00

Continued on page 2 →



**You must include Form 301 and the corresponding credit form(s) for
which you computed your credit(s) with your individual income tax return.**

Your Name (as shown on page 1)	Your Social Security Number
--------------------------------	-----------------------------

Part 2 Application of Tax Credits and Recapture: Enter tax, recapture tax, and tax credits used this taxable year.

26 Tax from Form 140, line 46; or Form 140PY, line 56; or Form 140NR, line 56; or Form 140X, line 37.....	26	00	00
27 Tax from Recapture of Credit for Motion Picture Production Costs from Form 334, line 15..	27	00	00
28 Tax from Recapture of Credit for Qualified Facilities from Form 349, line 19.....	28	00	00
29 Tax from Recapture of Credit for Affordable Housing from Form 354, line 12.....	29	00	00
30 Recapture Total: Add lines 28, 29 and 30. Enter here and on Form 140, line 47; or Form 140PY, line 57; or Form 140NR, line 57; or Form 140X, line 38.....	30	00	00
31 Subtotal: Add lines 26 and 30.....	31	00	00
32 Family Income Tax Credit from Form 140, line 50; or Form 140PY, line 60; or Form 140X, box 40a; plus Dependent Tax Credit from Form 140, line 49; or Form 140PY, line 59; or Form 140NR, line 59; or Form 140X, box 40b.....	32	00	00
33 Subtract line 32 from line 31. Enter the difference. If less than zero, enter "0".....	33	00	00

Nonrefundable Tax Credits Used This Taxable Year: Enter amounts actually used from Part 1.

34 Credit for Increased Research Activities – Individuals..... Form 308-I ▶	34	00	
35 Credit for Taxes Paid to Another State or Country.....Form 309 ▶	35	00	
36 Credit for Solar Energy DevicesForm 310 ▶	36	00	
37 Agricultural Water Conservation System CreditForm 312 ▶	37	00	
38 Pollution Control Credit.....Form 315 ▶	38	00	
39 Credit for Contributions to Qualifying Charitable Organizations.....Form 321 ▶	39	00	
40 Credit for Contributions Made or Fees Paid to Public Schools.....Form 322 ▶	40	00	
41 Credit for Contributions to Private School Tuition Organizations.....Form 323 ▶	41	00	
42 Credit for Agricultural Pollution Control Equipment.....Form 325 ▶	42	00	
43 Credit for Donation of School SiteForm 331 ▶	43	00	
44 Credit for Employing National Guard Members.....Form 333 ▶	44	00	
45 Credit for Business Contribution by an S Corporation to School Tuition Organizations - Individual Form 335-I ▶	45	00	
46 Credit for Investment in Qualified Small Businesses.....Form 338 ▶	46	00	
47 Credit for Donations to the Military Family Relief Fund: Enter the smaller of Form 301, Part 1, line 15 or Part 2, line 32.....Form 340 ▶	47	00	
48 Credit for Business Contributions by an S Corporation to School Tuition Organizations for Displaced Students or Students with Disabilities - Individual.. Form 341-I ▶	48	00	
49 Renewable Energy Production Tax Credit.....Form 343 ▶	49	00	
50 Credit for New Employment.....Form 345 ▶	50	00	
51 Additional Credit for Increased Research Activities for Basic Research Payments..Form 346 ▶	51	00	
52 Credit for Contributions to Certified School Tuition Organizations (for contributions that exceed the maximum allowable credit on Arizona Form 323) ..Form 348 ▶	52	00	
53 Credit for Contributions to Qualifying Foster Care Charitable Organizations.....Form 352 ▶	53	00	
54 Healthy Forest Production Tax Credit.....Form 353 ▶	54	00	
55 Affordable Housing Tax Credit.....Form 354 ▶	55	00	
56 Credit for Entity-Level Income Tax.....Form 355 ▶	56	00	
57 Reserved.....	57		
58 Tax credits used from Form 301: Add lines 34 through 56	58		00
59 Tax credits used from Form 301-SBI, line 63.....	59		00
60 Total Tax Credits Used: Add line 58 and 59. Enter this amount on Form 140, line 51; or Form 140PY, line 61; or Form 140NR, line 60; or Form 140X, line 41. Total credits used cannot be more than line 33.	60		00

Include with your return. A separate form must be filed for each state or country for which a credit is claimed.

For the calendar year 2024 or fiscal year beginning MM,DD,2024 and ending MM,DD,YYYY.

Your Name as shown on Form 140, 140NR, 140PY, or 140X	Your Social Security Number
Spouse's Name as shown on Form 140, 140NR, 140PY, or 140X (if joint return)	Spouse's Social Security Number

Part 1 Computation of Income Subject to Tax by Both Arizona and the Other State or Country During 2024

A. Other State: If claiming a credit for taxes paid to another state, enter the two-letter abbreviation for that state.

See last page of the instructions for a list of state abbreviations

B. Other Country: If claiming a credit for taxes paid to another country, enter the country name

If claiming a credit for taxes paid to more than one country, see instructions.

	(a)	(b)	(c)
1 Description of income item(s). List each income item separately. Do <i>not</i> include any income item reported on your small business income tax return.			
2 Amount of income from item listed on line 1 reportable to both Arizona and the other state or country.....	\$ 00	\$ 00	\$ 00
3 Portion of income on line 2 included in Arizona adjusted gross income	\$ 00	\$ 00	\$ 00
4 Portion of income on line 2 included in the other state or country's equivalent of Arizona adjusted gross income.....	\$ 00	\$ 00	\$ 00
5 Income subject to tax by both Arizona and the other state or country. Enter the smaller of the amount entered on line 3 or line 4	\$ 00	\$ 00	\$ 00
6 Total income subject to tax in both Arizona and the other state or country. Add line 5, columns (a), (b), and (c). Include total from additional schedules. If less than zero, enter "0". See instructions.	\$ 00	\$ 00	\$ 00

Part 2 Computation of Other State or Country Tax Credit *Lines 10 and 15: Enter decimal amount to four places. (x.xxxx)*

(Read specific line instructions for Part 2 before completing this part.)

7 Arizona tax liability less any credits (except other state tax credit)	7		00
8 Amount from Part 1, line 6.	8		00
9 Entire income upon which Arizona tax is imposed. See instructions.	9		00
10 Divide the amount on line 8 by the amount on line 9. (cannot be greater than 1.0000).	10	.	
11 Multiply the amount on line 7 by the decimal on line 10.	11		00
12 Income tax paid to: Name of other state or country. See Instructions. 12a	12b		00
13 Amount from Part 1, line 6.	13		00
14 Entire income upon which other state or country's income tax is imposed. See instructions.	14		00
15 Divide the amount on line 13 by the amount on line 14. (cannot be greater than 1.0000).	15	.	
16 Multiply the amount on line 12 by the decimal on line 15.	16		00
17 Allowable credit for taxes paid to the above named other state or country: If claiming a credit from more than one state or country, see instructions. Enter the smaller of line 11 or line 16 on line 17. Also, enter this amount on Arizona Form 301, Part 1, line 2, column (a).	17		00

Your Name (as shown on page 1)

Your Social Security Number

Schedule of Income Allocation

Complete this schedule only if you are an Arizona resident who is also considered to be a resident of another state under the laws of that other state (dual resident); otherwise, skip this schedule. See pages 2 and 5 of the instructions.

	(a) Amount reported on your 2024 federal income tax return	(b) Amount entered in column (a) reported on your 2024 Arizona income tax return	(c) Amount entered in column (a) reported on your 2024 return filed to your statutory state of residence	(d) Amount entered in column (c) that would be sourced to your statutory state of residence as income of a nonresident of that state
1 Wages, salaries, tips, etc.	\$ 00	\$ 00	\$ 00	\$ 00
2 Interest	\$ 00	\$ 00	\$ 00	\$ 00
3 Dividends	\$ 00	\$ 00	\$ 00	\$ 00
4 Business income or (loss) from federal Schedule C.	\$ 00	\$ 00	\$ 00	\$ 00
5 Gains or (losses) from federal Schedule D.	\$ 00	\$ 00	\$ 00	\$ 00
6 Rents, royalties, partnerships, estates, trusts, small business corporations from federal Schedule E	\$ 00	\$ 00	\$ 00	\$ 00
7 Other income reported on your federal return.	\$ 00	\$ 00	\$ 00	\$ 00
8 Total Income: Add lines 1 through 7 .	\$ 00	\$ 00	\$ 00	\$ 00
9 Other federal adjustments: List on lines 9a through 9c:				
9a	\$ 00	\$ 00	\$ 00	\$ 00
9b	\$ 00	\$ 00	\$ 00	\$ 00
9c	\$ 00	\$ 00	\$ 00	\$ 00
9d Total adjustments: Add lines 9a through 9c for each column.	\$ 00	\$ 00	\$ 00	\$ 00
10 Adjusted Gross Income: Subtract line 9d from line 8 for each column. ...	\$ 00	\$ 00	\$ 00	\$ 00

Include with your return.

For the calendar year 2024 or fiscal year beginning MM,DD,2024 and ending MM,DD,YYYY.

Your Name as shown on Form 140, 140PY, or 140X	Your Social Security Number
Spouse's Name as shown on Form 140, 140PY, or 140X (if a joint return)	Spouse's Social Security Number

Part 1 Current Year's Credit

NOTE: The cumulative credit for all solar energy devices installed at the same residence cannot exceed \$1,000.

1 Address of residence where you installed the solar energy device for which you are claiming the credit:

Number and street: _____

City: _____ State: **AZ** ZIP Code: _____

2 Cost of the solar energy device installed during the current taxable year at the residence listed on line 1	2		00
3 Multiply the amount on line 2 by 25% (.25)	3		00
4 Enter the smaller of line 3 or \$1,000.....	4		00
5 Enter the amount of credit from prior taxable years (1995 through 2023) for other solar energy devices installed at the residence listed on line 1.....	5		00
6 Add line 4 and line 5.....	6		00
7 Enter the smaller of line 6 or \$1,000.....	7		00
8 Subtract line 5 from line 7.....	8		00
9 Current Year's Credit: Enter the smaller of line 4 or line 8. In most cases, if you are married filing a separate return, you must enter one-half (½) of the smaller of line 4 or line 8. See instructions	9		00

Part 2 Carryover from Prior Taxable Years

	(a) Taxable Year from which you are carrying the credit	(b) Original Credit Amount Cannot exceed \$1,000 (See note below line 15)	(c) Amount Previously Used	(d) Available Carryover: Subtract column (c) from column (b).
10	2019	00	00	00
11	2020	00	00	00
12	2021	00	00	00
13	2022	00	00	00
14	2023	00	00	00
15	Total Available Carryover: Add lines 10 through 14, column (d).....			00

NOTE: For amounts entered in column (b), do not enter the cost of the device, **enter the original credit amount**. Total amount claimed for all years for this residence cannot exceed \$1,000. If you are claiming an additional credit amount from a second Arizona home, see Note on page 1 of the general instructions.

Part 3 Total Available Credit

16 Current year's credit: Enter the amount from Part 1, line 9. Also, enter this amount on <i>Arizona Form 301, Part 1, line 3, column (a)</i>	16		00
17 Available credit carryover from Part 2, line 15, column (d). Also, enter this amount on <i>Arizona Form 301, Part 1, line 3, column (b)</i>	17		00
18 Total Available Credit: Add line 16 and line 17. Also, enter this amount on <i>Arizona Form 301, Part 1, line 3, column (c)</i>	18		00

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Include with your return.

For the calendar year 2024 or fiscal year beginning MM,MM,DD,DD | 2,0,2,4 | and ending MM,MM,DD,DD | Y,Y,Y,Y |.

Your Name as shown on Form 140, 140NR, 140PY or 140X	Your Social Security Number
Spouse's Name as shown on Form 140, 140NR, 140PY or 140X (if joint return)	Spouse's Social Security Number

Part 1 Current Year's Credit

A. Cash contributions made January 1, 2024 through December 31, 2024.

- The QCO must be certified by the department **for 2024** to claim the contributions listed in Part A. *For more information, see page 1 of the instructions.*
- If you are married and filing separate returns, be sure to include **all** cash contributions made by you and your spouse.
- Do **not** include those cash contributions for which you or your spouse claimed a credit on the 2023 tax return.
- If you made cash contributions to more than three QCOs, complete the Continuation Sheet on page 3 and include it with the credit form. *If you made more than ten (10) cash contributions to the same QCO, see instructions.*

(a) Date of Contribution MM/DD/2024	(b) Qualifying Charity Code	(c) Name of Qualifying Charity (Contributions to qualifying foster care charitable organizations are claimed on AZ Form 352)	(d) Cash Contribution
1 2,0,2,4			00
2 2,0,2,4			00
3 2,0,2,4			00
4 If you made contributions to more than three QCOs, enter the amount from line 4h of the Continuation Sheet, otherwise enter "0"			4 00
5 Total contributions made to QCOs during 2024: Add lines 1 through 4, column (d).			5 00

B. Cash contributions made January 1, 2025 through April 15, 2025 for which you or your spouse are claiming a credit on the 2024 return.

- The charitable organization must be certified by the department **for 2025** to claim the contributions listed in Part B. *For more information, see page 1 of the instructions.*
- If you are married and filing separate returns, be sure to include **all** cash contributions made by you and your spouse.
- If you made cash contributions to more than three QCOs, complete the Continuation Sheet on page 3 and include it with the credit form. *If you made more than ten (10) cash contributions to the same QCO, see instructions.*

(a) Date of Contribution MM/DD/2025	(b) Qualifying Charity Code	(c) Name of Qualifying Charity (Contributions to qualifying foster care charitable organizations are claimed on AZ Form 352)	(d) Cash Contribution
6 2,0,2,5			00
7 2,0,2,5			00
8 2,0,2,5			00
9 If you made contributions to more than three QCOs, enter the amount from line 9h of the Continuation Sheet, otherwise enter "0".			9 00
10 Total contributions made to the QCOs January 1, 2025 through April 15, 2025 for which you are claiming a credit on your 2024 return: Add lines 6 through 9, column (d).			10 00
11 Add lines 5 and 10. Enter the total.			11 00
12 Single taxpayers or heads of household, enter \$470. Married taxpayers, enter \$938.			12 00
13 Total current year's credit: Enter the smaller of line 11 or 12. In most cases, if you are married filing a separate return, enter one-half of the smaller of line 11 or line 12. See instructions.			13 00

Your Name (as shown on page 1)	Your Social Security Number
--------------------------------	-----------------------------

Part 2 Available Credit Carryover

	(a) Taxable Year from which you are carrying the credit	(b) Original Credit Amount	(c) Amount Previously Used	(d) Available Carryover: Subtract column (c) from column (b).
14	2019	00	00	00
15	2020	00	00	00
16	2021	00	00	00
17	2022	00	00	00
18	2023	00	00	00
19	Total Available Carryover: Add lines 14 through 18, column (d).			19 00

Part 3 Total Available Credit

20	Current year's credit: Enter the amount from Part 1, line 13. Also, enter this amount on <i>Arizona Form 301, Part 1, line 6, column (a)</i>	20	00
21	Available credit carryover from Part 2, line 19, column (d). Also, enter this amount on <i>Arizona Form 301, Part 1, line 6, column (b)</i>	21	00
22	Total Available Credit: Add line 20 and line 21. Also, enter this amount on <i>Arizona Form 301, Part 1, line 6, column (c)</i>	22	00

Your Name (as shown on page 1)	Your Social Security Number
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AZ Form 321- Credit for Contributions to Qualifying Charitable Organizations Continuation Sheet

Part 1 - Continued **Current Year's Credit**

If you need more space to list all qualifying charitable organizations (QCOs), complete additional sheets and enter those totals on the appropriate line(s) on page 1.

A. Cash contributions made January 1, 2024 through December 31, 2024.

	(a) Date of Contribution MM/DD/2024	(b) Qualifying Charity Code	(c) Name of Qualifying Charity (Contributions to qualifying foster care charitable organizations are claimed on AZ Form 352)	(d) Cash Contribution
4a	2,0,2,4			00
4b	2,0,2,4			00
4c	2,0,2,4			00
4d	2,0,2,4			00
4e	2,0,2,4			00
4f	2,0,2,4			00
4g	2,0,2,4			00
4h	Add all amounts in column (d) and enter the total. Also, enter this amount on page 1, line 4.			00

B. Cash contributions made January 1, 2025 through April 15, 2025.

	(a) Date of Contribution MM/DD/2025	(b) Qualifying Charity Code	(c) Name of Qualifying Charity (Contributions to qualifying foster care charitable organizations are claimed on AZ Form 352)	(d) Cash Contribution
9a	2,0,2,5			00
9b	2,0,2,5			00
9c	2,0,2,5			00
9d	2,0,2,5			00
9e	2,0,2,5			00
9f	2,0,2,5			00
9g	2,0,2,5			00
9h	Add all amounts in column (d) and enter the total. Also, enter this amount on page 1, line 9.			00

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Your Name (as shown on page 1)	Your Social Security Number
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Part 2 Available Credit Carryover

	(a) Taxable Year from which you are carrying the credit	(b) Original Credit Amount	(c) Amount Previously Used	(d) Available Carryover: Subtract column (c) from column (b).
14	2019	00	00	00
15	2020	00	00	00
16	2021	00	00	00
17	2022	00	00	00
18	2023	00	00	00
19	Total Available Carryover: Add lines 14 through 18, column (d).....			19 00

Part 3 Total Available Credit

20	Current year's credit: Enter the amount from Part 1, line 13. Also, enter this amount on <i>Arizona Form 301, Part 1, line 7, column (a)</i>	20	00
21	Available credit carryover from Part 2, line 19, column (d). Also, enter this amount on <i>Arizona Form 301, Part 1, line 7, column (b)</i>	21	00
22	Total Available Credit: Add line 20 and line 21. Also, enter this amount on <i>Arizona Form 301, Part 1, line 7, column (c)</i>	22	00

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Include with your return.

- Do not use this form for cash contributions or fees paid to a public school.
- Use Form 322 for cash contributions or fees paid to public schools.

For the calendar year 2024 or fiscal year beginning MM/DD/2024 and ending MM/DD/YYYY.

Your Name as shown on Form 140, 140NR, 140PY or 140X	Your Social Security Number
Spouse's Name as shown on Form 140, 140NR, 140PY or 140X (if joint return)	Spouse's Social Security Number

Part 1 Current Year's Credit

A. Cash contributions made January 1, 2024 through December 31, 2024.

- If you are married and filing separate returns, be sure to include **all** cash contributions made by you and your spouse.
- Do **not** include those contributions for which you or your spouse claimed a credit on the 2023 tax return.
- If you made cash contributions to more than three private school tuition organizations (STO), complete the Continuation Sheet on page 3 and include it with the credit form. *If you made more than ten (10) cash contributions to the same STO, see instructions.*

(a) Contribution Date MM/DD/2024	(b) Name of <u>Private</u> School Tuition Organizations	(c) Street Address	(d) City, State	(e) Cash Contribution Made
1 <u> </u> / <u> </u> / <u>2,0,2,4</u>				00
2 <u> </u> / <u> </u> / <u>2,0,2,4</u>				00
3 <u> </u> / <u> </u> / <u>2,0,2,4</u>				00
4 If you made contributions to more than three <u>private</u> school tuition organizations, enter the amount from line 4h of the Continuation Sheet, otherwise enter "0".....				4 00
5 Total contributions made to <u>private</u> school tuition organizations during 2024: Add lines 1 through 4, column (e)				5 00

B. Cash contributions made January 1, 2025 through April 15, 2025 for which you or your spouse are claiming a credit on the 2024 tax return.

- If you are married and filing separate returns, be sure to include **all** cash contributions made by you and your spouse.
- If you made cash contributions to more than three private school tuition organizations, complete the Continuation Sheet on page 3 and include it with the credit form. *If you made more than ten (10) cash contributions to the same STO, see instructions.*

(a) Contribution Date MM/DD/2025	(b) Name of <u>Private</u> School Tuition Organizations	(c) Street Address	(d) City, State	(e) Cash Contribution Made
6 <u> </u> / <u> </u> / <u>2,0,2,5</u>				00
7 <u> </u> / <u> </u> / <u>2,0,2,5</u>				00
8 <u> </u> / <u> </u> / <u>2,0,2,5</u>				00
9 If you made contributions to more than three <u>private</u> school tuition organizations, enter the amount from line 9h of the Continuation Sheet, otherwise enter "0".....				9 00
10 Total contributions made to <u>private</u> school tuition organizations January 1, 2025 through April 15, 2025 for which you are claiming a credit on the 2024 tax return. Add lines 6 through 9, column (e).....				10 00
11 Add lines 5 and 10. Enter the total				11 00
12 Single taxpayers or heads of household, enter \$731. Married taxpayers, enter \$1,459				12 00
13 Total current year's credit: Enter the smaller of line 11 or 12. In most cases, if you are married filing a separate return, enter one-half of the smaller of line 11 or 12. See instructions.				13 00

You **may** be able to claim an additional credit for excess contributions made to school tuition organizations. Complete Part 4, on page 2 of this form. **See Arizona Form 348** for more information.

Your Name (as shown on page 1)	Your Social Security Number
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Part 2 Available Credit Carryover

	(a) Taxable Year from which you are carrying the credit	(b) Original Credit Amount	(c) Amount Previously Used	(d) Available Carryover: Subtract column (c) from column (b).
14	2019	00	00	00
15	2020	00	00	00
16	2021	00	00	00
17	2022	00	00	00
18	2023	00	00	00
19	Total Available Carryover: Add lines 14 through 18, column (d)			19 00

Part 3 Total Available Credit

20	Current year's credit: Enter the amount from Part 1, line 13. Also, enter this amount on <i>Arizona Form 301, Part 1, line 8, column (a)</i>	20	00
21	Available credit carryover from Part 2, line 19, column (d). Also, enter this amount on <i>Arizona Form 301, Part 1, line 8, column (b)</i>	21	00
22	Total Available Credit: Add line 20 and line 21. Also, enter this amount on <i>Arizona Form 301, Part 1, line 8, column (c)</i>	22	00

Part 4 Do I Have Excess Contributions Available to Claim on Arizona Form 348?

23	Total contributions made during the taxable year: • Single taxpayers, head of household, and married taxpayers filing joint, enter the amount from Part 1, line 11. • Married taxpayers filing separate; enter one-half of the amount from Part 1, line 11	23	00
24	Maximum credit allowed on Form 323: • Single taxpayers; and heads of household; enter \$731. • Married taxpayers filing joint; enter \$1,459. • Married taxpayers filing separate; enter \$731	24	00
25	Excess contributions: Subtract line 24 from line 23 and enter the difference. If less than zero, enter "0". If the amount on line 25 is more than zero, you have excess contributions available and may claim a credit on Form 348 for those contributions. If the amount on line 25 is "0", you do not have any excess contributions available to claim on Form 348	25	00

Your Name (as shown on page 1)	Your Social Security Number
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**AZ Form 323 - Credit for Contributions
to Private School Tuition Organizations
Continuation Sheet**

Part 1 - Continued Current Year's Credit

If you need more space to list all private school tuition organizations, complete additional sheets and enter those totals on the appropriate line(s) on page 1.

A. Cash contributions made January 1, 2024 through December 31, 2024.

	(a) Contribution Date MM/DD/2024	(b) Name of <u>Private</u> School Tuition Organizations	(c) Street Address	(d) City, State	(e) Cash Contribution Made
4a	_ _ 2,0,2,4				00
4b	_ _ 2,0,2,4				00
4c	_ _ 2,0,2,4				00
4d	_ _ 2,0,2,4				00
4e	_ _ 2,0,2,4				00
4f	_ _ 2,0,2,4				00
4g	_ _ 2,0,2,4				00
4h	Add all amounts in column (e) and enter the total. Also, enter this amount on page 1, line 4.....				00

B. Cash contributions made January 1, 2025 through April 15, 2025.

	(a) Contribution Date MM/DD/2025	(b) Name of <u>Private</u> School Tuition Organizations	(c) Street Address	(d) City, State	(e) Cash Contribution Made
9a	_ _ 2,0,2,5				00
9b	_ _ 2,0,2,5				00
9c	_ _ 2,0,2,5				00
9d	_ _ 2,0,2,5				00
9e	_ _ 2,0,2,5				00
9f	_ _ 2,0,2,5				00
9g	_ _ 2,0,2,5				00
9h	Add all amounts in column (e) and enter the total. Also, enter this amount on page 1, line 9.....				00

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Include with your return.

For the calendar year 2024 or fiscal year beginning MM,DD,2024 and ending MM,DD,YYYY.

Your Name as shown on Form 140, 140NR, 140PY, or 140X	Your Social Security Number
Spouse's Name as shown on Form 140, 140NR, 140PY, or 140X (if a joint return)	Spouse's Social Security Number

1 Did you receive a receipt from the Arizona Department of Veterans' Services that indicates that your contribution qualifies for this credit?..... **1** **YES** **NO**
 If you answered "No," STOP! You do not qualify for this credit.

NOTE: If your receipt does not show which account (pre-9/11 or post-9/11) your donation was deposited into, enter the amount of the donation on line 3 (post-9/11 donation).

2 Qualified donations made to the pre-9/11 veterans subaccount during 2024	2		00
3 Qualified donations made to the post-9/11 veterans subaccount during 2024.....	3		00
4 Total qualified donations made during 2024. Add lines 2 and 3. Enter the total.....	4		00
5 Single taxpayers or heads of household, enter \$200 here. Married taxpayers filing a joint return, enter \$400 here. Married taxpayers filing a separate return, enter \$200.	5		00
6 Current year's credit before tax: Enter the smaller of line 4 or 5. Also, enter this amount on <i>Arizona Form 301, Part 1, line 15, columns (a) and (c)</i>	6		00

Instructions

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 *Reports and Legal Research* then click on *Legal Research* and select a *document* and *category* type from the drop down menus.

Publications

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

For more information about the Military Family Relief Fund, visit the Arizona Department of Veterans' Services (ADVS) website at www.azdvs.gov.

General Instructions

NOTE: You **must** also complete *Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture, and include Forms 301 and 340 with your tax return to claim this credit.*

Arizona law allowing for a tax credit for cash donations made to the Military Family Relief Fund was extended to taxable year 2026.

The ADVS established two subaccounts (pre-9/11 and post-9/11) for which a donor must designate which account the donor wishes the donation to be deposited into. If your donation qualifies for the credit, your credit will be the smaller of 1 through 4.

1. The amount you donated to the fund during the taxable year.
2. If you are a single taxpayer or a head of household, \$200.
3. If you are married filing a joint return, \$400. If you are filing separate returns, you each may claim only 1/2 of the credit that would have been allowed on a joint return (up to a maximum of \$200 each).
4. Your tax liability for the taxable year.

There is no carry forward for this credit. You must claim and use this credit on the tax return filed for the taxable year for which you made your donation.

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.

You cannot claim both a tax credit and an itemized deduction for your donation.

Before you claim this credit, you must have received a receipt from the ADVS. Your receipt must show **all** of the following:

- your full name and address,
- the last four digits of your Social Security Number (SSN),
- the amount you donated,
- the amount designated to each fund (pre-9/11 and/or post-9/11), and
- your donation qualifies for the tax credit.

Military Family Relief Fund

The ADVS administers the Military Family Relief Fund. Donations deposited into the pre-9/11 veterans subaccount will be used to provide financial assistance. The service member of an applying family must have been deceased, wounded or injured or become seriously ill on or before September 11, 2001, been deployed from a military base in this state, claimed this state as the service member's home of record, or been a member of the Arizona National guard at the time of deployment. If discharged from

military service, the service member must have been discharged under honorable conditions. The assistance shall be based on financial need up to twenty thousand dollars per family.

Donations deposited into the post-9/11 veterans subaccount will be used to provide financial assistance. The service member of an applying family must have been deceased, wounded or injured or become seriously ill after September 11, 2001, been deployed from a military base in this state, claimed this state as the service member's home of record, or been a member of the Arizona National Guard at the time of deployment. If discharged from military service, the service member must have been discharged under honorable conditions. The assistance shall be based on financial need up to twenty thousand dollars per family.

Your donations may qualify for this income tax credit. Donations will qualify for the credit if the total amount donated during the calendar year has not exceeded one million dollars.

Donations made once the total donations for the calendar year reach one million dollars will not qualify for the credit. The determination of whether a donation will qualify for the credit is made on a first come, first served basis by the ADVS.

The ADVS will provide you with a receipt that will let you know if your donation qualifies for the credit. The ADVS will also send a copy of that receipt to the Arizona Department of Revenue.

Line-by-Line Instructions

Enter your name and 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.

Line 1

To claim this credit, you must have received a receipt from the ADVS that indicates that your donation qualifies for the credit. Answer the question on line 1.

- If your answer to this question is "No", STOP, you do not qualify for the credit.
- If your answer to this question is "Yes", complete lines 2 through 6.

Line 2

Enter the amount of qualified donations that you (and if married, your spouse) made to the pre-9/11 veterans subaccount during 2024.

Line 3

Enter the amount of qualified donations that you (and if married, your spouse) made to the post-9/11 veterans subaccount during 2024.

Line 4

Enter the total qualified donations you (and if married, your spouse) made during 2024. Add lines 2 and 3. Enter the total.

Line 5

Single taxpayers or head of household, enter \$200. Married taxpayers filing a joint return, enter \$400. Married taxpayers filing a separate return, enter \$200.

Line 6

Current year's credit before tax: Enter the smaller of line 4 or 5. If you and your spouse are filing separate returns, you each may claim only 1/2 of the credit that would have been allowed on a joint return (up to a maximum of \$200 each).

Also, enter this amount on Arizona Form 301, Part 1, line 15, columns (a) and (c).

For contributions that exceed the maximum allowable credit on Arizona Form 323. Include with your return.

For the calendar year 2024 or fiscal year beginning [M, M, D, D] 2, 0, 2, 4 and ending [M, M, D, D] Y, Y, Y, Y.

Your Name as shown on Form 140, 140NR, 140PY, or 140X
Your Social Security Number
Spouse's Name as shown on Form 140, 140NR, 140PY, or 140X (if joint return)
Spouse's Social Security Number

Before you can claim this credit, you must claim the maximum allowable credit on Arizona Form 323, Credit for Contributions to Private School Tuition Organizations. If you made cash contributions totaling more than the maximum allowable credit on Form 323, you may claim a credit on Form 348 for some or all of those cash contributions that exceed the maximum allowable credit on Form 323. If you have a carryover amount(s) from a credit claimed on Form 348 from prior tax year(s), you do not have to claim the maximum allowable credit on Form 323 to only claim a carryover amount available on Form 348. See instructions under "Notice to All Taxpayers".

Part 1 Eligibility YES NO

- 1a Are you claiming a current year's credit on your 2024 Form 323 for cash contributions to private school tuition organizations?
1b Did you make cash contributions in excess of the allowable credit claimed on Form 323?
1c Are you claiming only a carryover from Form 348 from prior tax year?

Part 2 Current Year's Credit

- A. Cash contributions made January 1, 2024 through December 31, 2024. You must list all contributions claimed on Form 323.
B. Cash contributions made January 1, 2025 through April 15, 2025 for which you or your spouse are claiming a credit on the 2024 tax return.

Table with 5 columns: (a) Contribution Date MM/DD/2024, (b) Name of Certified School Tuition Organizations, (c) Street Address, (d) City, State, (e) Cash Contribution Made. Rows 2-6.

Table with 5 columns: (a) Contribution Date MM/DD/2025, (b) Name of Certified School Tuition Organizations, (c) Street Address, (d) City, State, (e) Cash Contribution Made. Rows 7-9.

Your Name (as shown on page 1)	Your Social Security Number
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Part 2 (Continued)

10 If you made contributions to more than three certified school tuition organizations, enter the amount from line 10h of the Continuation Sheet, otherwise enter "0".....	10		00
11 Total contributions made to certified school tuition organizations January 1, 2025 through April 15, 2025 for which you are claiming a credit on your 2024 return: Add lines 7 through 10, column (e).....	11		00
12 All Taxpayers: Add lines 6 and 11. Enter the total.....	12		00
13 Maximum allowable credit claimed on Form 323 for the current taxable year: • Single taxpayer, and heads of household, enter \$731 • All married taxpayers, enter \$1,459.....	13		00
14 Potential credit: Subtract line 13 from line 12, and enter the difference	14		00
15 Maximum allowable credit on Form 348 for the current taxable year: • Single taxpayers or heads of household, enter \$728. • All married taxpayers, enter \$1,451.....	15		00
16 Current year's credit to claim on Form 348: Enter the smaller of line 14 or line 15. In most cases, if you are married and filing a separate return, enter <i>one-half</i> of the smaller of line 14 or line 15	16		00

Part 3 Available Credit Carryover

	(a) Taxable Year from which you are carrying the credit	(b) Original Credit Amount	(c) Amount Previously Used	(d) Available Carryover: Subtract column (c) from column (b).
17	2019	00	00	00
18	2020	00	00	00
19	2021	00	00	00
20	2022	00	00	00
21	2023	00	00	00
22	Total Available Carryover: Add lines 17 through 21 in column (d)			00

Part 4 Total Available Credit

23 Current year's credit: Enter the amount from Part 2, line 16. Also, enter this amount on <i>Arizona Form 301, Part 1, line 19, column (a)</i>	23		00
24 Available credit carryover from Part 3, line 22, column (d). Also, enter this amount on <i>Arizona Form 301, Part 1, line 19, column (b)</i>	24		00
25 Total Available Credit: Add line 23 and line 24. Also, enter this amount on <i>Arizona Form 301, Part 1, line 19, column (c)</i>	25		00

Your Name (as shown on page 1)	Your Social Security Number
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AZ Form 348 - Credit for Contributions to Certified School Tuition Organizations - Individuals Continuation Sheet

Part 2 - Continued **Current Year's Credit**

If you need more space to list all certified school tuition organizations, complete additional sheets and enter those totals on the appropriate line(s) on page 1.

A. Cash contributions made January 1, 2024 through December 31, 2024.

	(a) Contribution Date MM/DD/2024	(b) Name of Certified School Tuition Organizations to which you made cash contributions	(c) Street Address	(d) City, State	(e) Cash Contribution Made
5a	_ _ _ _ 2,0,2,4				00
5b	_ _ _ _ 2,0,2,4				00
5c	_ _ _ _ 2,0,2,4				00
5d	_ _ _ _ 2,0,2,4				00
5e	_ _ _ _ 2,0,2,4				00
5f	_ _ _ _ 2,0,2,4				00
5g	_ _ _ _ 2,0,2,4				00
5h	Add all amounts in column (e) and enter the total. Also, enter this amount on page 1, line 5.....				00

B. Cash contributions made January 1, 2025 through April 15, 2025.

	(a) Contribution Date MM/DD/2025	(b) Name of Certified School Tuition Organizations to which you made cash contributions	(c) Street Address	(d) City, State	(e) Cash Contribution Made
10a	_ _ _ _ 2,0,2,5				00
10b	_ _ _ _ 2,0,2,5				00
10c	_ _ _ _ 2,0,2,5				00
10d	_ _ _ _ 2,0,2,5				00
10e	_ _ _ _ 2,0,2,5				00
10f	_ _ _ _ 2,0,2,5				00
10g	_ _ _ _ 2,0,2,5				00
10h	Add all amounts in column (e) and enter the total. Also, enter this amount on page 1, line 10				00

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Include with your return.

For the calendar year 2024 or fiscal year beginning MM,MM,DD,DD | 2,0,2,4 | and ending MM,MM,DD,DD | Y,Y,Y,Y |.

Your Name as shown on Form 140, 140NR, 140PY or 140X	Your Social Security Number
Spouse's Name as shown on Form 140, 140NR, 140PY or 140X (if joint return)	Spouse's Social Security Number

Part 1 Current Year's Credit

A. Cash contributions made January 1, 2024 through December 31, 2024.

- The QFCO must be certified by the department **for 2024** to claim the contributions listed in Part A.
For more information, see page 1 of the instructions.
- If you are married and filing separate returns, be sure to include **all** cash contributions made by you and your spouse.
- Do **not** include those cash contributions for which you or your spouse claimed a credit on the 2023 tax return.
- If you made cash contributions to more than three QFCOs, complete the Continuation Sheet on page 3 and include it with the credit form. *If you made more than ten (10) cash contributions to the same QFCO, see instructions.*

	(a) Contribution Date MM/DD/2024	(b) Qualifying Foster Care Charity Code	(c) Name of Qualifying Foster Care Charity (Contributions to qualifying non-foster care charitable organizations are claimed on AZ Form 321)	(d) Cash Contribution
1	<u> </u> 2,0,2,4	<u> </u>		00
2	<u> </u> 2,0,2,4	<u> </u>		00
3	<u> </u> 2,0,2,4	<u> </u>		00
4	If you made contributions to more than three QFCOs, enter the amount from line 4h of the Continuation Sheet, otherwise enter "0".....			4 00
5	Total contributions made to QFCOs during 2024: Add lines 1 through 4, column (d).....			5 00

B. Cash contributions made January 1, 2025 through April 15, 2025 for which you or your spouse are claiming a credit on the 2024 tax return.

- The QFCO must be certified by the department **for 2025** to claim the contributions listed in Part B.
For more information, see page 1 of the instructions.
- If you are married and filing separate returns, be sure to include **all** cash contributions made by you and your spouse.
- If you made cash contributions to more than three QFCOs, complete the Continuation Sheet on page 3 and include it with the credit form. *If you made more than ten (10) cash contributions to the same QFCO, see instructions.*

	(a) Contribution Date MM/DD/2025	(b) Qualifying Foster Care Charity Code	(c) Name of Qualifying Foster Care Charity (Contributions to qualifying non-foster care charitable organizations are claimed on AZ Form 321)	(d) Cash Contribution
6	<u> </u> 2,0,2,5	<u> </u>		00
7	<u> </u> 2,0,2,5	<u> </u>		00
8	<u> </u> 2,0,2,5	<u> </u>		00
9	If you made contributions to more than three QFCOs, enter the amount from line 9h of the Continuation Sheet, otherwise enter "0".....			9 00
10	Total contributions made to the QFCOs January 1, 2025 through April 15, 2025 for which you are claiming a credit on your 2024 return: Add lines 6 through 9, column (d).....			10 00
11	Add lines 5 and 10. Enter the total.....			11 00
12	Single taxpayers or heads of household, enter \$587. Married taxpayers, enter \$1,173.....			12 00
13	Total current year's credit: Enter the smaller of line 11 or 12. In most cases, if you are married filing a separate return, enter one-half of the smaller of line 11 or line 12. See instructions.....			13 00

Your Name (as shown on page 1)	Your Social Security Number
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Part 2 Available Credit Carryover

	(a) Taxable Year from which you are carrying the credit	(b) Original Credit Amount	(c) Amount Previously Used	(d) Available Carryover: Subtract column (c) from column (b).
14	2019	00	00	00
15	2020	00	00	00
16	2021	00	00	00
17	2022	00	00	00
18	2023	00	00	00
19	Total Available Carryover: Add lines 14 through 18, column (d).....			19 00

Part 3 Total Available Credit

20	Current year's credit: Enter the amount from Part 1, line 13. Also, enter this amount on <i>Arizona Form 301, Part 1, line 20, column (a)</i>	20	00
21	Available credit carryover from Part 2, line 19, column (d). Also, enter this amount on <i>Arizona Form 301, Part 1, line 20, column (b)</i>	21	00
22	Total Available Credit: Add line 20 and line 21. Also, enter this amount on <i>Arizona Form 301, Part 1, line 20, column (c)</i>	22	00

Your Name (as shown on page 1)	Your Social Security Number
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AZ Form 352- Credit for Contributions to Qualifying Foster Care Charitable Organizations Continuation Sheet

Part 1 - Continued **Current Year's Credit**

If you need more space to list all qualifying foster care charitable organizations, complete additional sheets and enter those totals on the appropriate line(s) on page 1.

A. Cash contributions made January 1, 2024 through December 31, 2024.

	(a) Contribution Date MM/DD/2024	(b) Qualifying Foster Care Charity Code	(c) Name of Qualifying Foster Care Charity (Contributions to qualifying non-foster care charitable organizations are claimed on AZ Form 321)	(d) Cash Contribution
4a	_ _ 2,0,2,4	_ _ _ _ _		00
4b	_ _ 2,0,2,4	_ _ _ _ _		00
4c	_ _ 2,0,2,4	_ _ _ _ _		00
4d	_ _ 2,0,2,4	_ _ _ _ _		00
4e	_ _ 2,0,2,4	_ _ _ _ _		00
4f	_ _ 2,0,2,4	_ _ _ _ _		00
4g	_ _ 2,0,2,4	_ _ _ _ _		00
4h	Add all amounts in column (d) and enter the total. Also, enter this amount on page 1, line 4.....			00

B. Cash contributions made January 1, 2025 through April 15, 2025.

	(a) Contribution Date MM/DD/2025	(b) Qualifying Foster Care Charity Code	(c) Name of Qualifying Foster Care Charity (Contributions to qualifying non-foster care charitable organizations are claimed on AZ Form 321)	(d) Cash Contribution
9a	_ _ 2,0,2,5	_ _ _ _ _		00
9b	_ _ 2,0,2,5	_ _ _ _ _		00
9c	_ _ 2,0,2,5	_ _ _ _ _		00
9d	_ _ 2,0,2,5	_ _ _ _ _		00
9e	_ _ 2,0,2,5	_ _ _ _ _		00
9f	_ _ 2,0,2,5	_ _ _ _ _		00
9g	_ _ 2,0,2,5	_ _ _ _ _		00
9h	Add all amounts in column (d) and enter the total. Also, enter this amount on page 1, line 9.....			00

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2024 Credit for Contributions to Qualifying Charitable Organizations

Arizona Form
321

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

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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 select the *About* tab on the home page and select *Legal Research* from the drop-down menu and then click on *Procedures* or *Rulings* from the drop-down menu. Using the Category box, select the tax type and then scroll down to find the *Document ID* or use the *Search Keyword* function to locate the document.

Publications

To view or print the department's publications, go to our website select the *About* tab on the home page and select *Legal Research* from the drop-down menu and then click on *Publications* from the drop-down menu.

General Instructions

NOTE: You **must** also complete Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture, and include Forms 301 and 321 with your tax return to claim this credit.

Arizona law provides a credit for cash contributions made to certain qualifying charitable organizations (charities) that provide assistance to residents of Arizona who either:

- receive Temporary Assistance of Needy Families (TANF) benefits,
- are low income residents of Arizona, or
- are children who have a chronic illness or physical disability.

CAUTION: A cash contribution to a qualifying foster care charitable organization does **not** qualify for, and **cannot** be included in, a credit claimed on Form 321 for cash contributions made to a qualifying charitable organization (QCO).

If you made cash contributions to a qualifying foster care charitable organization (QFCO), you **must** complete Form 352 to claim a credit for those contributions.

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.

What is a Qualifying Charitable Organization?

A qualifying charity is a charity that is exempt from federal income tax under Internal Revenue Code (IRC) § 501(c)(3).

A qualifying charity is also a charity that is a designated community action agency that receives Community Services Block Grant Program money under the United States Code, Title 42, Section 9901.

The charity must spend at least 50% of its budget on services to Arizona residents who:

- receive TANF benefits,
- are low income Arizona residents, or
- are chronically ill or physically disabled.

For the purpose of this credit, qualifying services are services that meet the recipient's immediate basic needs. The services must be provided and used in Arizona. Services include cash assistance, medical care, childcare, food, clothing, shelter, job training, and job placement services or any other assistance that is reasonably necessary to meet immediate basic needs and that is provided and used in this state.

"Individuals who have a chronic illness or physical disability" means individuals whose primary diagnosis is a severe physical condition that may require ongoing medical or surgical intervention.

How Can I Tell if a Charity Qualifies?

To qualify, a charity must provide the department with written certification that it meets the criteria to be considered a qualifying charity.

To see a list of the qualifying charities, visit our website and click on *Tax Credits* and select *Contributions to QCOs and QFCOs*.

- For donations made in 2024 - use the 2024 list.
- For donations made from January 1, 2025 to April 15, 2025 - use the 2025 list.

A cash contribution for which a credit is claimed and that is made on or before the fifteenth day of the fourth month following the close of the taxable year may be applied to either the current or preceding taxable year and is considered to have been made on the last day of that taxable year.

For calendar year filers, credit eligible cash contributions made to qualifying charities from January 1, 2025 to April 15, 2025 may be claimed as a tax credit on either the 2024 or 2025 Arizona income tax return.

IMPORTANT: To claim a credit on your 2024 tax return for contributions made January 1, 2025 through April 15, 2025, the charitable organization must be certified by the department for the 2025 tax year.

If you claim this credit in 2024 for a cash contribution made from January 1, 2025 to April 15, 2025 you must make an adjustment on your 2024 Arizona Form 140 Schedule A, 140PY Schedule A(PY) or A(PYN), or 140NR Schedule A(NR).

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

You cannot claim an increased standard deduction for the amount of contributions made to a QCO for which you are claiming a credit.

The maximum amount of credit that a taxpayer can establish for the current taxable year is \$421 for single taxpayers or heads of household. For married taxpayers filing a joint return, the maximum amount of credit that a taxpayer can establish for the current taxable year is \$841. In most cases, for married taxpayers who file separate returns, each spouse may claim only **one-half** (½) of the total credit that would have been allowed on a joint return up to \$421.

NOTE: *The maximum amount of credit established for the current taxable year does **not** include any unused valid carryover amount(s) from prior taxable years. 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.*

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.

You may qualify for this credit if you make cash contributions to a qualified charity through an Umbrella Charitable Organization (UCO). An UCO is a charitable organization that collects cash contributions on behalf of member charities and directs those contributions as designated by the taxpayer to a qualifying charity that is certified by the department.

In this case, 100% of the contribution to a specific qualifying charity or to a specific fund of the UCO must be distributed to a qualifying charity that is certified by the department.

The UCO should provide you with a receipt that lists the qualifying charity or fund and certifies that 100% of the contribution will be distributed to the named charity. If a fund is designated then the receipt should certify that 100% of the fund is distributed to a qualifying charity that is certified by the department.

NOTE: *You may be able to make contributions to these charities through your payroll withholding. Contact your employer and ask if they can withhold contributions for this credit from your pay.*

For more information, see the department's publication, Pub 710, *Credit for Contributions to Qualifying Charitable Organizations*.

What is a Qualifying Charitable Organization Code?

For Arizona tax credit purposes, the department assigns a code (a 5 digit identification number) to each qualifying charitable organization and the UCO fund (for example: 23456). If your donation receipt did not include the charity's code, the department's list of qualifying charities includes the code assigned to each charity and the UCO fund code.

Be sure to enter the code number, in column (a), for each qualifying charity for which you and your spouse made cash contributions.

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.

NOTE: *Complete Parts 1 and 3 if you are claiming a new credit for the current tax year.*

*If you are **only** claiming a carryover amount available from a previous credit, complete Parts 2 and 3.*

Part 1 - Current Year's Credit

A. Cash contributions made January 1, 2024 through December 31, 2024

Lines 1, 2 and 3

NOTE: *If you are married and filing separate returns, be sure to include all cash contributions made by you and your spouse.*

Enter the following for each qualifying charity you or your spouse made cash contributions from January 1, 2024, through December 31, 2024 for which you or your spouse are claiming a credit on the 2024 tax return:

- Column (a): the date you made the contribution (MM/DD/2024);
- Column (b): the five digit code number of the qualifying charity or the UCO fund code (for example: 23456);
- Column (c): the name of the qualifying charity or the UCO fund name; and
- Column (d): the amount of cash contributions made from January 1, 2024 through December 31, 2024.

*Do **not** include those cash contributions that you or your spouse made from January 1, 2024, through April 18, 2024 for which you or your spouse claimed a credit on the 2023 tax return.*

NOTE: *For contributions made to an Umbrella Charitable Organization, the Qualifying Charitable Organization Code and name of the qualifying charity are reported on the tax form. If a fund is designated, the Umbrella Charitable Organization Fund Code and the name of the fund are reported on the tax form.*

If you made cash contributions to more than three qualifying charities, complete the Continuation Sheet on page 3 of the form and include it with the credit form.

What if I Made More than Ten (10) Cash Contributions to the Same Qualified Charitable Organization?

If you made more than ten (10) re-occurring monthly donations (or used paycheck deductions) for contributions **to the same qualified charitable organization**, the department will permit the netting/summarizing of the contributions made to the same

charity and provision of one common date (for example 12/31/24). Enter the total amount of contributions made in column (d).

Line 4

Enter the amount from line 4h of the Continuation Sheet; otherwise enter "0".

Line 5

Add lines 1 through 4, column (d) and enter the total

B. Cash contributions made January 1, 2025 through April 15, 2025 for which you or your spouse are claiming a credit on the 2024 tax return

Lines 6, 7, and 8 -

NOTE: *If you are married and filing separate returns, include all cash contributions made by you and your spouse.*

Enter the following for each qualifying charity you or your spouse made cash contributions from January 1, 2025 through April 15, 2025 for which you or your spouse are claiming a credit on your 2024 tax return:

- Column (a): the date you made the contribution (MM/DD/2024);
- Column (b): the five digit code number of the qualifying charity or the UCO fund code (for example: 23456);
- Column (c): the name of the qualifying charity or the UCO fund name; and
- Column (d): the amount of cash contributions made from January 1, 2025 through April 15, 2025.

NOTE: *For contributions made to an Umbrella Charitable Organization, the Qualifying Charitable Organization Code and name of the qualifying charity are reported on the tax form. If a fund is designated, the Umbrella Charitable Organization Fund Code and the name of the fund are reported on the tax form.*

If you made cash contributions to more than three qualifying charities, complete the Continuation Sheet on page 3 of the form and include it with the credit form.

What if I Made More than Ten (10) Cash Contributions to the Same Qualified Charitable Organization?

If you made more than ten (10) re-occurring monthly donations (or used paycheck deductions) for contributions **to the same qualified charitable organization**, the department will permit the netting/summarizing of the contributions made to the same charity and provision of one common date (for example 04/18/24). Enter the total amount of contributions made in column (d).

Line 9

Enter the amount from line 9h of the Continuation Sheet; otherwise enter "0".

Line 10

Add lines 6 through 9, column (d). Enter the total.

Line 11

Add lines 5 and 10. Enter the total.

Line 12

Single taxpayers and taxpayers filing as head of household enter \$421. Married taxpayers enter \$841.

Line 13 – Total Current Year’s Credit

Enter the smaller of line 11 or line 12.

If you are married filing a separate return, but you could have filed a joint return, you may take only ½ of the total credit that you and your spouse would have been allowed to take on a joint return, up to a maximum of \$421. In this case, enter ½ of the smaller of line 11 or line 12.

Part 2 - Available Credit Carryover

NOTE: *If you have a carryover amount from a prior year for cash contributions made to a qualifying foster care charitable organization for which you claimed a credit on Form 321, you must claim that carryover amount on Form 321.*

Lines 14 through 19

Use lines 14 through 19 to figure your total available credit carryover from taxable years 2019 through 2023. Complete lines 14 through 19 if you claimed this credit on a return for one of these years and the 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 gave that was more than the maximum amount allowed as a credit.*

For example: During 2024, Mary, a single person, gave \$600 to a qualified charity. For 2024, Mary is allowed a maximum credit of \$421. Mary’s 2024 tax is \$250. Mary can apply \$250 of the credit to her 2024 tax liability and carryover \$171 of the unused \$421 credit to 2024.

Mary cannot claim any credit for the \$179 gift that was more than the allowable credit (\$600 minus allowable credit of \$421).

- 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 14 through 18 in column (d).

Enter the total on line 19, column (d).

Part 3 - Total Available Credit**Lines 20 through 22**

Use lines 20 through 22 to figure your total available credit for the taxable year.

Line 20

Enter the amount from Part 1, line 13. Also, enter this amount on Arizona Form 301, Part 1, line 6, column (a).

Line 21

Enter the amount from Part 2, line 19, column (d). Also, enter this amount on Form 301, Part 1, line 6, column (b).

Line 22 - Total Available Credit

Add line 20 and line 21. Enter the total. Also, enter this amount on Form 301, Part 1, line 6, column (c).

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From area codes 520 and 928, toll-free (800) 352-4090

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General Instructions

NOTE: *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 certain fees paid to public schools in Arizona. **“Public School” means a school that is part of a school district, a career technical education district, or a charter school.**

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.

The credit is equal to the amount of cash contributed or the amount of fees paid up to the maximum amount allowed. The maximum amount of credit that a taxpayer can establish for the current taxable year for contributions or fees paid is \$200 for single taxpayers or heads of household. For married taxpayers filing a joint return, the maximum amount of credit that can be established for the current taxable year is \$400. In most cases, for married taxpayers who file separate returns, each spouse may claim only **one-half** (½) of the credit that would have been allowed on a joint return.

NOTE: *The maximum amount of credit established for the current taxable year does **not** include any unused valid carryover amount(s) from prior taxable years. 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.*

A cash contribution for which a credit is claimed and that is made on or before the fifteenth day of the fourth month following the close of the taxable year may be applied to either the current or preceding taxable year and is considered to have been made on the last day of that taxable year.

For calendar year filers, credit eligible cash contributions made or fees paid to a public school from January 1, 2025 to April 15, 2025 may be used as a tax credit on either the 2024 or the 2025 Arizona income tax 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.

If you claim this credit in 2024 for cash contributions made from January 1, 2025 to April 15, 2025 you must make an adjustment on your 2025 Arizona Form 140 Schedule A, 140PY Schedule A(PY) or A(PYN), or 140NR Schedule A(NR).

NOTE: *You cannot claim both a tax credit and an itemized deduction for contributions made to a public school for which you are claiming a credit.*

You cannot claim an increased standard deduction for the amount of contributions made to a Public School for which you are claiming a credit.

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.

To qualify for the credit, you must contribute or pay fees to a public school located in this state for the following public school purposes:

- standardized testing for college credit or readiness offered by a widely recognized and accepted educational testing organization,
- the career and technical education industry certification assessment,
- preparation courses and materials for standardized testing,
- cardiopulmonary resuscitation training,
- extracurricular activities, or
- character education programs.
- **from and after June 30, 2019, through June 30, 2024, contributions or fees paid for the following items qualify:**
 - (a) acquiring capital items, as defined in the uniform system of financial records, including those items listed in section 15-903, subsection c, paragraphs 2 through 8;
 - (b) community school meal programs;
*An amount paid by an individual to receive a meal or a meal card **does not qualify** as a fee or donation for community school meal programs.*
 - (c) student consumable health care supplies; and
 - (d) playground equipment and shade structures for playground equipment.

"Standardized testing for college credit or readiness" includes the SAT, PSAT, ACT, advanced placement and international baccalaureate diploma tests and other similar tests.

"Widely recognized and accepted educational testing organization" means the college board, the ACT, the international baccalaureate and other organizations that are widely recognized and accepted by colleges and universities in the United States and that offer college credit and readiness examinations.

"Career and technical education industry certification assessment" means an assessment for career and technical preparation programs for pupils.

"Community school meal program" means a school meal program that takes place before or after the regular school day on school property.

"Student consumable health care supplies" includes tissues, hand wipes, bandages and other health care consumables that are generally used by children.

NOTE: *Your contribution for the support of standardized testing fees, career and technical education industry certification assessments, preparation courses, or materials for standardized testing, **must** be made directly to the public school located in Arizona. Contributions made to any other organization will not qualify for this credit.*

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 may 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 extracurricular 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; and
- in-state or out-of-state trips that are solely for competitive events.

Extracurricular 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; or
- a public school located outside of Arizona.

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; and
- 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 department's publication, Pub 707, *School Tax Credits*.

What is an Arizona Public School CTDS Code?

The Arizona Department of Education uses a coding system (CTDS) to identify Arizona public and charter schools. CTDS is a nine-digit (9) number and stands for *County Code, Type Code, and District Code & Site Number*.

For the purpose of claiming Arizona's tax credit for contributions made or certain fees paid to a qualifying public school, you must provide this code on the tax credit form, in column (a), for each qualifying school you or your spouse made cash contributions or paid certain fees.

For example, a public school with a CTDS code of 01-23-45-678 would be entered (c) as 012345678 (do **not** include spaces or dashes).

You may obtain the CTDS code by visiting Arizona Department of Education's public school search webpage at www.ade.az.gov/edd or you may find the list on our website at www.azdor.gov/tax-credits/public-school-tax-credit under *Resources for Taxpayers*.

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.

NOTE: *Complete Parts 1 and 3 if you are claiming a new credit for the current tax year.
If you are **only** claiming a carryover amount available from a previous credit, complete Parts 2 and 3.*

Part 1 - Current Year's Credit

A. Cash contributions made or fees paid January 1, 2024 through December 31, 2024

Lines 1, 2 and 3

NOTE: *If you are married and filing separate returns, be sure to include all cash contributions or fees paid by you and your spouse.*

Enter the following for each Arizona public school you or your spouse made cash contributions or paid fees from January 1, 2024 through December 31, 2024:

- Column (a): the date you made the contribution or paid fees (MM/DD/2024);
- Column (b): the public school CTDS code;
- Column (c): the name of the public school or charter school for which you made contributions for paid fees;
- Column (d): the school district name or charter holder; and
- Column (e): the amount of cash contributions or fees paid to the public school during 2024.

NOTE: *Do not include those contributions made or fees paid from January 1, 2024 through April 18, 2024 for which you or your spouse claimed a credit on the 2022 tax return.*

If you made cash contributions or paid fees to more than three public schools, complete the Continuation Sheet on page 3 of the form and include it with the credit form.

What if I Made More than Ten (10) Cash Contributions or Paid Fees to the Same Public School?

If you made more than ten (10) re-occurring monthly donations (or used paycheck deductions) for contributions or paid fees to **the same qualified public school**, the department will permit the netting/summarizing of the contributions made or fees paid to the same public school and provision of one common date (for example 12/31/23). Enter the total amount of contributions made or fees paid in column (e).

Line 4

Enter the amount from line 4h of the Continuation Sheet; otherwise enter "0".

Line 5

Add lines 1 through 4, column (e). Enter the total.

B. Cash contributions made or fees paid January 1, 2025 through April 15, 2025 for which you or your spouse are claiming a credit on the 2024 tax return

Lines 6, 7, and 8

NOTE: *If you are married and filing separate returns, be sure to include all cash contributions or fees paid by you and your spouse.*

Enter the following for each Arizona public school for which you or your spouse made cash contributions or paid fees from January 1, 2025 through April 15, 2025 for which you or your spouse are claiming a credit on your 2024 tax return:

- Column (a): the date you made the contribution or paid fees (MM/DD/2024);
- Column (b): the public school CTDS code;
- Column (c): the name of the public school or charter school for which you made contributions for paid fees;
- Column (d): the school district name or charter holder.
- Column (e): the amount of cash contributions made or fees paid to the public school from January 1, 2025 through April 15, 2025.

If you made cash contributions or paid fees to more than three public schools, complete the Continuation Sheet on page 3 of the form and include it with the credit form.

What if I Made More than Ten (10) Cash Contributions or Paid Fees to the Same Public School?

If you made more than ten (10) re-occurring monthly donations (or used paycheck deductions) for contributions or paid fees to **the same qualified public school**, the department will permit the netting/summarizing of the contributions made or fees paid to the same public school and provision of one common date (for example 04/15/2024). Enter the total amount of contributions made or fees paid in column (e).

Line 9

Enter the amount from line 9h of the Continuation Sheet; otherwise enter "0".

Line 10

Add lines 6 through 9, column (e). Enter the total.

Line 11

Add lines 5 and 10. Enter the total.

Line 12

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

Line 13 - Current Year's Credit

Enter the smaller of line 11 or line 12. If you are married filing a separate return, but you could have filed a joint return, you may take only one-half (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 11 or line 12.

Part 2 - Available Credit Carryover

Lines 14 through 19

Complete lines 14 through 19 to figure your total available credit carryover from taxable years 2019 through 2023, 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 contributed or paid that was more than the amount allowed as a credit.*

For example, during 2024, John, a single person, paid \$400 to School A for extracurricular activity fees for John's child. For 2024, John is allowed a credit of \$200. John's 2024 tax is \$100. John applied \$100 credit to his tax liability and may carryover \$100 of the unused \$200 credit to 2024. 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 14 through 18 in column (d). Enter the total on line 19, column (d).

Part 3 - Total Available Credit

Lines 20 through 22

Use lines 20 through 22 to figure your total available credit for 2024.

Line 20

Enter the amount from Part 1, line 13. Also, enter this amount on Form 301, Part 1, line 7, column (a).

Line 21

Enter the amount from Part 2, line 19, column (d). Also, enter this amount on Form 301, Part 1, line 7, column (b)

Line 22 - Total Available Credit

Add lines 20 and 21. Enter the total. Also, enter this amount on Form 301, Part 1, line 7 column (c).

2024 Credit for Contributions to Private School Tuition Organizations

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

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General Instructions

NOTE: You *must* also complete Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture, and include Forms 301 and 323 with your tax return to claim this credit.

Arizona law provides a credit for cash contributions made to a private school tuition organization (STO) that provides scholarships or grants to qualified schools.

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.

The credit is equal to the amount of cash contributed up to the maximum amount allowed. For 2024, the maximum amount of credit that a taxpayer can establish for the current taxable year is \$655 for single taxpayers or heads of household. For married taxpayers that file a joint return, the maximum credit that can be established for the current taxable year is \$1,308. In most cases, for married taxpayers who file separate returns, each spouse may claim only **one-half** (½) of the credit that would have been allowed on a joint return.

NOTE: The maximum amount of credit established for the current taxable year does **not** include any unused valid carryover amount(s) from prior taxable years. 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.

A cash contribution for which a credit is claimed and that is made on or before the fifteenth day of the fourth month following the close of the taxable year may be applied to

either the current or preceding taxable year and is considered to have been made on the last day of that taxable year.

FOR CALENDAR YEAR FILERS: Credit eligible cash contributions made to a private STO from January 1, 2025 to April 15, 2025 may be used as a tax credit on either the 2024 or 2025 Arizona income tax return.

If you claim this credit in 2024 for a cash contribution made from January 1, 2025 to April 15, 2025 you must make an adjustment on your 2024 Arizona Form 140 Schedule A, Form 140PY Schedule A(PY) or A(PYN), or Form 140NR Schedule A(NR).

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.

A private STO is an organization that meets **all** of the following:

- The organization is tax exempt under Section 501(c)(3) of the Internal Revenue Code (IRC).
- The organization allocates at least 90% of its annual revenue from contributions to educational scholarships or tuition grants.
- The organization makes its scholarships or grants available to students of more than one qualified school.

A "qualified school" means a preschool that offers services to students with disabilities, nongovernmental primary or a secondary school that is located in Arizona. The school cannot discriminate on the basis of race, color, handicap, familial status, or national origin and requires all teaching staff and personnel that have unsupervised contact with students to be fingerprinted. A qualified school does not include a charter school or programs operated by a charter school. The primary school must begin with kindergarten and the secondary school must end with grade 12.

In the case of a preschool that offers services to students with disabilities, a "student with disabilities" is a student who has any of the following conditions:

- hearing impairment;
- visual impairment;
- developmental delay;
- preschool severe delay; or
- speech and/or language impairment.

NOTE: The Arizona Department of Revenue is required to certify STOs. The department maintains a list of currently certified STOs on its website at www.azdor.gov.

To qualify for the credit all cash contributions must be made to a certified STO. To determine if your cash contributions made in 2024 and/or 2025 qualify for this credit, you should verify that the STO you made a contribution to is certified. For a list of STOs certified to receive cash contributions for the individual income tax credit, see the department's website.

Your cash contribution to the STO will not qualify for the credit if you designate the contribution for the direct benefit of your dependent. For Arizona purposes, “dependent” has the same meaning provided in section § 152 of the IRC. For purpose of this credit, it does not matter if you qualify to take the dependent deduction

NOTE: *Your cash contribution will also not qualify if you designate a student beneficiary as a condition of your contribution to the STO. Also, the tax credit is not allowed if you agree with another person to designate each other’s contributions to the STO for the direct benefit of each other’s dependent, a practice commonly known as swapping.*

You **cannot** claim both a tax credit and an itemized deduction for the amount of contributions made to a private STO for which you are claiming an Arizona tax credit.

Before claiming this credit, make sure the STO issues you a receipt for the contribution. The receipt should show **all** of the following:

- name and address of the STO;
- name of the taxpayer;
- amount paid;
- date paid; and
- the tax year for which you will claim the contribution.

Please keep this receipt with your tax records. For more information on school tax credits, see the department’s publication, Pub 707, *School Tax Credits*.

NOTE: *You may be able to make credit eligible contributions to a STO 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.*

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.

NOTE: *Complete Parts 1, 3, and 4, if you are claiming a new credit for the current tax year. If you are **only** claiming a carryover amount available from a previous credit, complete Parts 2 and 3.*

Part 1 - Current Year’s Credit

A. Cash contributions made January 1, 2024 through December 31, 2024

NOTE: *If you are married and filing separate returns, be sure to include all cash contributions made by you and your spouse.*

Lines 1, 2, and 3

Enter the following for each private STO to which you made contributions from January 1, 2024 through December 31, 2024 and for which you are claiming a current year’s credit on your return.

- Column (a): the date you made the contribution (MM/DD/2024);
- Column (b): the name of the private STO;
- Column (c): street address of the private STO;
- Column (d): location (city and state) of the private STO; and
- Column (e): the amount of cash contributions made from January 1, 2024 through December 31, 2024.

NOTE: *Do **not** include those cash contributions that you made from January 1, 2024 through April 15, 2024 for which you or your spouse claimed a credit on the 2023 tax return.*

If you made cash contributions to more than three private STOs, complete the Continuation Sheet on page 3, and include it with the credit form.

What if I Made More than Ten (10) Cash Contributions to the Same STO?

If you made more than ten (10) re-occurring monthly donations (or used paycheck deductions) for contributions **to the same STO**, the department will permit the netting/summarizing of the contributions made to the same STO and provision of one common date (for example 12/31/24). Enter the total amount of contributions made in column (e).

Line 4

Enter the amount from line 4h of the Continuation Sheet; otherwise enter “0”.

Line 5

Add lines 1 through 4, column (e) and enter the total.

B. Cash contributions made January 1, 2025 through April 15, 2025 for which you or your spouse are claiming a credit on the 2024 tax return

NOTE: *If you are married and filing separate returns, be sure to include all cash contributions made by you and your spouse.*

Lines 6, 7, and 8

Enter the following for each private STO to which you made contributions from January 1, 2025 through April 15, 2025 for which you are claiming a credit on your 2024 tax return:

- Column (a): the date you made the contribution (MM/DD/2024);
- Column (b): name of the private STO;
- Column (c): street address of the private STO;
- Column (d): location (city and state) of the private STO; and
- Column (e): the amount of contributions made from January 1, 2025 through April 15, 2025.

If you made cash contributions to more than three private STOs, complete the Continuation Sheet on page 3 of the form and include it with the credit form.

What if I Made More than Ten (10) Cash Contributions to the Same STO?

If you made more than ten (10) re-occurring monthly donations (or used paycheck deductions) for contributions **to the same STO**, the department will permit the netting/summarizing of the contributions made to the same STO and provision of one common date (for example 4/15/24). Enter the total amount of contributions made in column (e).

Line 9

Enter the amount from page 3, line 9h, of the Continuation Sheet; otherwise enter "0".

Line 10

Add lines 6 through 9, column (e). Enter the total.

Line 11

Add lines 5 and 10. Enter the total.

Line 12

Single taxpayers and taxpayers filing as head of household, enter \$655. Married taxpayers enter \$1,308.

Line 13 - Current Year's Credit

Enter the smaller of line 11 or line 12. If you are married filing a separate return, but you could have filed a joint return, you may take only one-half (½) of the total credit that you and your spouse would have been allowed to take on a joint return, up to a maximum of \$655 each. In this case, enter one-half (½) of the smaller of line 11 or line 12.

NOTE: *If you made contributions that total more than the allowable current year's credit on Form 323, you may claim a credit on Arizona Form 348 for some or all of the contributions that exceed the maximum allowable amount. To determine if you have excess contributions available to claim a credit on Form 348, complete Part 4 of Form 323. For additional information see Form 348.*

Part 2 - Available Credit Carryover

Lines 14 through 19

Complete lines 14 through 19 to figure your available credit carryover from taxable years 2019 through 2023. Complete lines 14 through 19 if you claimed this credit on a return for one of these years and the 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 gave that was more than the amount allowed as a credit. See the example at the end of these instructions.*

- 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 14 through 18 in column (d).

Enter the total on line 19, column (d).

Part 3 - Total Available Credit

Line 20

Enter the amount from Part 1, line 13. Also, enter this amount on Form 301, Part 1, line 8, column (a).

Line 21

Enter the amount from Part 2, line 19, column (d). Also, enter this amount on Form 301, Part 1, line 8, column (b).

Line 22

Add line 20 and line 21. Enter the total. Also, enter this amount on Form 301, Part 1, line 8, column (c).

Part 4 - Do I Have Excess Contributions Available to Claim on Arizona Form 348?

Complete Part 4, lines 23 through 25, to determine if you have excess contributions available to claim a credit on Arizona Form 348, *Contributions to Certified School Tuition Organization – Individuals*.

Line 23

Enter the total amount of contributions made during the taxable year:

- Single taxpayers, heads of household and married taxpayers filing a joint return; enter the total amount from Part 1, line 11.
- Married taxpayers filing separate; enter one-half (½) of the total amount from Part 1, line 11.

Line 24 -

Enter the maximum credit allowed on Form 323:

- Single taxpayers and heads of household; enter \$655.
- Married taxpayers filing joint; enter \$1,308.
- Married taxpayers filing separate; enter \$655.

Line 25 – Excess Contributions:

Subtract line 24 from line 23. Enter the difference. If less than zero, enter "0".

If the amount on line 25 is more than zero, you have excess contributions available and may claim a credit on Form 348 for those contributions.

If the amount on line 25 is "0," you do not have any excess contributions available to claim on Form 348.

EXAMPLE: During 2024, Mary, a single person, gave \$1,400 to a private STO. For 2024, Mary is allowed a maximum credit on Form 323 of \$655. Mary's 2024 tax liability is \$400. Mary may apply \$400 of the \$655 credit claimed on Form 323 against her 2024 tax liability. Mary may carryover the unused credit of \$255 to her 2024 income tax return. Mary may not claim a credit on Form 323 for the \$745 gift that was more than the allowable credit (\$1,400 minus allowable credit of \$655).

However, Mary may claim a credit on Arizona Form 348 for the contribution made to the private STO that was more than the \$655 allowable credit. The credit Mary may claim on Form 348 cannot exceed the maximum credit allowed on that form.

To compute that credit, Mary must complete Form 348 in addition to Form 323. Mary must also complete Arizona Form 301. For 2024, Mary would compute her available credit for Form 348 as follows.

2024 total contribution made to STOs		\$1,400
2024 maximum allowable credit claimed on Form 323		<u>\$ 655</u>
Mary's 2024 tax liability	\$ 400	
Less: available tax credit - Form 323	<u>\$ 400</u>	
Balance of tax	<u>\$ 0</u>	
Carryover available for 2024 from Form 323 (\$655 minus \$400)	\$ 155	
Contribution available to calculate the allowable credit on Form 348 (\$1,400 minus \$655). Mary must complete Arizona Form 348 to figure that credit.		<u>\$ 745</u>

2024 Credit for Contributions to Certified School Tuition Organizations - Individuals

(For contributions that exceed the maximum allowable credit on Arizona Form 323)

**Arizona Form
348**

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 select the *About* tab on the home page and select *Legal Research* from the drop-down menu and then click on *Procedures* or *Rulings* from the drop-down menu. Using the Category box, select the tax type and then scroll down to find the *Document ID* or use the *Search Keyword* function to locate the document.

Publications

To view or print the department's publications, go to our website select the *About* tab on the home page and select *Legal Research* from the drop-down menu and then click on *Publications* from the drop-down menu.

NOTE: You *must* also complete Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture, and include Forms 301 and 348 with your tax return to claim this credit.

Notice to All Taxpayers

NOTE: To claim a current year's credit on Form 348, you *must* first claim the maximum current year's credit allowed on Arizona Form 323, Credit for Contributions to Private School Tuition Organizations. The amount of credit you must claim on Form 323 depends on your filing status. See Form 323 for these amounts.

If you have a carryover amount from a credit claimed on Form 348 from prior tax years, you do not have to claim the maximum allowable credit on Form 323 to only use a carryover amount on Form 348. If you are claiming only a carryover amount on Form 348, and are not claiming any current year's credit on Form 323, submit only Forms 301 and 348.

For an example of how to calculate the current year credit and carryover credit, if any, see the last page of these instructions.

Arizona Form 348 Credit Carryover Amount from Prior Tax Years

If you claimed an allowable credit on Form 348 on your 2019 through 2023 tax returns and your tax liability was less than your allowable credit, you may have a carryover amount available.

You may use the available credit carryover amount to reduce your 2024 tax liability even if you do not claim a credit on Form 323 for 2024.

General Instructions

Arizona law provides an individual income tax credit for the voluntary cash contributions made to a certified School Tuition Organization (STO) in order to improve education by raising tuition scholarships for children in Arizona.

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.

The amount of current year's contributions that may be claimed on Form 348 is computed **after** the maximum credit is claimed on Form 323 and is based on the excess amount of contributions shown on Form 323, Part 4, line 25.

For 2024, the maximum amount of credit on Form 348 that a taxpayer can establish for the current taxable year is \$652 for single taxpayers or heads of household. For married taxpayers that file a joint return, the maximum amount of credit that a taxpayer can establish for the current taxable year is \$1,301. In most cases, for married taxpayers who file separate returns, each spouse may claim only **one-half** (½) of the credit that would have been allowed on a joint return.

NOTE: The maximum amount of credit established for the current taxable year does **not** include any unused valid carryover amount(s) from prior taxable years. 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.

A cash contribution for which a credit is claimed that is made on or before the fifteenth day of the fourth month following the close of the taxable year may be applied to either the current or preceding taxable year and is considered to have been made on the last day of that taxable year.

FOR CALENDAR YEAR FILERS: Credit eligible cash contributions made to a certified STO from January 1, 2025 to April 15, 2025 may be claimed as a tax credit on either the 2024 or 2025 Arizona income tax return.

If you claim this credit in 2024 for a contribution made from January 1, 2025 to April 15, 2025 you must make an adjustment on your 2024 Arizona Form 140 Schedule A, Form 140PY Schedule A(PY) or A(PYN), or Form 140NR Schedule A(NR).

If the allowable 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.

A certified STO is an organization that meets **all** of the following.

- The organization is tax exempt under Section 501(c)(3) of the Internal Revenue Code.
- The organization allocates at least 90% of its annual revenue for educational scholarships or tuition grants.
- The organization makes its scholarships or grants available to students of more than one qualified school.

A “*qualified school*” means a preschool that offers services to students with disabilities, nongovernmental primary or a secondary school that is located in Arizona. The school cannot discriminate on the basis of race, color, handicap, familial status, or national origin and requires all teaching staff and personnel that have unsupervised contact with students to be fingerprinted.

A qualified school does not include a charter school or programs operated by a charter school. The primary school must begin with kindergarten and the secondary school must end with grade 12.

In the case of a preschool that offers services to students with disabilities, a “*student with disabilities*” is a student who has any of the following conditions:

- hearing impairment or visual impairment;
- developmental delay;
- preschool severe delay; or
- speech and/or language impairment.

NOTE: *The Arizona Department of Revenue is required to certify STOs. The department maintains a list of currently certified STOs on its website at www.azdor.gov.*

To qualify for the credit, all contributions must be made to a certified STO. To determine if your contributions made in 2024 and/or 2025 qualify for this credit, you should verify that the STO you made a contribution to is certified. For a list of STOs certified to receive contributions for the individual income tax credit, see the department’s website.

Your cash contribution to the STO will not qualify for the credit if you designate the contribution for the direct benefit of your dependent. For Arizona purposes, “dependent” has the same meaning provided in section § 152 of the IRC. For purpose of this credit, it does not matter if you qualify to take the dependent deduction.

NOTE: *Your contribution will also not qualify if you designate a student beneficiary as a condition of your contribution to the STO. Additionally, the tax credit is not allowed if you agree with another person to designate each other’s contributions to the STO for the direct benefit of each other’s dependent, a practice commonly known as swapping.*

You **cannot** claim both a tax credit and itemized deduction for the amount of contributions made to a certified STO for which you are claiming an Arizona tax credit.

Before claiming this credit, make sure the STO issues you a receipt for the contributions. The receipt should show **all** of the following:

- the name and address of the STO;
- the name of the taxpayer;
- the amount paid; and
- the date paid.

Please keep this receipt with your tax records. For more information on the school tax credits, see the department’s publication, Pub 707, *School Tax Credits*.

NOTE: *You may be able to make credit eligible contributions to a certified STO 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.*

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.

NOTE: *Complete Parts 1, 2, 3, and 4 if you are claiming a new credit for the current tax year. If you are **only** claiming a carryover amount available from a previous credit, complete Parts 3 and 4*

**Part 1 – Eligibility
Lines 1a through 1c**

For lines 1a through 1c, answer the questions and follow the instructions on the form.

Part 2 - Current Year’s Credit

A. Cash contributions made January 1, 2024 through December 31, 2024

NOTE: *If you are married and filing separate returns, be sure to include all cash contributions made by you and your spouse. You must also include all STOs to which you and your spouse, if married, made contributions to and for which you or your spouse are claiming on a 2024 credit on Form 323.*

Lines 2, 3 and 4

Enter the following for each certified STO to which you made contributions from January 1, 2024 through December 31, 2024 for which you are claiming a current year’s credit on your return:

- Column (a): the date you made the contribution (MM/DD/2024);
- Column (b): name of the certified STO;
- Column (c): street address of the certified STO;

- Column (d): location (city and state) of the certified STO; and
- Column (e): the amount of cash contributions made from January 1, 2024 through December 31, 2024.

NOTE: Do **not** include those cash contributions that you made from January 1, 2024 through April 15, 2024 for which you or your spouse claimed a credit on the 2023 tax return.

If you made cash contributions to more than three certified STOs, complete the Continuation Sheet on page 3, and include it with the credit form.

What if I Made More than Ten (10) Cash Contributions to the Same STO?

If you made more than ten (10) re-occurring monthly donations (or used paycheck deductions) for contributions **to the same STO**, the department will permit the netting/summarizing of the contributions made to the same STO and provision of one common date (for example 12/31/24). Enter the total amount of contributions made in column (e).

Line 5

Enter the amount from line 5h of the Continuation Sheet; otherwise enter “0”.

Line 6

Add lines 2 through 5, column (e) and enter the total.

B. Cash contributions made January 1, 2025 through April 15, 2025 for which you or your spouse are claiming a credit on the 2024 tax return

NOTE: If you are married and filing separate returns, be sure to include all cash contributions made by you and your spouse. You must also include **all** STOs to which you and your spouse, if married, made contributions to and for which you or your spouse are claiming a 2024 credit on Form 323.

Lines, 7, 8, and 9

Enter the following for each certified STO to which you made contributions from January 1, 2025 through April 15, 2025 for which you are claiming a current year’s credit on your return:

- Column (a): the date you made the contribution (MM/DD/2024)
- Column (b): name of the certified STO;
- Column (c): street address of the certified STO;
- Column (d): location (city and state) of the certified STO; and
- Column (e): the amount of cash contributions made from January 1, 2025 through April 15, 2025.

If you made cash contributions to more than three certified STOs, complete the Continuation Sheet on page 3 of the form, and include it with the credit form.

What if I Made More than Ten (10) Cash Contributions to the Same STO?

If you made more than ten (10) re-occurring monthly donations (or used paycheck deductions) for contributions **to the same STO**, the department will permit the netting/summarizing of the contributions made to the same STO and provision of one common date (for example 04/15/24). Enter the total amount of contributions made in column (e).

Line 10

Enter the amount from page 3, line 10h, of the Continuation Sheet; otherwise enter “0”.

Line 11

Add lines 7 through 10, column (e). Enter the total.

Line 12

Add lines 6 and 11. Enter the total.

Line 13 - Maximum Credit Claimed on Form 323

- Single taxpayers and taxpayers filing as heads of household enter \$655.
- All married taxpayers enter \$1,308

Line 14 - Potential Credit

Subtract line 13 from line 12, and enter the difference.

Line 15 - Maximum Allowable Credit on Form 348

- Single taxpayers and taxpayers filing as heads of household enter \$652.
- All married taxpayers enter \$1,301.

Line 16 - Current Year’s Credit to Claim on Form 348

Enter the smaller of line 14 or line 15. If you are married filing a separate return but could have filed a joint return, you may take only one-half (½) of the total credit that would have been allowed on a joint return, up to a maximum of \$652. In this case, enter one-half (½) of the smaller of line 14 or line 15.

Part 3 - Available Credit Carryover

NOTE: Arizona law requires that a taxpayer must claim the maximum credit amount allowed on Arizona Form 323 before claiming a credit for excess contributions on Form 348. However, you do not have to claim a current year credit on Form 323 to **only** claim a credit carryover amount from prior taxable years on Form 348.

Lines 17 through 22

Complete lines 17 through 22 to figure your available credit carryover from taxable years 2019 through 2023. Complete lines 17 through 22 if you claimed this credit on a return for one of these years and the 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 gave that was more than the amount allowed as a credit. See the example at the end of these instructions.*

- 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 on lines 17 through 21 in column (d).

Enter the total on line 22, column (d).

Part 4 - Total Available Credit

Line 23

Enter the amount from Part 2, line 16. Also, enter this amount on Form 301, Part 1, line 20, column (a).

Line 24

Enter the amount from Part 3, line 22, column (d). Also, enter this amount on Form 301, Part 1, line 20, column (b).

Line 25

Add line 23 and line 24. Enter the total. Also, enter this amount on Form 301, Part 1, line 20, column (c).

REMINDER: *To claim this credit, you **must** first claim the maximum credit allowed on Arizona Form 323, Credit for Contributions to Private School Tuition Organizations.*

The amount of credit you must claim on Form 323 depends on your filing status. See Form 323 for these amounts.

EXAMPLE: During 2024, Mary, a single person, gave \$1400 to a certified STO. Mary’s tax liability for 2024 is \$400. Mary claimed the maximum credit amount of \$655 allowed on Arizona Form 323.

Since Mary made a contribution that totaled more than the allowable credit on Arizona form 323, she may claim a credit, on Form 348, up to the maximum amount allowed (for 2024, \$652 for single or head or household; or \$1,301 for married filing joint.)

For 2024, Mary would compute her **available current year’s credit** for Form 348 as follows:

2024 total contributions made	\$ 1,400
Credit claimed on Form 323 for tax year 2024	(\$ 655)
Contributions eligible to use for computing Form 348 credit	\$ 745
Maximum credit on Form 348 that Mary may claim	\$ 652
Contributions exceeding the allowable credit. Mary may not use the amount of the gift, \$93, which was more than the allowable \$652 credit (\$745 minus \$652) to figure her credit on Form 348.	\$ 93

Once Mary computes her credit, she must then determine how much of that credit may be applied to the current year’s tax and how much, if any, may be carried over to a future year.

In this case, Mary has already applied a credit (from Arizona Form 323) against her total tax liability of \$400. Therefore, Mary will have a \$652 carryover on Form 348 for the next taxable year.

Mary will compute her **2024 carryover credit** amount as follows:

Current Year’s Credit	\$ 652
Mary’s 2024 tax liability	\$ 400
Tax credit used – from Arizona Form 323	(\$ 400)
Balance of tax	\$ 0
Amount of current year credit used from Form 348 to off-set taxes	\$ 0
Amount of current year credit from Form 348 available to carryover to next year.	\$ 652

2024 Credit for Contributions To Qualifying Foster Care Charitable Organizations

**Arizona Form
352**

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 select the *About* tab on the home page and select *Legal Research* from the drop-down menu and then click on *Procedures* or *Rulings* from the drop-down menu. Using the Category box, select the tax type and then scroll down to find the *Document ID* or use the *Search Keyword* function to locate the document.

Publications

To view or print the department's publications, go to our website select the *About* tab on the home page and select *Legal Research* from the drop-down menu and then click on *Publications* from the drop-down menu.

General Instructions

NOTE: You *must* also complete Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture, and include Forms 301 and 352 with your tax return to claim this credit.

Arizona law provides a *separate* credit for cash contributions made to qualifying foster care charitable organizations (QFCO).

CAUTION: Cash Contributions made after December 31, 2015, to a QFCO do not qualify for, and cannot be included in, a credit claimed on Arizona Form 321 for cash contributions made to a qualifying charitable organization (QCO).

If you made cash contributions to a **non-foster care qualifying charitable organization**, you *must* complete Arizona Form 321 to claim a credit for those contributions. Do **not** use Form 352 to claim a credit for contributions made to non-foster care charitable organizations.

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.

What is a QFCO?

A QFCO is a qualifying charitable organization that is exempt from federal income taxation under section 501(c)(3) of the internal revenue code or is a designated community action agency that receives community services block grant program monies pursuant to 42 United States Code section 9901 and each operating year provides services to at least two hundred qualified individuals in Arizona. The charity must spend at least 50% of its budget on services to qualified individuals in this state.

"Qualified individual" means any of the following:

- (a) A foster child as defined in section 8-501.
- (b) a person who is participating in an independent living program as prescribed in section 8-521.
- (c) A person who is participating in a transitional independent living program as prescribed by section 8-521.01.
- (d) A person who is participating in an extended foster care program as prescribed in section 8-521.02.
- (e) A person who is under twenty-seven years of age and whose reason for leaving foster care is any of the following:
 - (i) Reaching eighteen years of age.
 - (ii) Adoption or legal guardianship after reaching fifteen years of age.
 - (iii) Reunification after reaching fourteen years of age.

"Foster home" means a home maintained by any individual or individuals having the care or control of minor children, other than those related to each other by blood or marriage, or related to such individuals, or who are legal wards of such individuals.

For a QFCO, "Services" means the following:

For a qualifying foster care charitable organization, cash assistance, medical care, behavioral health services, child care, food (including snacks at a QFCO's foster youth event), clothing, shelter, job placement services, job training services, character education programs, workforce development programs, secondary education student retention programs, housing or financial literacy services or any other assistance that is reasonably necessary to meet basic needs or provide normalcy and that is provided and used in this state. For the purposes of this subdivision:

- (i) "Behavioral health services" has the same meaning prescribed in section 36-401.
- (ii) "Character education program" means any program described in section 15-719, subsection b that is offered by a qualifying foster care charitable organization.
- (iii) "Job training services" has the same meaning as vocational and technical preparation as defined in section 15-781.
- (iv) "Normalcy" means the condition of experiencing a typical childhood by participating in activities that are age or developmentally-appropriate, as defined in 42 US code section 675.
- (v) "Workforce development program" means any program recognized by the workforce Arizona council pursuant to section 41-5401.

NOTE: For more information on what is a qualifying charitable organization, see the instructions for Form 321.

How Can I Tell if a Foster Care Charity Qualifies?

To qualify, a foster care charity must provide the department with written certification that it meets the criteria necessary to be considered a qualifying foster care charity.

To see a list of qualifying foster care charities, visit our website and click on *Tax Credits* and select *Contributions to QCOs and QFCOs*.

- For donations made in 2024 - use the 2024 list.
- For donations made from January 1, 2025 to April 15, 2025 - use the 2024 list.

A cash contribution for which a credit is claimed and that is made on or before the fifteenth day of the fourth month following the close of the taxable year may be applied to either the current or preceding taxable year and is considered to have been made on the last day of that taxable year.

For calendar year filers, credit eligible cash contributions made to a QFCO from January 1, 2025 through April 15, 2025 may be used as a tax credit on either your 2024 or 2025 Arizona income tax return.

IMPORTANT: *To claim a credit on your 2024 tax return for contributions made January 1, 2025 through April 15, 2025 the charitable organization must be certified by the department for the 2025 tax year.*

If you claim this credit in 2024 for a cash contribution made from January 1, 2025 through April 15, 2025 you must make an adjustment on your 2025 Arizona Form 140 Schedule A, Form 140PY Schedule A(PY) or A(PYN), or Form 140NR Schedule A(NR).

NOTE: *You cannot claim both a tax credit and an itemized deduction for the amount of contributions made to a QFCO for which you are claiming a credit.*

You cannot claim an increased standard deduction for the amount of contributions made to a QFCO for which you are claiming a credit.

The maximum amount of credit that a taxpayer can establish for the current taxable year is \$526 for single taxpayers or heads of household. For married taxpayers filing a joint return, the maximum amount of credit that a taxpayer can establish for the current taxable year is \$1,051. In most cases, for married taxpayers who file separate returns, each spouse may claim only **one-half** (½) of the total credit that would have been allowed on a joint return up to \$526.

NOTE: *The maximum amount of credit established for the current taxable year does **not** include any unused valid carryover amount(s) from prior taxable years. 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.*

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.

You may qualify for this credit if you make cash contributions to a qualified foster care charity through an Umbrella Charitable Organization (UCO). An UCO is a charitable organization that collects contributions on behalf of member charities and directs that contribution as designated by the taxpayer to a QFCO that is certified by the Department.

In this case, 100% of the contribution to a specific qualifying foster care charitable organization or to a specific fund of the UCO must be distributed to a QFCO that is certified by the Department.

The UCO will need to provide you with a receipt for your contribution that specifies the QFCO or fund to whom the contribution is designated and certifies that 100% of the contribution will be distributed to the named QFCO. If a fund is designated then the receipt should certify that 100% of the fund is distributed to a QFCO that is certified by the Department.

NOTE: *You may be able to make contributions to these charities through your payroll withholding. Contact your employer and ask if they can withhold contributions for this credit from your pay.*

For more information, see the department's publication, Pub 710, *Credit for Contributions to Qualifying Charitable Organizations*.

What is a Qualifying Foster Care Charitable Organization Code?

For Arizona tax credit purposes, the department assigns a code (a 5 digit identification number) to each QFCO and the UCO fund (for example: 12345). If your donation receipt did not include the foster care charity's code, the department's list of qualifying charities includes the code assigned to each charity and the UCO fund code.

Be sure to enter the code number, in column (a), for each qualifying foster care charity for which you and your spouse made cash contributions.

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.

NOTE: *Complete Parts 1 and 3 **only** if you are claiming a new credit for the current tax year.*

If you are only claiming a carryover amount available from a previous credit, complete Parts 2 and 3.

Part 1 - Current Year's Credit

A. Cash contributions made January 1, 2024 through December 31, 2024

NOTE: *If you are married and filing separate returns, be sure to include all cash contributions made by you and your spouse.*

Lines 1, 2, and 3

Enter the following for each QFCO you or your spouse made cash contributions or paid fees from January 1, 2024 through December 31, 2024 for which you or your spouse are claiming a credit on the 2024 tax return:

- Column (a): the date you made the contribution (MM/DD/2024);
- Column (b): the five digit code number of the qualifying QFCO or the UCO fund code (example: 23456);
- Column (c): the name of the QFCO or the UCO fund name; and
- Column (d): the amount of cash contributions made during 2024.

Do not include those cash contributions that you or your spouse made from January 1, 2024 through April 15, 2024 for which you or your spouse claimed a credit on the 2023 tax return.

NOTE: *For contributions made to an Umbrella Charitable Organization, the Qualifying Charitable Organization Code and name of the qualifying charity are reported on the tax form. If a fund is designated, the Umbrella Charitable Organization Fund Code and the name of the fund are reported on the tax form.*

If you made cash contributions to more than three QFCOs, complete the Continuation Sheet on page 3 of the form and include it with the credit form.

What if I Made More than Ten (10) Contributions to the Same Qualified Charitable Organization?

If you made more than ten (10) re-occurring monthly donations (or used paycheck deductions) for contributions **to the same qualified charitable organization**, the department will permit the netting/summarizing of the contributions made to the same charity and provision of one common date (for example 12/31/24). Enter the total amount of contributions made in column (d).

Line 4

Enter the amount from line 4h of the continuation Sheet; otherwise enter "0".

Lines 5

Add lines 1 through 4, column (d). Enter the total.

B. Cash contributions made January 1, 2024 through April 15, 2024

Lines 6, 7, and 8

NOTE: *If you are married and filing separate returns, include all cash contributions made by you and your spouse.*

Enter the following for each QFCO you or your spouse made cash contributions from January 1, 2025 through April 15, 2025 for which you or your spouse are claiming a credit on the 2024 tax return.

- Column (a): the date you made the contribution (MM/DD/2024);
- Column (b): the five digit code number of the QFCO or UCO fund code (example: 23456);
- Column (c): the name of the QFCO or the UCO fund name; and
- Column (d): the amount of cash contributions made from January 1, 2025 through April 15, 2025.

NOTE: *For contributions made to an Umbrella Charitable Organization, the Qualifying Charitable Organization Code and name of the qualifying charity are reported on the tax form. If a fund is designated, the Umbrella Charitable Organization Fund Code and the name of the fund are reported on the tax form.*

If you made cash contributions to more than three QFCOs, complete the Continuation Sheet on page 3 of the form and include it with the credit form.

What if I Made More than Ten (10) Contributions to the Same Qualified Charitable Organization?

If you made more than ten (10) re-occurring monthly donations (or used paycheck deductions) for contributions **to the same qualified charitable organization**, the department will permit the netting/summarizing of the contributions made to the same charity and provision of one common date (for example 04/15/24). Enter the total amount of contributions made in column (d).

Line 9

Enter the amount from line 9h of the Continuation Sheet; otherwise enter "0".

Line 10

Add lines 6 through 9, column (d). Enter the total.

Line 11

Add lines 5 and 10. Enter the total.

Line 12

Single taxpayers and taxpayers filing as head of household enter \$526. Married taxpayers enter \$1,051.

Line 13 - Current Year's Credit

Enter the smaller of line 11 or line 12.

If you are married filing a separate return, but you could have filed a joint return, you may take only $\frac{1}{2}$ of the total credit that you and your spouse would have been allowed to take on a joint return, up to a maximum of \$526. In this case, enter $\frac{1}{2}$ of the smaller of line 11 or line 12.

Part 2 - Available Credit Carryover**Lines 14 through 19**

Use lines 14 through 19 to figure your total available credit carryover from taxable years 2019 through 2023 if you claimed this credit on these returns and the 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 gave that was more than the maximum amount allowed as a credit.*

For example: During 2024, Mary, a single person, gave \$600 to a qualified foster care charity. For 2024, Mary is allowed a maximum credit of \$526. Mary's 2024 tax is \$250. Mary can apply \$250 of the credit to her 2024 tax liability and carryover \$276 of the unused \$526 credit to 2024.

Mary cannot claim any credit for the \$74 gift that was more than the allowable credit (\$600 minus allowable credit of \$526).

- In column (b), enter the credits originally computed for the tax years listed in column (a).
- In column (c), enter the amount of the credit which you have already used.
- In column (d), subtract the amount in column (c) from column (b) and enter the difference in column (d).
- Add the amounts entered on lines 14 through 17 in column (d)

Enter the total on line 19, column (d).

Part 3 - Total Available Credit**Lines 20 through 22**

Use lines 20 through 22 to figure your total available credit for the taxable year.

Line 20

Enter the amount from Part 1, line 13. Also, enter this amount on Arizona Form 301, Part 1, line 21, column (a).

Line 21

Enter the amount from Part 2, line 19, column (d). Also, enter this amount on Form 301, Part 1, line 21, column (b).

Line 22 - Total Available Credit

Add line 20 and line 21. Enter the total. Also, enter this amount on Form 301, Part 1, line 21, column (c).

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Arizona

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- your federal adjusted gross income was \$ 25,000 or less (\$12,500 if single)
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- Does the Math
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Visit azdor.gov for taxpayer support services that may be accessed by phone or computer.

We have offices at the following locations:

Phoenix
1600 West Monroe Street
Phoenix, AZ 85007

Tucson
400 West Congress Street
Tucson, AZ 85701

Forms Only:
Mesa
55 North Center Street
Mesa, AZ 85201

