



Arizona Department of Revenue Individual Income Update

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April 2024

PROCESSING TIMING

The Arizona Department of Revenue (ADOR) always encourages taxpayers to file and pay electronically at the same time.

For individuals who choose to e-file the return but submit a paper payment, the return will process on average in a couple of weeks, but the paper payment will process on average within 8 weeks. Please keep in mind the timing may cause a bill notice to be generated and sent even though the paper check has been mailed. If this occurs, please allow the Department time to process your paper payment before contacting the Department or tax preparer.

PAYMENT PLAN

Owe on your state taxes and cannot pay? For taxpayers unable to pay their individual income tax liability in full, ADOR offers a convenient way to request a payment plan and manage their liability. A payment plan is an arrangement with ADOR to pay tax debt within an agreed-upon timeframe.

Through the [AZTaxes.gov](https://www.aztaxes.gov) website, taxpayers can quickly and easily set up a payment plan rather than phone or mail, and it also reduces the number of calls and paper submissions to be processed.

To set up a plan, go to [AZTaxes.gov](https://www.aztaxes.gov) and under the Individual menu, select Request a Payment Plan.

Please note that the portal is for submitting the payment plan request. It does not automatically create a plan in the system; therefore, allow time for ADOR to process the request and then the Department will send a confirmation letter with details and a timeline.

Establishing a payment plan request in ADOR's system takes approximately 60 days after the tax liability is billed and the Payment Plan request submission. Once submitted and approved, the taxpayer will be provided a confirmation number and a monthly installment payment amount. Taxpayers do not need to wait for confirmation to start making payments. Allow for 60 days after the first billing notice is received before following up with ADOR regarding the request.

What you should know if considering a payment plan:

- If a bill has been received for the tax period in question, then the process to establish a payment plan request in ADOR's system may take up to 2 weeks.
- If you have not received a bill for the tax period in question, then the process to establish a payment plan request in ADOR's system will take up to 8 weeks.
- While on a payment plan, taxpayers must not incur any new liabilities, but will continue to incur interest until the outstanding liability is paid in full. If a new liability occurs, the taxpayer must request a new payment plan to be created.
- Payments must be made on time per the payment arrangement and through [AZTaxes.gov](https://www.aztaxes.gov).
- If the payment plan defaults, ADOR can and will enforce without notice through a levy and/or lien action.

View our [video tutorial](#) for further assistance on the self-service option for requesting a payment plan through [AZTaxes.gov](https://www.aztaxes.gov).



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



www.azdor.gov



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FREE FILING RESOURCES

- **File and pay electronically:** You can receive your refunds up to seven times as fast as paper return filers.
- **File for free:** New this year is Direct File, allows eligible Arizonans to file their state and federal returns for FREE directly through the [IRS Direct File Pilot Program](#). Also through the Free File Alliance program, taxpayers can choose from multiple free file offerings to prepare and file returns electronically. To prevent any unexpected charges for the state return, only access free options directly from [azdor.gov](#).
- **Use free tax filing services:** Volunteer Income Tax Assistance ([VITA](#)) offers free tax help to people who generally make \$64,000 or less or meet other qualifications. IRS-certified volunteers provide free basic income tax return preparation with electronic filing to qualified individuals. Also, [AARP Foundation Tax-Aide Program](#) offers free assistance to individuals 50 and older who can't afford a tax preparation service to file federal and Arizona returns

DIRECT FILE

We have launched the much-anticipated Direct File tool — and Arizona's integrated state filing tool, FileYourStateTaxes — for all eligible taxpayers to file their tax returns electronically for free.

Please note: those taxpayers who received the Arizona Families Tax Rebate in 2023 will not be eligible to use Direct File this year, as the tool does not support the 1099-MISC required to report the income on federal returns. The IRS has determined that the rebate is subject to federal income tax and must be reported on a federal return.

With this pilot program, eligible taxpayers begin by filing their federal return at [directfile.irs.gov](#). Once finished filing the federal return using Direct File, they are given an option to seamlessly e-file their state tax return through FileYourStateTaxes. [Eligibility to participate](#) in the Direct File pilot are restricted to filers reporting only certain common types of income and claiming limited credits and deductions.

It is likely you are eligible to use both tools if:

- You lived in Arizona for all of 2023 and do not have income from another state.
- Your only income sources are wages, Social Security benefits, unemployment benefits, and/or up to \$1,500 of interest.
- You want to claim the Earned Income Tax Credit, Child Tax Credit, or Credit for Other Dependents.
- You do NOT have self-employment income, including gig or contract work income.
- You did NOT receive the Arizona Families Tax Rebate in 2023.
- You do NOT want to claim the Premium Tax Credit, the Child and Dependent Care Credit, or the American Opportunity Tax Credit or other educational credits.

Additional details on eligibility, visit [directfile.irs.gov](#) or [fileyourstatetaxes.org](#).

TIPS TO FOLLOW

Before Filing

- **Enter all taxpayer information:** Sending incomplete returns makes it difficult, even impossible, to process. A return must be completed in its entirety and accurately for ADOR to process, including essential items like full name, taxpayer identification number, address, and filing status. Make sure that you enter your complete 9-digit social security number (SSN) on your return. If you are filing married separately or jointly, include spouse information in the same order as last year (if applicable), and leave blank if you are filing single or head of household.
- **Declare all income:** All income for full, part-time, temporary, or supplemental employment, whether received in cash or reported on a Form W-2 or Form 1099, is subject to income tax. It is common to miscalculate amounts when doing taxes on your own.





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- **Get the credits you deserve:** Income tax credits can increase your refund or reduce the taxes you owe. Complete and include [Form 301](#) with the return and match the information from Form 301 with the return. Be sure to include Form 301 and the corresponding credit form(s) for which you computed your credit(s) with your individual income tax return. Verify the [charity codes](#) and the [school codes](#). Using an incorrect Qualifying Charity Code on Form 321, Public School CTDS Code on Form 322, or Qualifying Foster Care Charity Code on Form 352 will result in credit rejection.
- **Send the correct tax year forms:** You must submit all the same individual income tax year forms together. Do not send old individual income tax year forms and supporting documents with the front page of the current tax year form. Crossing out the tax year and marking another tax year is unacceptable.
- **Use e-file or fillable forms:** ADOR does its best to decipher taxpayers' handwriting, but it can be challenging. If filing a paper return, use fillable forms and print with black ink and on white paper; this way, ADOR staff does not have to interpret handwriting.
- **Thoroughly review:** Before submitting your return, review all information to avoid common mistakes. Errors increase processing time and delay any refund due.
- **Use direct deposit:** Have your refund directly deposited into your bank account and receive your refund faster and more securely. Be sure to double-check the routing and account numbers for your account.
- **Sending items to the correct agency:** Submitting an Internal Revenue Service (IRS) return, payment, or correspondence to the Arizona Department of Revenue will not be processed by ADOR. Make sure to send the ADOR payment with your state return to the correct ADOR [P.O. Box](#) and the IRS payment with your federal return sent to the [IRS address](#).
- **Always file on time:** To avoid penalties and interest, file on time. If you need an extension, you must send payments with the completed Arizona Form 204. To avoid an extension underpayment penalty, you must pay at least 90% of the tax due by the due date.

After filing

- **Check your refund status online:** The fastest way to get updates on your refund is [AZTaxes.gov/Home/CheckRefund](https://www.aztaxes.gov/Home/CheckRefund).
- **Allow a minimum 8 weeks for processing:** Alternatively, you can make electronic payments at [AZTaxes.gov](https://www.aztaxes.gov) and schedule the payment for a future date. Do not submit an electronic payment if you mailed a check.
- **Provide all the information on the paper check:** An accurate address, pay to, amount, memo, and signature. Ensure the paper check contains the written amount on the amount line and amount box, along with the tax identification numbers, tax type, and tax year on the check memo line. When sending a payment, ensure it is sent with the original tax return or a payment voucher so it can be applied to the correct account and tax period promptly. If a payment is sent in without a corresponding tax return or [payment voucher](#), ADOR must research which account it belongs to and the payment will likely be delayed.
- **Income taxes are timely by the postmark date:** Anything postmarked after the due date will be late and are assessed penalties.
- **ADOR responds to taxpayer questions as soon as possible;** however, the response time may vary due to the increase in tax season inquiries.
- **ADOR administers several debt offset programs:** The [offset program](#) uses an individual's tax refund and applies it to outstanding tax liabilities and other state agency or municipality debts. Taxpayers should contact the agency identified on the notice, **not** ADOR.
- **Do not resubmit a return:** For paper-filed returns, allow a minimum of 8 weeks from the date filed for processing. Please only call **after** this timeframe to determine if the return has been received. Duplicate returns cause ADOR to process another return, resulting in an informational return and delaying processing. Repeat payments result in being charged multiple times and likely are returned as a refund if no other liabilities exist. Do not send another check electronically if a payment has been mailed.

