

# FAQS ABOUT THE CHARITABLE ORGANIZATION TAX CREDIT:

## **Q: What is the Charitable Organization Tax Credit?**

A: Under a State of Arizona tax credit program that benefits charitable organizations that serve the Working Poor, donors to Buena Vista Children's Services can claim a personal tax credit for the amount of their contribution (up to \$400 for individuals and \$800 for couples filing jointly). This is not just a tax deduction – it is a tax credit that reduces the amount you owe...dollar for dollar!

## **Q: What is the difference between a tax credit and a tax deduction?**

A: A tax credit is more beneficial to you on your taxes than a deduction. A tax credit reduces the amount you owe, dollar for dollar. A tax deduction reduces the amount of income on which you are taxed (www.irs.gov). A tax deduction affects how much taxes you owe to the state but it is not a dollar for dollar reduction. The Charitable Organization Tax credit allows you to donate to Buena Vista Children's Services at no cost to you.

## **Q: How do I qualify for a Charitable Tax Credit on my taxes?**

A: Taxpayers filing as "single" and "head of household" status may claim a maximum credit of \$400. Taxpayers that file as "married filing joint" may claim a maximum credit of \$800. Taxpayers filing as "married filing separate" may claim a maximum credit of \$400.

## **Q: Do I need to itemize my taxes to claim my credit?**

A: Starting in 2013, you DO NOT need to itemize your taxes to qualify for tax credits. Just report the amount you donated to BVCS on Form 321. BVCS will send you (the donor) a letter confirming your donation. This letter serves as documentation of your contribution.

## **Q: How do I know Buena Vista Children's Services qualifies?**

A: Buena Vista Children's Services has applied and met all requirements of the law to be considered as a Qualifying Charitable Organization. Approved charities' names are listed on the Department of Revenue's website.

## **Q: Can I apply the Charitable Tax Credit on my taxes if I take the School Tax Credit?**

A: Yes! The School tax credit donation is a separate credit so you may receive the full tax credit for both a School & Working Poor contribution.

## **Q: Does the tax credit also apply to my federal income tax returns?**

A: No. The Charitable Tax Credit applies only on your Arizona State income tax. However, you may be able to claim a federal tax deduction for the amount donated.

## **Q: When can I make the donation?**

A: You can donate to BVCS at any time to qualify for the Tax Credit. Contributions made on, or before, April 15<sup>th</sup> can be applied to the current or preceding taxable year.

## **Q: Where can I get more information about the tax credit?**

A: Please consult your tax advisor or find more information by visiting the [Arizona Department of Revenue website](#) or by calling Taxpayer Assistance at 800.352.4090.

The Arizona Charitable Tax Credit is in addition to and completely separate from the Private School Tuition, Public School Activity, and Foster Care tax credits – you may participate in any or all four if you choose.