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2024 Arizona Tax Credit Update

TUCSON (December, 2024) – As you contemplate your charitable contributions for Tax Year 2024, we'd like to provide you with an update on a few of the popular Arizona tax credits. Remember that only monetary donations can be applied toward these credits. That means the eligible donations must be made by cash, check, or credit card and do **not** qualify if made from an IRA. Be sure to request a receipt (including the entity tax credit code) and include it with the tax documents that you gather for us. Tax credit donations are no longer eligible for the federal charitable deduction but *may* be eligible as a state tax deduction on your federal tax return.

Below you will find links to lists of qualifying organizations and Arizona publications about the tax credits. We hope this is helpful and invite you to call if you have any questions about this or other tax matters. The following will apply to your 2024 individual income tax returns:

Public School Credit (Form 322):

The maximum credit allowed in 2024 is unchanged from last year. For single taxpayers and heads of household, the credit cannot exceed \$200. For married taxpayers who file a joint return, the credit cannot exceed \$400. Credit donations claimed for 2019 and later years must include the Public School CTDS Code. See the link below for the list of Arizona public schools and codes.

A credit donation made between January 1 and April 15, 2025 can be claimed as a credit for either Tax Year 2024 OR Tax Year 2025.

Fees paid to an Arizona public school for a student's participation in extracurricular activities, character education programs, college standardized testing, career and technical industry certification, and CPR training are eligible for the credit.

Private School Tuition Credits (Form 323 and Form 348):

As in 2023, there are two credits available and such donations made between January 1 and April 15, 2025 can be claimed as a credit for either Tax Year 2024 OR Tax Year 2025.

For single taxpayers and heads of household, the credits cannot exceed \$731 (**Private** School Tuition Organization aka *Original* STO Credit) plus \$728 (**Certified** (Private) School Tuition Organizations aka *Switcher* STO Credit).

For married taxpayers who file a joint return, the credits cannot exceed \$1,459 (**Private** School Tuition Organization aka *Original* STO Credit) plus \$1,451 (**Certified** (Private) School Tuition Organizations aka *Switcher* STO Credit).

Remember, a taxpayer's donation for the credit cannot be directed to benefit the taxpayer's dependent. Also, credits are prohibited if the taxpayer is engaged in a 'swapping' agreement with another taxpayer. See Arizona Publication 707 (link below) for information about claiming a credit for donations made through an S corporation.

Qualifying Charitable Contribution Organization Credit (Form 321):

The maximum credit allowed in 2024 is indexed for inflation. For single taxpayers and heads of household, the credit cannot exceed \$470. For married taxpayers who file a joint return, the credit cannot exceed \$938. Credit donations claimed for 2019 and later years must include the QCO code. See the link below for Qualifying Charitable Organizations and codes.

A credit donation made between January 1 and April 15, 2025 can be claimed as a credit for either Tax Year 2024 OR Tax Year 2025.

Qualifying Foster Care Charitable Contribution Organization Credit (Form 352):

The maximum credit allowed in 2024 is indexed for inflation. For single taxpayers and heads of household, the credit cannot exceed \$587. For married taxpayers who file a joint return, the credit cannot exceed \$1,173. Credit donations claimed for 2019 and later years must include the QFCO code. See the link below for Qualifying Foster Care Organizations and codes.

A credit donation made between January 1 and April 15, 2025 can be claimed as a credit for either Tax Year 2024 OR Tax Year 2025.

Note of CAUTION regarding QCO's and QFCO's: Organizations may change from one qualifying type to another in different years. Make sure that you refer to the appropriate list for the year in which you actually make the contribution.

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- Arizona publication about the school credits (revised November 2022)
https://azdor.gov/sites/default/files/2023-03/PUBLICATION_707.pdf
- List of Arizona Public Schools and CTDS Codes (updated 12/11/2024)
https://azdor.gov/sites/default/files/2023-03/PUBLICATION_ADESchoolListing.pdf
- List of Certified School Tuition Organizations (updated 12/12/2024)
https://azdor.gov/sites/default/files/2023-06/REPORTS_sto-i-list.pdf
- Arizona Publication 710 about QCO & QFCO contribution credits (revised November 2022)
https://azdor.gov/sites/default/files/2023-03/PUBLICATION_710.pdf
- List of 2024 Qualifying Charitable Organizations (Updated 12/11/2024)
https://azdor.gov/sites/default/files/2024-01/CREDITS_2024_qco.pdf
- List of Qualifying 2024 Foster Care Organizations (Updated 12/11/2024)
https://azdor.gov/sites/default/files/2024-01/CREDITS_2024_qfco.pdf
- Arizona Department of Revenue website for the latest versions and more information
<https://azdor.gov/tax-credits>