



Dysart Unified School District No. 89 — Arizona School Tax Credits

COMMONLY ASKED QUESTIONS ABOUT THE ARIZONA SCHOOL TAX CREDIT PROGRAM

What is a tax credit?

Arizona Law (ARS 43-1089.01) allows **married couples filing jointly** a tax credit of up to **\$400** and **individual taxpayers** a tax credit of up to **\$200** when they contribute to extra-curricular activities in public schools. This tax credit is available to all who reside in Arizona and have a tax liability at least equal to that of their donation. You DO NOT have to be a parent of a child in school to benefit from this law. Corporations are not eligible. Contributions are donated directly to schools. This means your donations are used directly to support student activities of the Dysart school of your choice.

A tax credit is a full refund of your money provided you have a tax liability equaling or exceeding your donation. For example, if you have a \$900 Arizona State tax liability and you make a \$400 donation to a public school, \$400 is subtracted from your tax liability. Then, you would owe only \$500. A husband and wife who file separate returns for a taxable year for which they could have filed jointly may each claim only one-half of the \$400 tax credit that would have been allowed for the joint return. The credit allowed is in lieu of any deduction pursuant to Section 170 of the Internal Revenue Code for charitable contributions, which would also be taken for Arizona tax purposes. In other words, you cannot take the charitable contribution deduction on your state income tax return and take the tax credit as well. However, this donation can be used as a charitable contribution deduction on your federal income tax return. Deadline to make a donation is December 31 of each year.

To claim the tax credit, taxpayers must contribute to an extra-curricular activity for which the school district requires a fee or funds to operate the program. Extra-curricular activities are optional, noncredit, educational activities that are offered before, during or after school hours. Examples include field trips, enrichment activities, athletic and music programs, and after school clubs. These programs depend on fees from students. The Governing Board has approved a fee schedule, which designates the appropriate extra-curricular programs.

How do I receive my tax credit?

Please do the following if you would like to receive the tax credit:

- Complete the Arizona Tax Credit Contribution form on the front of this page. Attach your check made payable to the Dysart Unified School District. Be sure to designate which school you wish to support.
- Indicate on the response form how you would like your donation to be used. If you have no real preference, you may choose the category "School may designate use."
- You can make your contribution in person at any Dysart school or you can mail the form to the address below. Upon payment, a pre-numbered receipt will be given or mailed to you for tax reporting purposes. Please place this form with your other tax preparation documents.

What do I do when I prepare my taxes?

Show your pre-numbered receipt to your tax preparer, which should have ARIZONA FORM 322 to report your tax credit. This form is also available on the Department of Revenue web site. If you prepare your own taxes and you do not have a computer, call 623-876-7056. We will be happy to mail a copy of Form 322 to you.

Because Dysart must keep strict records of the funds received and report their use to the state, there will be no refunds should you discover that you do not have a tax liability to cover the tax credit. However, you would be able to carry the credit forward for up to five years.

Can I mail my check and request form?

Mail your check with the Tax Credit Program form, postmarked by December 31, to:

**Dysart Unified School District No. 89
Attn: Tax Credit Program
15802 North Parkview Place
Surprise, Arizona 85374**

Who can answer my questions?

You may call the **Dysart Community Education Department at 623.876.7056** if you have any questions.