



Shippen, Pope & Associates, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Dear Client,

There are a number of different Arizona credits available to taxpayers. We will provide you with the form number, a description of the credit and the maximum amount of the credit. We are providing the form number so you can reference it when researching various organizations for credits. They will tell you what type of credit is available and what form it needs to be claimed on. Note that you do not need to provide us with the form itself, as we have access to them. (We do need the receipt that the charity or organization will provide you.)

The credit amounts given below are for **2018 returns filed jointly by a married couple**. Single tax returns would be half the amounts listed.

1. **Form 321 – Contributions to Qualifying Charitable Organizations (QCO).** (This used to be known as “The Working Poor Credit.”) This maximum credit for 2018 is \$800. The Arizona Department of Revenue has compiled a list of organizations that qualify for this credit. Here is a link to that list of QCOs. https://azdor.gov/sites/default/files/media/CREDITS_2018_qco.pdf
2. **Form 352 – Contributions to Qualifying Foster Care Charitable Organizations (QFCO).** The maximum credit is \$1,000, Arizona Department of Revenue has compiled a 1-page list of organizations that qualify for this credit. Here is a link to that list of QFCOs. https://azdor.gov/sites/default/files/media/CREDITS_2018_qfco.pdf
3. **Form 322 – Credit for Contributions made or Fees Paid to a Public School.** This is the so-called extra-curricular credit. The maximum credit is \$400. Even if you do not have a child in school, you can make this donation for another child (say, a neighbor, friend or relative) and have it go directly to their account. (This is how students sometimes raise money so they can go on a band trip or overseas study trip.) Most schools will qualify for this credit including Charter Schools, we advise that you verify prior to donating.

Some districts and schools have a link on their website to donate online. See below for the links:

[Yuma Union High School District](#) - [Yuma Elementary School District One](#) - [Crane Schools](#)

(SEE REVERSE)

“Planning Makes a Difference”

200 East 16th Street, Suite 200 Yuma, Arizona 85364 928-726-9470 Fax: 928-726-9400

4. **Form 323 & Form 348-This is the School Tuition Organization (STO) Tax Credit.** There are two parts to this credit, which is why there are two forms involved—Form 323 and Form 348. The so-called “Original” credit has been around for a number of years, and is computed on Form 323. The maximum credit on Form 323 is \$1,092.00. The second part of this credit is reported on Form 348 and is sometimes referred to as the “switcher” credit. The maximum credit on Form 348 is \$1,085.00. To get the credit on Form 348, you must first donate the maximum credit on Form 323. If you contribute the maximum on both forms, you can claim a total of \$2,213.00. (Note that the Form 348 credit was new in 2013.) We administer one of these programs known as STAY.

Link for STAY:

[School Tuition Association of Yuma \(STAY\)](#)

5. **Form 340-Credit for Donations to the Military Family Relief Fund.** This credit is one that many people have not heard of, but is worth \$400. This credit is capped at a total of \$1 million for all donations in a given tax year. They will hit \$1 million cap in December, so if you want to donate to this, you should do it sooner rather than later. This credit is administered by the Arizona Department of Veterans’ Services. <https://dvs.az.gov/military-family-relief-fund>

The Military Relief Fund has been capped at their annual \$1,000,000.

Note that the deadline for making donations to the first four credits listed above is April 15th. The purpose for this is so you can determine what your Arizona tax liability is for the prior year, and then decide how much to contribute to the charity. For example, for 2018 tax returns, you will have until April 15, 2019 to make a donation and claim the credit on your 2018 tax return.

Be sure to let us know if you have any questions. We appreciate your continued confidence! (Feel free to share this information.)