

# Trim Your Tax Bill

## *Don't Miss Out on 2014 Arizona Tax Credits*

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Would you like to save money on your taxes? Of course, the answer is yes! So, how do you do it? With the 2014 Arizona Tax Credits. You can take advantage of six credits that may offset your Arizona tax dollar for dollar.

### **Charitable Organizations Credits**

Taxpayers can now simultaneously claim both the Contributions to a Qualifying Charitable Organization and Contributions to a Qualified Foster Care Organization tax credits.

- **Credit for Contributions to a Qualified Foster Care Organization (QFCO):** The maximum credit a single taxpayer can claim is \$400; married filing joint is \$800. Your maximum allowed credit to a QFCO is lowered by any allowable credit paid to a Qualifying Charitable Organization (QCO).
- **Credit for Contributions to a Qualifying Charitable Organization (Formerly the Working Poor Credit):** The maximum credit for contributions made to QCOs is \$200 for single taxpayers and \$400 for married filing joint. You do not need to claim itemized deductions in order to receive these credits.

### **Education Credits**

Taxpayers may claim all three of the following credits in the same year and do not need to have a child in school to qualify.

- **Credit for Contributions to Private School Tuition Organizations:** To claim this credit, you must make contributions to a tuition organization that provides scholarships or grants to qualified schools. Single taxpayers can claim up to \$528. For married filing joint, the maximum credit is \$1,056.
- **Credit for Contributions to Certified School Tuition Organizations:** Only taxpayers who first donated the maximum amount allowed under the Credit for Contributions to Private School Tuition Organizations can claim this credit. For tax year 2014, single taxpayers: \$525. Married couples filing joint: \$1050. The combined credits are \$1,053 for single and \$2,106 for joint. Contributions for both tuition-related credits cannot benefit your child.

- **Credit for Contributions Made or Fees Paid to Public Schools:** You may claim this credit for making contributions or paying fees to a public school for support of extracurricular activities or character education programs. The contribution or fees paid can benefit your child, but you may not then claim a charitable deduction on Schedule A.

## **Military Credit**

The Military Family Relief Fund helps ease the financial burden of unforeseen expenses for service members and their families when a loved one is injured or killed in war.

- **Credit for Donations to the Military Family Relief Fund:** The maximum credit for single taxpayers is \$200. It's \$400 for joint. The Arizona Department of Veterans' Services administers the fund, so support goes directly to Arizona families in need. Arizona only approves the first \$1 million in donations as credits, so hurry!

The above donations will also qualify for a federal charitable deduction if they do not benefit a family member or designated person. The credits can result in you receiving a larger Arizona refund and reduce the amount you owe the IRS at the same time.

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