

Max Your Tax Savings

Claim these Arizona Credits Before It's Too Late

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The end of the year is fast approaching but there's still time for you to make some smart money moves to save in 2015 – for example, lowering your income tax. It's as simple as taking advantage of several Arizona credits. They may offset your Arizona tax dollar for dollar and are applicable for your 2015 tax return. There are a few updates to the maximum amounts you can claim for certain credits, as well as a new credit.

Credit for Contributions Made or Fees Paid to Public Schools: You can claim this credit if you made contributions or paid fees to a public school to help support extracurricular activities or character education programs. Unlike the other two Arizona education credits, these contributions *can* benefit your child, although you cannot also claim a charitable deduction on Schedule A. Single taxpayers can claim up to \$200, married filing joint – \$400.

New for this credit – if you make a qualifying contribution or pay fees between January 1, 2016 and April 15, 2016, you can claim this credit for either 2015 or 2016.

Credit for Contributions to Private School Tuition Organizations: If you want to claim this credit, your contributions must go to a tuition organization that provides scholarships or grants to qualified schools. The amount single taxpayers can claim is up for 2015 to \$535. For married filing joint, the maximum credit rose to \$1,070.

Credit for Contributions to Certified School Tuition Organizations: You can only claim this credit if you first donated the maximum amount allowed under the Credit for Contributions to Private School Tuition Organizations. For 2015, single taxpayers can claim up to \$532. Married couples filing joint: \$1,064. The combined credits are \$1,067 for single and \$2,134 for joint. Remember, contributions for both tuition-related credits cannot benefit your child. You can also claim this credit for 2015 or 2016, if you make a qualifying contribution between January 1, 2016 and April 15, 2016.

Don't worry if you don't have a child in school. You can still claim all three of the education credits and in the same year.

S Corporation Private School Tuition Credits. There are two new corporate private school tuition tax credits that an S Corporation may be able to claim and pass through the credits to its individual shareholders. If you are a shareholder for an S Corp that decides to do this, the S Corp will provide you with Arizona Form 335-S and/or Form 341-S. The amount you can claim will be shown on those forms.

You can claim one of these credits even if you have already claimed the maximum amount under the two individual private school tuition credits.

Credit for Contributions to a Qualified Foster Care Organization (QFCO): For 2015, single taxpayers can claim a maximum credit of \$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.

Credit for Contributions to a Qualifying Charitable Organization (QCO). Single taxpayers can claim up to \$200 for contributions made to QCOs while the maximum credit for married filing joint is \$400.

The Arizona Department of Revenue includes a list of qualifying organizations on its website. You do not need to claim itemized deductions in order to receive the Credit for Contributions to a Qualifying Charitable Organization or the Credit for Contributions to a Qualified Foster Care Organization. You can claim both credits in the same year subject to the above limitations.

Credit for Donations to the Military Family Relief Fund. The Military Family Relief Fund helps the families of soldiers currently deployed as well as post 9/11 military and veteran families who are experiencing financial difficulties because a loved one was injured or killed in war. Single taxpayers can claim a maximum of \$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 mail your donation in early.

Bigger Refund, Smaller Tax

The donations listed above will also qualify for a federal charitable deduction as long as they do not benefit a family member or designated person. You could also potentially receive a larger Arizona refund while reducing the amount you owe the IRS at the same time.

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