Arizona School Tax-Credit FAQs

Q: What is it?
A: Arizona Tax Law ARS 43-1089.01 allows Arizona taxpayers to claim a credit of up to $200 per single taxpayer or $400 per household if you contribute to extracurricular activities or character education programs in the Arizona public or charter school of your choice.

Q: What are extracurricular activities?
A: Extracurricular activities are school-sponsored, optional activities that require enrolled students to pay a fee for participation. Generally, any optional, noncredit, recreational or educational activities that supplement the educational program of the school are considered to be extracurricular activities per ARS 15-342(24).

Q: What is a character education program?
A: Each district/LEA may develop its own course of study for each grade but, at a minimum, a character education program will include: Instruction in the definition and application of six character traits; Use of activities, discussion and presentations to illustrate and reinforce the application of the character traits, and; Presentations by teachers/mentors who demonstrate character traits.

Q: How much can I give?
A: Married couples filing jointly may contribute $400 and individual filers may contribute $200.

Q: How does it work?
A: Make your contribution to ACE and/or YouthWorks Charter High Schools by 12/31/2017. TYD will send you a receipt via postal mail or by email, dependent on your method of payment, for your contribution. When you file your taxes in the spring and calculate your state liability, you may deduct the full amount of your donation.

Q: What if I owe the State of Arizona?
A: For example: If you have a remaining State liability of $1,000 and you donate a $400 school tax-credit, you can immediately reduce that balance in liability to $600.

Q: What if the State of Arizona owes me?
A: For example: If the State owes you a refund of $500 and you donate a $400 tax-credit, you can increase your refund to $900.

Q: Is there a minimum State income liability applicable?
A: Your minimum State income liability must be greater than your tax credit contribution to receive a credit.

Q: Are there additional costs to me or fees associated with the school tax-credit?
A: No.

Q: Can my friends and family make a school tax-credit contribution to ACE and YouthWorks Charter High Schools?
A: Yes! Any one who pays taxes to the State of Arizona can take full advantage of the school tax-credit to the school of their choice!

Q: If I make a school tax-credit contribution, will it affect other tax-credit contributions I make?
A: Contributing to public and charter schools through this tax-credit does not affect other tax-credits such as credits for contributing to private schools or organizations that serve the working poor.