ARIZONA TAX CREDITS

Redirecting your 2026 tax dollars

Contributions for the 2026 tax year can be made through April 15, 2027

Arizona tax credit contributions are an excellent way to direct your tax dollars where you want them to go and provide an opportunity to offset a significant amount of state tax liability.

TOTAL TAX CREDITS ALLOWED

Single $3,109
Married Filing Joint (MFJ) $6,202

QUALIFYING CHARITABLE ORGANIZATIONS

QCO Formerly Working Poor Tax Credit
ie. Benevilla (AZ Form 321)
Single $506 / MFJ $1,009

QFCO Foster Care Organization Tax Credit
(AZ Form 352)
Single $632 / MFJ $1,262

PUBLIC SCHOOL TAX CREDIT

Contribution Limits
(AZ Form 322)
Single $200 / MFJ $400

PRIVATE SCHOOL TUITION TAX CREDIT

Original Contribution Limits
(AZ Form 323)
Single $787 / MFJ $1,570

Overflow/Switcher Contribution Limits
(AZ Form 348)
Single $784 / MFJ $1,561

Total Contribution Limits
Single $1,571 / MFJ $3,131

MILITARY FAMILY RELIEF FUND

Original Contribution Limits
(AZ Form 340)
Single $200 / MFJ $400

Accepts contributions up to a state mandate cap of $1M per year. The cap is generally reached by early November but this is not guaranteed.

All contributions received after the cap is reached are returned.

How does it work?

- The state of Arizona offers its taxpayers the opportunity to make contributions to schools and other qualifying non-profit organizations that reduce the amount of tax owed to the state (or increase the amount of a taxpayer's refund) on a dollar-for-dollar basis.
- Arizona tax credits cannot reduce tax liability below zero. Unused credits can be carried over for up to 5 years.
- Arizona tax credits are no longer deductible on Federal Tax Returns.

Advantages

- Redirect your tax dollars to causes of your choice
- Can reduce or eliminate the need for Arizona estimated tax payments
- Potential to save thousands of dollars in Arizona tax
- Benefits your favorite IRS approved charity

Requirements

- Must have a tax liability for at least the amount of your donation in order to take a tax credit
- Keep documentation/receipts for tax preparer and your records
- Must prepare and file appropriate Arizona tax forms in order to take the credit
- Contribution deadline of April 15th, 2027 (for 2026)

LANDMARK
CERTIFIED PUBLIC ACCOUNTANTS

CHARITABLE GIVING

Where do you want your estate to go?

Charitable Gifting Benefits

- During your lifetime, it reduces taxes as an itemized deduction (or tax credits)
- If large enough, it becomes part of annual tax planning
- At death, can reduce estate taxes
- Give from your heart or as a financial decision

Charitable Gifting Options

- Cash/Check/Credit Card
- Non-Cash
- Appreciated and/or Depreciated
- Property (i.e. Common Stock)
- Direct IRA
- Donor Advised Funds
- Private Family Foundations
- Charitable Remainder Unitrust (CRUT)
- Gift Annuities
- Estate (Life insurance other bequests)

Charitable Gifting Methods

- Cash/Check/Credit Card
  - Simplest contribution type
  - Up to 60% of donor's AGI
  - Excess contributions can be carried forward up to 5 years
  - May qualify for Arizona Tax Credits**
- Non-Cash
  - Tangible – Household items, cars, etc.
  - Non-Tangible – Stocks, bonds, etc.
  - Real Property
  - Land and generally anything built on
  - Doesn't qualify for Arizona Tax Credits

*** Subject to qualifying organizations and dollar amounts.*

*Examples of Charitable Contributions**

Deductible

Money or property you give to:

Churches, synagogues, temples, mosques, and other religious organizations

Federal, state, and local governments, if your contribution is solely for public purposes (for example, a gift to reduce the public debt or maintain a public park)

Nonprofit schools and hospitals

The Salvation Army, American Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts of America, Girl Scouts of America, Boys and Girls Clubs of America, etc.

War veterans' groups

Expenses paid for a student living with you, sponsored by a qualified organization

Out-of-pocket expenses when you serve a qualified organization as a volunteer

Non-Deductible

Money or property you give to:

Civic leagues, social and sports clubs, labor unions, and chambers of commerce

Foreign organizations (except certain Canadian, Israeli, and Mexican charities)

Groups that are run for personal profit

Groups whose purpose is to lobby for law changes

Homeowners' associations

Individuals

Political groups or candidates for public office

Cost of raffle, bingo, or lottery tickets

Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups

Tuition

Value of your time or services

Value of blood given to a blood bank

* From IRS Publication 526, Table 1.

The information in this document does not replace the advice of your independent tax preparer. All situations are unique. Please contact your personal tax preparer to determine how the strategies listed here will impact you.