



## Charitable Tax Credit FAQ's

**Giving made easy and you can double it in 2016** - Making an AZ Charitable Tax Credit (CTC) contribution to Crossroads is simple to do and something every tax paying Arizonian should take advantage of! Below we answer frequently asked questions about CTC contributions. Please consider giving a CTC donation to Crossroads this year and put your tax dollars to work rebuilding the lives of recovering alcoholics and addicts working towards being sober, healthy, productive, and contributing society members.

**\*\*2016 Update – On May 6, 2016, Governor Ducey signed SB1216 into law, which doubles the Charitable Tax Credit available to Arizona taxpayers! Singles may now take the dollar-for-dollar credit in any amount up to \$400 and couples filing jointly may take the dollar-for-dollar credit in any amount up to \$800 for donations made to Crossroads. Additionally, the due date for donations to be eligible for a credit in 2016 has been extended to 4/15/16.**

**Q:** What is the tax credit for charitable organizations?

**A:** You may claim a dollar-for-dollar tax credit for voluntary donations made in any taxable year to a qualifying 501c3 non-profit organization. Crossroads is an Arizona registered Qualifying Charitable Organization.

**Example #1:** If you have a state tax liability of \$1,800 and you contribute \$400 to Crossroads, your state tax liability immediately reduces to \$1,400.

**Example #2:** What if the state owes you a refund? Your refund is increased by your contribution amount. If you are due a \$200 refund and you contribute \$800, your refund amount immediately increase to \$1,000.

**Q: How do I qualify for Charitable Tax Credits?**

**A:** Everyone who files an Arizona tax return and makes a tax credit donation to Crossroads qualifies for the dollar-for-dollar credit. All you do is report our name (Crossroads) and the dollar amount of your contribution to the Department of Revenue on Form 321. You do not need to itemize your deductions to benefit from the dollar-for-dollar credit.

**Q: How much can I claim for the credit for contributions to Qualifying Charitable Organizations?**

**A:** Taxpayers filing as "single," "head of household," and "married filing separate" status may claim a maximum credit of \$400 and taxpayers filing as "married filing joint" may claim a maximum credit of \$800.

**Q: Do I have to contribute the full \$400 or \$800 based on my filing status?**

**A:** No – the amount you donate is up to you to choose! \$400 and \$800 are the maximum amount of credit a taxpayer can receive based on filing status. Taxpayers filing as "single" and "head of household" status may donate to Crossroads and receive a dollar-for-dollar credit on any amount up to \$400 and taxpayers filing as "married filing joint" may receive credit on any amount up to \$800.

**Q: Do I have to itemize deductions to claim the credit for my Charitable Tax Credit Donation?**

**A:** No. Starting with the 2013 tax year, you do not have to itemize deductions to claim the credit.

**Q: Can I take the Charitable Tax Credit if I take the School Tax Credit?**

**A:** Yes, you can take advantage of both credits up to the maximum amount allowed by each.

**Q: What is the difference between a tax credit and a tax deduction?**

**A:** Tax credits are more beneficial than tax deductions. Tax credits such as the Charitable Tax Credit reduce your taxes dollar-for-dollar. A tax deduction only reduces the taxable income upon which your return is calculated.

**Q: How do I know that Crossroads is eligible for my donation?**

**A:** You can visit the listing of Qualifying Charitable Organizations on the Department of Revenue's website at: <http://www.azdor.gov/LinkClick.aspx?fileticket=V6hWbHqzqfw%3d&tabid=121>

\*\* The above information is adapted from the State of Arizona Department of Revenue website. For more information please visit <http://www.azdor.gov/TaxCredits.aspx>