

Contribute to a School and Get Your Money Back

Here is an awesome idea on how to donate to charity, reduce your federal income, and receive all of your money back when you file your tax return.

The State of Arizona offers some unique tax credits to individuals that decide to contribute to a public or private school. Remember that a tax credit reduces your taxes dollar for dollar, so whatever you give to these schools, will directly reduce your state taxes by the same amount.

You are eligible for the first tax credit if you contribute or pay fees to an **Arizona Public or Charter School** for support of extracurricular activities or character education programs. This credit allows up to \$400 credit for married couples and \$200 for single individuals.

The second type of credit allows you to contribute to a **school tuition organization**. These organizations provide scholarships for students to attend private schools in Arizona that teach for the grades of kindergarten up through the 12th grade. These organizations even allow you to name a student that you want the money to go to. The one stipulation is that you cannot name your own child as a beneficiary. This is a great way to help friends and relatives to cover the cost of sending their child to private school at no expense to you. This credit allows up to a \$1,000 credit for married couples and \$500 for single individuals.

When making these contributions you must do the following:

- Make the donation before December 31st
- Get a receipt from the school that includes the following:
 - o The name and address of the school or school tuition organization
 - o The school district number
 - o The name of the taxpayer
 - o The taxpayer's social security number
 - o The amount paid
 - o The date paid

If you are interested in learning more about state credits or other year-end tax planning please give The Ruboyianes Company a call and we can discuss your personal tax situation.