

We seek justice for the innocent and the wrongfully imprisoned –  
the marginalized and forgotten of the criminal justice system.

## Arizona State Tax Credit for Qualifying Charitable Organizations FAQs with Gregg Curry, CPA



**Gregg Curry**

*Senior Managing Director at Ankura*

Gregg serves as the treasurer on the Arizona Justice Project's Board of Directors. Gregg has extensive experience consulting with businesses on a variety of matters over the past 30 years. Gregg is a Certified Public Accountant and is certified in Accredited Business Valuation and Financial Forensics.

### **Q: So what is the Arizona State Tax Credit?**

A: The Arizona state income tax credit is referred to as the Qualifying Charitable Organizations Tax Credit (formerly known as the Working Poor Tax Credit). The tax credit provides a dollar-for-dollar tax benefit, allowing taxpayers to reduce their state tax liabilities for each dollar donated to qualified charities.

### **Q: Can I claim a Qualifying Charitable Organizations Tax Credit and a school tax credit?**

A: Yes, the Qualifying Charitable Organizations Tax Credit is separate from, and does not compete with, the Public School Tax Credit or the Private School Tax Credit. Therefore, donations to both your child's school and to AJP may entitle you to multiple Arizona tax credits.

### **Q: Who can qualify for taking the Qualifying Charitable Organizations Tax Credit?**

A: Individuals. Donations from corporations are not eligible.

### **Q: Is there a limit to how much I can claim?**

A: Yes. The maximum Qualifying Charitable Organizations Tax Credit per year is \$400 for taxpayers filing as "single," "head of household," or "married filing separate," and \$800 for taxpayers filing as "married filing joint."

### **Q: Do I have to donate \$400 or \$800 at once?**

A: No, you do not have to donate the whole amount at once. Donations given throughout the year that add up to the \$400 and \$800 limits qualify for the tax credit. You can even set up a monthly donation with AJP to spread your gifts out over the year.

**Q: Can I get a credit for donations made that exceed how much I owe in taxes?**

Unfortunately, no. If your tax liability — the amount of taxes you owe for a given year — is less than your donation, the credit can be used only to reduce your liability to zero. You can't get an additional refund. However, your unused tax credits can be carried forward for five years until used.

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

A: A tax credit is significantly more beneficial than a tax deduction. A tax credit reduces your taxes, dollar-for-dollar. A tax deduction reduces the taxable income upon which your tax liability is calculated.

**Q: Do I have to itemize deductions to take advantage of this tax credit?**

A: No, taxpayers do not have to itemize deductions on their Arizona income tax return to claim the Qualifying Charitable Organizations Tax Credit.

**Q: Will the Arizona Justice Project provide me with documentation of my contribution?**

A: Yes, we will provide you with a receipt of your donations.

**Q: What is the Arizona Justice Project's QCO Code?**

A: Our QCO code is 20725. You'll need this code when you do your taxes to claim your tax credit using form 321.

**Q: Where can I find out more information about Arizona Tax Credits?**

A: We recommend you consult your tax adviser regarding questions about how you may be able to benefit from the Qualifying Charitable Organizations Tax Credit. More information about Arizona Tax Credit can be found [here](#).

*AJP is not a tax adviser. Please contact a qualified tax adviser for advice on your specific situation.*

Donate to AJP by clicking this link: <https://www.azjusticeproject.org/donate>