**2017 Credit for Contributions To Qualifying Charitable Organizations**

You cannot claim both a tax credit and an itemized deduction for the amount of contributions made to a qualifying charity for which you are claiming a credit.

If you claim this credit in 2017 for a cash contribution made from January 1, 2018, to April 17, 2018, you must make an adjustment on your Arizona Form 140 Schedule A, 140PY Schedule A(PY) or A(PYN), or 140NR Schedule A(NR), filed in 2018.

The maximum amount of credit that a taxpayer can establish for the current taxable year is $400 for single taxpayers or heads of household. For married taxpayers filing a joint return, the maximum amount of credit that a taxpayer can establish for the current taxable year is $800. In most cases, for married taxpayers who file separate returns, each spouse may claim only one-half (½) of the total credit that would have been allowed on a joint return.

If the allowable tax credit is more than your tax or if you have no tax, you may carry the unused credit forward for up to the next five consecutive taxable years’ income tax liability.

You may qualify for this credit if you make cash contributions to a qualified charity through an Umbrella Charitable Organization (UCO). An UCO is a charitable organization that collects cash contributions on behalf of member charities and directs those contributions as designated by the taxpayer to a qualifying charity that is certified by the department.

In this case, 100% of the contribution to a specific qualifying charity or to a specific fund of the UCO must be distributed to a qualifying charity that is certified by the department.

The UCO should provide you with a receipt that lists the qualifying charity or fund and certifies that 100% of the contribution will be distributed to the named charity. If a fund is designated then the receipt should certify that 100% of the fund is distributed to a qualifying charity that is certified by the department.

For more information, see the department’s publication, Pub 710, Credit for Contributions to Qualifying Charitable Organizations.

**What is a Qualifying Charitable Organization?**

A qualifying charity is a charity that is exempt from federal income tax under Internal Revenue Code (IRC) § 501(c)(3).
A qualifying charity is also a charity that is a designated community action agency that receives Community Services Block Grant Program money under the United States Code, Title 42, Section 9901.

The charity must spend at least 50% of its budget on services to Arizona residents who:
- receive TANF benefits,
- are low income Arizona residents, or
- are chronically ill or physically disabled children.

For the purpose of this credit, qualifying services are services that meet the recipient’s immediate basic needs. The services must be provided and used in Arizona. Services include cash assistance, medical care, childcare, food, clothing, shelter, job training, and job placement services.

**How Can I Tell if a Charity Qualifies?**

To qualify, a charity must provide the department with written certification that it meets the criteria to be considered a qualifying charity. To see a list of the qualifying charities, visit our website and click on **Tax Credits**.

**Line-by-Line Instructions**

Enter your name and Social Security Number (SSN) as shown on Arizona Forms 140, 140PY, 140NR, or 140X.

All returns, statements, and other documents filed with the department require a taxpayer identification number (TIN). The TIN for an individual is the taxpayer’s SSN or an Internal Revenue Service (IRS) individual taxpayer identification number (ITIN). Taxpayers that fail to include their identification number may be subject to a penalty.

**Part 1 - Current Year's Credit**

**A. Cash contributions made January 1, 2017, through December 31, 2017**

Lines 1, 2 and 3 -

Enter the following for each qualifying charity for which you made cash contributions or paid fees from January 1, 2017, through December 31, 2017:
- name of the qualifying charity,
- location of the qualifying charity (city and state), and
- amount of cash contributions made from January 1, 2017, through December 31, 2017.

Do not include those contributions made from January 1, 2017, through April 18, 2017, for which you claimed a credit on your 2016 income tax return.

If you made qualifying cash contributions to more than three qualifying charities, complete the Continuation Sheet on page 3 of the form and include it with the credit form.

**Line 4** -

Enter the amount from line 4h of the Continuation Sheet; otherwise enter “0”.

**Line 5** -

Add lines 1 through 4, column (c) and enter the total.

**B. Cash contributions made January 1, 2018, through April 17, 2018, for which you or your spouse are claiming a credit on the 2017 tax return**

Lines 6, 7, and 8 -

Enter the following for each qualifying charity for which you made cash contributions from January 1, 2018, through April 17, 2018, for which you are claiming a credit on your 2017 tax return:
- name of the qualifying charity,
- location of the charity (city and state), and
- amount of cash contributions made from January 1, 2018, through April 17, 2018.

For calendar year filers - Because April 15, 2017, falls on a Sunday and District of Columbia Emancipation Day will be observed on Monday, April 16, 2018, you have until Tuesday, April 17, 2018, to make a contribution and claim a credit for that amount on your 2017 tax return.

If you made qualifying cash contributions to more than three qualifying charities, complete the Continuation Sheet on page 3 of the form and include it with the credit form.

**Line 9** -

Enter the amount from line 9h of the Continuation Sheet; otherwise enter “0”.

**Line 10** -

Add lines 6 through 9, column (c). Enter the total.

**Line 11** -

Add lines 5 and 10. Enter the total.

**Line 12** -

Single taxpayers and taxpayers filing as head of household enter $400. Married taxpayers enter $800.

**Line 13 – Total Current Year’s Credit**

Enter the smaller of line 11 or line 12.

If you are married filing a separate return, but you could have filed a joint return, you may take only ½ of the total credit that you and your spouse would have been allowed to take on a joint return, up to a maximum of $400. In this case, enter ½ of the smaller of line 11 or line 12.
Part 2 - Available Credit Carryover

**NOTE:** If you have a carryover amount from a prior year for cash contributions made to a qualifying foster care charitable organization for which you claimed a credit on Form 321, you must claim that carryover amount on Form 321.

**Lines 14 through 19 -**

Use lines 14 through 19 to figure your total available credit carryover from taxable years 2012 through 2016. Complete lines 14 through 19 if you claimed this credit on a return for one of these years and the credit was more than your tax.

**NOTE:** You may carry over only that portion of the credit that you do not apply to tax. You cannot carry over any amount that you gave that was more than the maximum amount allowed as a credit.

**For example:** During 2017, Mary, a single person, gave $600 to a qualified charity. For 2017, Mary is allowed a maximum credit of $400. Mary’s 2017 tax is $250. Mary can apply $250 of the credit to her 2017 tax liability and carryover $150 of the unused $400 credit to 2018.

Mary cannot claim any credit for the $200 gift that was more than the allowable credit ($600 minus allowable credit of $400).

- In column (b), enter the credit originally computed for that taxable year listed in column (a).
- In column (c), enter the amount of the credit from that taxable year which you have already used.
- In column (d), subtract the amount in column (c) from column (b) and enter the difference.
- Add the amounts entered on lines 14 through 18 in column (d). Enter the total on line 19, column (d).

Part 3 - Total Available Credit

**Lines 20 through 22 -**

Use lines 20 through 22 to figure your total available credit for the taxable year.

**Line 20 -**

Enter the amount from Part 1, line 13. Also, enter this amount on Arizona Form 301, Part 1, line 12, column (a).

**Line 21 -**

Enter the amount from Part 2, line 19, column (d). Also, enter this amount on Arizona Form 301, Part 1, line 12, column (b).

**Line 22 - Total Available Credit**

Add line 20 and line 21. Enter the total. Also, enter this amount on Form 301, Part 1, line 12, column (c).