

Arizona Charitable **Tax Credit**



NEARLY 700,000
ARIZONANS ARE
WITHOUT HEALTH
INSURANCE

ON ANY GIVEN NIGHT,
9,600 INDIVIDUALS
IN MARICOPA COUNTY
EXPERIENCE
HOMELESSNESS



1 in 7 CHILDREN
EXPERIENCE FOOD
INSECURITY IN
MARICOPA COUNTY

BUT YOU CAN HELP!

Give up to \$421 for individuals and \$841 for those married/
filing jointly* to the Arizona Charitable Tax Credit and get a
dollar-for-dollar tax credit. Plus, you don't need to itemize your
deductions to qualify and you can combine multiple tax credits.



VALLEY OF THE SUN UNITED WAY'S
**ARIZONA CHARITABLE
TAX CREDIT** PROVIDES HARD-
WORKING FAMILIES WITH:



JOB-SKILLS TRAINING



AFFORDABLE CHILD CARE



EDUCATIONAL OPPORTUNITIES

REAL RESULTS IN 2022



975,600

MEALS DELIVERED TO RESIDENTS



16,779

RENTAL AND UTILITY ASSISTS

DESIGNATE TO
**AZ Charitable
Tax Credit Fund**

through your workplace giving campaign

USE CODE

20726 on AZ Form 321

*Arizona state tax credits are available based on your income tax filing status. Valley of the Sun United Way is not a tax advisor. As with any financial recommendation, contact a qualified tax professional for expert advice on your specific tax situation.

Valley of the Sun
United Way



NOW IT'S EVEN EASIER THAN EVER TO RECEIVE A TAX CREDIT

Q. What's the difference between a tax credit and a tax deduction?

A. Tax credits provide a dollar-for-dollar reduction of your income tax liability. Tax deductions lower your taxable income and are equal to a percentage of your marginal tax bracket. You cannot claim both a deduction and a credit for the same charitable contribution on your Arizona return.

Q. Do I have to itemize deductions on my tax return to take advantage of this tax benefit?

A. Taxpayers do not have to itemize deductions to claim a credit for contributions to Qualifying Charitable Organizations (QCOs).

Q. How does my gift to United Way qualify for the state tax credit?

A. Arizona law makes available an Arizona Charitable Tax Credit for cash contributions to a QCO or an Umbrella Charitable Organization (UCO), which is a charitable organization that may collect donations on behalf of member charities through a specific fund of the UCO when 100% of that fund is distributed to QCOs. Because 100% of the Arizona Charitable Tax Credit is distributed to QCOs, Valley of the Sun United Way's fund is a UCO for purposes of the Arizona Charitable Tax Credit for Contributions to QCOs. In order to take advantage of this benefit with your donation to Valley of the Sun United Way, you must direct a portion of your gift – \$421 for individuals and \$841 for couples filing jointly – to the Arizona Charitable Tax Credit.

Q. How are Arizona Charitable Tax Credit funds invested in our community?

A. Trained volunteers, knowledgeable about the needs in our community, carefully invest your contribution in programs that provide a comprehensive set of services to the working poor. Funded programs help families achieve a higher level of self-sufficiency by providing job-skills training, education, affordable child care, transportation, food, clothing, and shelter.

Q. What happens if I don't owe taxes at the end of the year?

A. The Arizona Charitable Tax Credit for Contributions to QCOs may reduce your overall state tax liability and is not impacted by your tax withholdings during the course of the year. If you withheld more than what you owed, the credit may result in an increase in your state tax refund.

Q. How do I document my contribution?

A. Valley of the Sun United Way will send you a letter confirming your contribution to the Arizona Charitable Tax Credit which is eligible for the Arizona Charitable Tax Credit for Contributions to QCOs. This letter documents your contribution and is necessary to support your tax credit. Payroll deductions also require a pay stub receipt. Please make sure you include your name and home address on your United Way Pledge Form. **The QCO Code for donations designated to the Arizona Charitable Tax Credit is 20726.**

Q. How do I file for the credit?

A. Currently there is a simple form (AZ Form 321) that is included with your state tax filing that you or your accountant will complete; please refer to a qualified tax advisor for more details and specific instructions. The form is included with materials provided by the State of Arizona to all state tax filers and is available through most online tax preparation platforms.