

Frequently Asked Questions

Arizona's Working Poor Tax Credit

What is the Arizona Working Poor Tax Credit?

The AZ Working Poor Tax Credit is a dollar-for-dollar charitable contribution made to qualified Arizona 501(c)(3) nonprofit organizations. Taxpayers filing as “single” and “head of household” status may claim a maximum dollar-for-dollar tax credit of \$200. Taxpayers that file as “married filing joint” may claim a maximum dollar-for-dollar tax credit of \$400. Taxpayers filing as “married filing separate” may claim a maximum dollar-for-dollar tax credit of \$200.

How do I qualify for Charitable Tax Credits?

You must itemize deductions on your Arizona state income tax return even though you might not have itemized your deductions on your federal return.

What about the baseline year?

As of September 2009, the baseline year provision was removed so a donation to a qualifying charitable organization is all that is required.

What is the difference between a tax credit and a tax deduction?

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.

How do I know JFCS qualifies for the credit under this program?

You can view and download the listing of qualifying charitable organizations on the [Department of Revenue website](#) at any time. You can ask JFCS to see a copy of the qualifying charitable organization certificate issued by the AZ Department of Revenue. You can also call the Department of Revenue in Phoenix at 602.255.3381.

Can I take the Working Poor Tax Credit if I take the Public School Tax Credit and/or the Private Tuition Organization Charitable Tax Credit?

Yes, they are separate credits and you are allowed to take advantage of all three charitable contributions.

Does the tax credit also apply to my federal income tax returns?

No. The Charitable Tax Credit applies only to your Arizona State income tax. However, you may be able to claim a federal tax deduction for the amount donated.

Where can I get more information about the tax credit?

You can get more information by visiting the [Arizona Department of Revenue website](#) or by calling Taxpayer Assistance at 602.255.3381 or 800.352.4090.

**Please note that JFCS is not a tax advisor. Please contact a qualified tax advisor for advice on your personal tax situation.*