Tax-credit donations help us make Arizona a better place

Today, there are nearly 800 non-profit organizations listed on the Arizona Department of Revenue website as a Qualifying Charitable Organization (QCO), making them eligible for tax credit donations. That's on top of the nearly 40 listed for the Qualifying Foster Care Organization Tax Credit (QFCO).

These tax-credit contributions are needed to deliver essential support to organizations that provide programs for the homeless, feed the hungry, and provide shelter for children in the foster care system. Collectively, Arizona's taxpayers are making a big difference to non-profit organizations throughout the state.

Over the years, there have been many changes to tax credits in Arizona. In 2012, the Working Poor Tax Credit was renamed the Qualifying Charitable Organization Tax Credit and the number of organizations that were eligible to participate increased exponentially.

In 2013, the state law changed again and a new category for the tax credit was created, the Qualifying Foster Care Organization Tax Credit. But changes to state law didn't stop there. In 2016, amounts for the two charitable organization tax credits increased for the QCO from $200 to $400 for single filers and $400 to $800 for joint filers. For the QFCO, amounts increased to $500 for single filers and $1,000 for joint filers. On top of all of this, the deadline to contribute was extended from Dec. 31 to April 15 (or the closest non-weekend day/non-holiday) in order to give taxpayers the opportunity to find out what their tax liability will be before determining whether they would like to make a contribution.

Arizona's QCO Tax Credit program provides incentives to individuals to donate to Arizona non-profits that focus on children and families in need. Since 2014, the Arizona Department of Revenue reports nearly 105,000 taxpayers have directed over $25 million to non-profits.

The QCO Tax Credit has evolved to provide substantial support to those who need it most. Best of all, it is a tax credit against Arizona tax liability, so for every dollar redirected to a non-profit, taxpayers receive a dollar for dollar credit toward their state taxes.

Organizations like Child Crisis Arizona, celebrating 40 years of safe kids and strong families, use the opportunity provided by the tax-credit program to fulfill their missions and vision to improve the lives of Arizonans.

Together, with the help of taxpayers like you, the non-profit sector is able to serve more individuals and work together to increase our impact on the communities we serve.

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