

## **FAQ's for Arizona State Taxpayers – Credit for Contributions to a Foster Qualifying Charitable Organization**

### **What is a Qualifying Charitable Organization?**

A Qualifying Charitable Organization is a charity that that meets ALL of the following provisions:

- Is exempt from federal income taxes under Section a 501(c)(3) or is a designated community action agency that receives community services block grant program monies pursuant to 42 United States Code Section 9901.
- Provide services that meet immediate basic needs.
- Serves Arizona residents who receive temporary assistance for needy families (TANF) benefits, are low income residents whose household income is less than 150% of the federal poverty level, or are chronically ill or physically disabled children.
- Spends at least 50% of its budget on qualified services to qualified Arizona residents.
- Affirm that it will continue spending at least 50% of its budget on qualified services to qualified Arizona residents.

A charity must apply for and meet all requirements of the law to be considered as a Qualifying Charitable Organization. Approved charities' names are listed on the Department of Revenue's website.

### **What kind of services must the Qualifying Charitable Organization Provide?**

“Services” is defined as cash assistance, medical care, child care, food, clothing, shelter, job placement and job training services or any other assistance that is reasonably necessary to meet immediate basic needs and that is provided and used in this state.

### **How much can a taxpayer claim for the credit to contributions to Qualifying Charitable Organizations?**

Taxpayers filing as “single” and “head of household” status may claim a maximum credit of \$400.

Taxpayers filing as “married filing separate” may claim a maximum credit of \$400. Taxpayers that file as “married filing joint” may claim a maximum credit of \$800.