

## ALL ABOUT TAX CREDIT

As the time for tax credit drives at our schools approaches, and because the law changed last year for public school tax credits, SPC would like to offer the following information about tax credit for our parents and our schools.

- ◆ **Any Arizona taxpayer can give up to \$200 per individual/\$400 per married jointly filing couple directly to the public school of his/her choice.** The contribution will cause an automatic reduction in the donor's state tax liability so long as it is made **by December 31** of the year in which the credit is to be taken. A donor receipt for tax purposes is generated by the district.
- ◆ **To determine if tax credit funds may be used to support an activity, ALL of the following questions be answered with a YES:**
  - Is the activity sponsored by the school/district?
  - Is the activity for enrolled students?
  - Is the activity optional?
  - Is the activity noncredit (not for a grade)?
  - Does the activity supplement the school's/district's educational program (including academics, fine arts, physical and character education programs)?
  - Does the school/district charge a fee for participation in the activity?
  - Is the activity fee paid directly to the school/district?
  - Was the fee for the activity adopted by the Governing Board at a public meeting after notice to all parents of enrolled students?
  - Has the Governing Board authorized the principal to waive all or part of the activity fee if it creates an economic hardship for a student
- ◆ **Tax credit can be donated directly to a specific tax credit account or to general extracurricular. Donations toward a specific activity, such as athletics or field trips, may be donated for the benefit of a specific student.** Donations made under a specific student's name are used only to ensure a student has paid the required fee to participate in a specific activity. Please note: Once a tax credit has been given, it CANNOT be refunded. A tax credit donation cannot be given under a student's name to have funds available for that specific student's potential future use. If a donation is made in the name of a student for a specific activity and the specific student does not take part in that activity, the tax credit must remain in the designated account, NOT attached to the designated student, and can be used as long as the activity continues to be viable. If a donation is made to a specific tax credit account, the tax credit will remain in that account and can only be transferred to general extracurricular use if the activity no longer exists and has not existed for two fiscal years.
- ◆ **\* Only for fiscal 2012 and 2013**, according to a law passed in Spring 2011, public schools will be able to sweep any tax credit funds that are in designated tax credit accounts for activities that have been discontinued or have not been used for 2 consecutive years. In addition, schools may choose to use up to 50% of unencumbered tax credit funds (Money not already allocated to specific tax credit accounts, such as sports) to purchase short-term soft capital items such as technology, textbooks, library resources, instructional aids, and student transportation vehicles.
- ◆ **School site councils are legally responsible for determining how any tax credit contributions not designated for a specific purpose (and thus in the General Fund) are to be used.**
- ◆ **Arizona gives individual taxpayers the ability to contribute tax credit to public schools, private schools and charitable organizations.** Taxpayers may avail themselves of all 3 opportunities.

For more information about tax credit, please contact Shannon Crosier ([scrosier@ssud.org](mailto:scrosier@ssud.org) or 480-484-6133) or log onto the district website [www.susd.org](http://www.susd.org), and click on the "Tax Credit" icon.