



FAMILY ISSUE FACT SHEET

No. 2016-06 (February 2016)

SB 1217 – CHARITABLE TAX CREDIT; CONTRIBUTION DATE

EXECUTIVE SUMMARY

Arizona provides an incentive to support organizations that serve lower-income Arizonans by offering a dollar-for-dollar tax credit for contributions to those charitable non-profits. SB 1217 seeks to further encourage support by extending the donation deadline from December 31 to April 15, allowing more assistance to be given to these charitable organizations.

BACKGROUND

Under current Arizona law, individuals may contribute up to \$200 and married couples may contribute up to \$400 to organizations that help the working poor as part of the Arizona Charitable Tax Credit. ([SB 1216](#) is another bill moving through this session that seeks to increase these amounts to \$400 and \$800 respectively.) There are nearly 700 qualifying organizations ranging from Pregnancy Resource Centers to nonprofit food banks.¹ These important organizations provide the needy with services such as cash assistance, medical care, child care, food, clothing, shelter, job placement, and job training services. By providing these services to those most in need, these organizations ease the burden placed on the state to care for the immediate, most basic needs of the poor.

Every year, there is an end-of-December dash for charitable donations due to the tax incentives. SB 1217 seeks to extend the deadline from December 31 to April 15, allowing a more convenient date for those contributions to be made. This allows participants to know their tax burden for the year and make an informed decision on what they have available to donate in order to receive the tax credit. If participants do donate between January 1 and April 15, they can choose which tax year to attribute the contribution. The legislature enacted a similar extension for the Public School Extracurricular Tax Credit in 2015.²

TALKING POINTS

- **Arizona's Charitable Tax Credits serve those that serve our community.** This unique program helps Arizona address the needs of our community, without growing the size of government.
- **The Charitable Tax Credit encourages private charity in place of government programs.** By promoting donations to organizations that help the working poor, this program benefits those with the greatest need without establishing a government program.

CONCLUSION

Charitable organizations, like Pregnancy Resource Centers and food banks, provide a vital service to their communities and to the state of Arizona. SB 1217 encourages contributions under the Charitable Organizations Tax Credit by extending the date donations can be claimed from December 31 to April 15.

¹ Arizona Department of Revenue, List of Qualifying Charitable Organizations for the 2016 Calendar Year, <https://www.azdor.gov/taxcredits/qualifyingcharitableorganizations.aspx> (last visited Feb. 7, 2016).

² Ariz. Rev Stat. § 43-1089.01.