



VALLEY OF THE SUN YMCA ARIZONA TAX CREDIT FAQ

The Credit for Contributions to a Qualifying Charitable Organization (QCO) tax credit allows you to direct your tax dollars to Valley of the Sun YMCA, where the funds will provide the most value through our programs and services for working poor individuals and families. *Please consult your tax advisor for specific questions related to your tax situation.*

Q: What is the Charitable Tax Credit?

A: The Charitable Tax Credit is a charitable contribution you can give to qualifying Arizona charitable organizations. Valley of the Sun YMCA is an approved recipient through "Valley YMCA Cares." You can receive a dollar-for-dollar tax credit on your Arizona state income tax return while helping your local community—at no additional cost to you. Valley YMCA Cares was created so that your gift could go directly to approved Valley of the Sun YMCA programs instead of the state. More information about eligible programs and services is available at www.valleymcacades.org.

Q: What is the maximum tax credit I can receive?

A: The limits are up to \$400 for a single taxpayer and up to \$800 for married couples filing jointly. However, smaller donations are allowed. *Please consult your tax advisor for more information.*

Q: How can I give to Valley YMCA Cares?

A: The easiest way to donate is via credit/debit card at www.valleymcacades.org. Those wishing to give by mail should make checks payable to "Valley YMCA Cares" and send to Valley YMCA Cares, PO Box 1670, Phoenix, AZ 85001-1670. Those wishing to give in person can donate at any YMCA branch <http://www.valleymca.org/location/> during regular business hours.

Q: How do I qualify for Charitable Tax Credits?

A: Anyone who pays Arizona state income tax may be eligible for the tax credit. For example, if you are a married couple filing jointly and owe \$1000 in state income tax, and you donate \$800 to Valley YMCA Cares, you may subtract \$800 from your tax bill and pay the state only \$200. *Please consult your tax advisor for more information.*

Q: Do I have to itemize deductions to claim the credit for contributions to Qualifying Charitable Organizations?

A: No. You do not have to itemize deductions to claim a credit for contributions to a qualifying charitable organization.



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

A: A tax credit is significantly more beneficial than a tax deduction. A tax credit reduces your tax liability dollar-for-dollar and comes off at the bottom line. A tax deduction reduces the taxable income upon which your tax liability is calculated.

Q: What is a "qualifying charitable organization?"

A: A qualifying charitable organization (QCO) is a tax-exempt, 501(c)(3) nonprofit organization or community action agency that allocates at least 50 percent of its budget to services that help:

- Welfare recipients
- Arizona residents who receive temporary assistance for needed families (TANF)
- Low income residents whose household income is less than 150% of the federal poverty level
- The chronically ill
- Physically disabled children with immediate basic needs.

Services, which must be provided and used in Arizona, may include food, clothing, shelter, cash, health care, child care, job placement and/or job training.

Q: How do I know the organization I support qualifies for the credit under this program?

A: The Arizona Department of Revenue publishes a list of qualified organizations. To request a list or to see if an organization qualifies, call the Department of Revenue in Phoenix at (602) 255-3381 or go to <http://www.azdor.gov/TaxCredits.aspx>. You will find us under "Working Poor Support LLC" or "Valley YMCA Cares." Our QCO Code is **20708**.

Q: Does the tax credit also apply to my federal income tax return?

A: No. The Charitable Tax Credit applies only to your Arizona state income tax. However, you *may* be able to claim a federal tax deduction. *Consult your tax advisor for more information.*

Q: Can a business contribute and claim the tax credit?

A: No. Only individual taxpayers may claim this tax credit.

Q: Can Charitable Tax Credit dollars be refunded or can unused amounts be carried forward?

A: Charitable Tax Credit dollars cannot be refunded. They can only be used to reduce your state tax liability to zero. However, any unused credits may be carried forward for up to the next five taxable years.



Q: Can I contribute to more than one qualifying charitable organization?

A: Yes, but the total Charitable Tax Credit allowed is \$400 per individual or \$800 for married couples filing jointly, regardless of the number of organizations you support.

Q: Can I take the Charitable Tax Credit if I take the Public School Tax Credit, the Private Tuition Organization Charitable Tax Credit and/or Credit for Contributions to Qualifying Foster Care Charitable Organizations?

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

Q: Can I donate food, clothing or services to a qualifying charitable organization and claim the tax credit for those donations?

A: No. Only cash contributions qualify for the Charitable Tax Credit.

Q: Can I make my charitable donation through payroll deductions?

A: Yes. You can make cash contributions through payroll deductions towards one or more qualifying charitable organizations. *Please consult your employer to set up your payroll deduction using Arizona Form A-4C.*

Q: Where can I get more information about the tax credit?

A: You can get more information by visiting the Arizona Department of Revenue website at <http://www.azdor.gov> or by calling Taxpayer Assistance at (602) 255-3381.

Q: Will I receive acknowledgement for my tax credit donation?

A: Yes, Valley YMCA Cares will send you written acknowledgement for your donation in a timely manner that can be used for your State and Federal tax returns. Valley YMCA Cares' Tax ID is 37-1778951. Our QCO Code is **20708**. Please email valleymcacaress@vosymca.org for more information.

Q: When is the last day I can donate?

A: Credit-eligible donations made from January 1 through Tax Day (usually April 15) of a calendar year may be used as a tax credit on the prior year's or current year's tax return. For example, qualifying donations made January 1, 2019 to April 15, 2019 may be used for a tax credit on either your 2018 or 2019 Arizona income tax return. Be careful to ensure that if mailed, the POSTMARK date is 4/15 or earlier. If contributing by credit card, the transaction date must be 4/15 or earlier.

Q: How do I file for the credit?

A: You can file for the Charitable Tax Credit when you file your income tax return for the state of Arizona. AZDOR Forms 321 and 301 are necessary to claim the refund (available at the end of the year). You will need to specify Valley YMCA Cares' QCO code number: **20708**.



VALLEY OF THE SUN YMCA TAX CREDIT FAQ FOR BOARD MEMBERS

Q: How does Valley YMCA Cares relate to the Annual Support Campaign?

A: Valley YMCA cares is an additional way to support a select list of program and services across the association and is tracked separately from the branch Annual Support Campaign.

Donors to Valley YMCA Cares may elect to support a particular branch or an approved program during the online giving process. These gifts will support approved services at the locations or programs designated by the donor. We hope our loyal donors will consider an additional gift to Valley YMCA Cares over and above their pledge to the Annual Support Campaign.

Q: Why don't tax credit donations count towards the Annual Support Campaign?

A: The Annual Support Campaign solicits unrestricted giving to support all YMCA programs and services. Tax credit donations are restricted to programs and services for working poor families and individuals. The tax credit provides an additional way for taxpayers to support their favorite charitable organizations. By accepting both types of donations, the YMCA provides donors with two ways to support the same organization.

Q: Can my tax credit donation be counted as an Annual Support Campaign donation?

A: No

Q: How is tax credit program marketed?

A: The tax credit program is marketed through direct mail, an email campaign to all YMCA members, and signage at YMCA branches. Collateral material is available for tax professionals who would like to promote Valley YMCA Cares to their clients. Contact Beth Haugen at 602-212-5114 or bhaugen@vosymca.org for more information.

Q: Can board members solicit tax credit donations?

A: Yes! Every taxpayer should know how they can redirect their taxes to a worthy qualified charitable organization. All donors can also designate which branch they want their tax credit donation to benefit, so all dollars raised come back to your local community! An email script is available; please contact your Branch Executive Director.

Q: How do the tax credit donations get distributed to each branch?

A: All donations are tracked to the branch designated to and distributed quarterly in the following fiscal year. To ensure that all donations are used to support working poor individuals and families, the YMCA Donor Relations Director from the Development Office works with each Branch Executive Director to determine where to place those funds for their branch.



Q: I already give a tax credit contribution to a public school. Can I still give to the Y?

A: Yes, they are separate tax credits and you are allowed to take advantage of all charitable contributions, depending on your tax situation. *Please consult your tax advisor for more information.*

QUICK REFERENCE CHART

	Annual Campaign	Valley YMCA Cares
What type of donation is it?	Charitable deduction	Tax Credit-eligible donation
What is this campaign about?	This is the Y’s philanthropic mission within the community.	This is the Y’s Working Poor Initiative. All dollars raised are targeted to assist working poor families within our community.
What does that mean?	You can deduct it from your taxes.	As a taxpayer, you could be eligible to claim a dollar-for-dollar tax credit from any Arizona state taxes you may owe.
Is there a limit to the amount I can give?	No	Yes, maximum donation is \$400 for a single taxpayer and \$800 for a married couple filing jointly
Can I designate my gift to my branch?	Yes	Yes
Can I give to both?	Yes	Yes

Questions?

Contact your Branch Executive Director or Beth Haugen at 602-212-5114 or bhaugen@vosymca.org.