

## The Working Poor Tax Credit Frequently Asked Questions

**What is the Working Poor Tax Credit?** The Working Poor Tax Credit is a dollar-for-dollar charitable contribution you can give to 501(c)(3) corporations (nonprofits). With Arizona's Working Poor Tax Credit you can receive a dollar-for-dollar tax credit, up to \$200 filing single or \$400 if filing a joint return, on your state income taxes while helping youth and adults — at no additional cost to you. You can either pay the State in taxes or you can help **Gabriel's Angels** by making a donation.

**How do I qualify for Charitable Tax Credits?** You must itemize and deduct your charitable contributions to a qualifying charitable organization, like **Gabriel's Angels**.

**What about the baseline year?** As of September 2009, the baseline year provision was removed so a donation to a qualifying charitable organization, like **Gabriel's Angels**, is all that is required.

**How do I benefit from making a contribution?** Any contributions to **Gabriel's Angels** qualify for a dollar-for-dollar state income tax credit up to \$200 (or \$400 per couple) each year.

**What is the difference between a tax credit and a tax deduction?** A tax credit is significantly more beneficial than a tax deduction. A tax credit reduces your taxes, dollar-for-dollar. A tax deduction reduces the taxable income upon which your tax liability is calculated.

**How do I know the **Gabriel's Angels** qualifies for the credit under this program?**

Qualifying organizations are required to send the Department of Revenue a self-certification letter stating that they meet all qualifying criteria. The Department in turn publishes a list of self-certified organizations. You can request a list from Department of Revenue in Phoenix at (602) 255-3381 or visit <http://www.azdor.gov/TaxCredits/CharitableTaxCredit.aspx>

**Can I take the Working Poor Tax Credit if I take the School Tax Credit?** Yes, they are separate credits and you are allowed to take advantage of both.

**Does the tax credit also apply to my federal income tax returns?** No. The Charitable Tax Credit applies only on your Arizona State income tax. However, you may be able to claim a federal tax deduction for the amount donated.

*Please consult your tax advisor for additional information about Arizona's Tax Credits and how you may qualify.*