



Foundation for Burns & Trauma Tax Credit for Charitable Contributions

Frequently Asked Questions

Q. *What's the difference between a tax credit and a tax deduction?*

A. A tax deduction is an item that helps determine what your final tax liability will be. A tax credit is applied as a reduction to your final tax liability. In this case, a tax credit comes right off the top of your state tax bill, lowering the amount that you will pay or increasing the amount of your refund.

Q. *Do I need to determine my baseline year?*

A. No. As of September 30, 2009, the baseline year requirement has been dropped. If you donate money to a qualifying charitable organization and itemize your deductions on your Arizona tax return, you are eligible to take the credit.

Q. *If I didn't give to a charitable organization last year can I still get a tax credit?*

A. Yes. Eligibility is no longer based on any prior year's contributions.

Q. *How does my gift qualify for the state tax credit?*

A. The Foundation For Burns & Trauma is certified as a "qualifying charitable organization" with the State of Arizona in order to provide the tax credit benefit to our donors. The Foundation is certified in accordance with State legislation that specifies that eligible organizations spend at least 50% of their budget on services to low income Arizona residents and their households or to chronically ill or physically disabled children who are Arizona residents.

Q. *I already file for the tuition tax credit for my child's school. Can I take both credits?*

A. Yes. The tax credit for the working poor is a separate program and eligibility is not impacted by other AZ state tax credits you may take.

Q. *What happens if I don't owe taxes at the end of the year?*

A. The *Helping the Working Poor* tax credit reduces your overall state tax liability and is not impacted by your tax withholdings during the course of the year. If you withheld more than what you owed, the credit will result in an increase in your state tax refund.

Q. *How do I file for the credit?*

A. There is a simple form (AZ Form 321) that you or your tax preparer will complete and include with your state tax filing. The form is included with materials provided by the State of Arizona to all state tax filers.



Important Note to Donors:

The Foundation for Burns & Trauma is not a tax advisor. As with any financial recommendation, contact a qualified tax advisor for expert advice on your specific tax situation.