2020 Individual Income Tax Changes and Common Subtractions and Credits

Ernest Powell, Arizona Department of Revenue Tax Policy
Arizona conformed to the version of the internal revenue code in effect on 1/1/2020 for purposes of:

• Determining the starting point for the Arizona return – federal adjusted gross income (FAGI) for individuals and federal taxable income (FTI) for corporate taxpayers.

• Determining the starting point for itemized deductions for individuals.
• The Arizona standard deduction amounts were adjusted for inflation:
  – $12,400 for single or married filing separately (was $12,200).
  – $18,650 for head of household (was $18,350).
  – $24,800 for married filing joint (was $24,400).
• The standard deduction can be increased by 25% of the charitable deductions the taxpayer would have claimed if they had itemized their deductions. This increased amount cannot be claimed on Form 140EZ or 140A.
2020 Form 140 - Standard Deduction Increase for Charitable Contributions

You must complete this worksheet if you are taking an increased standard deduction for charitable contributions. Include the completed worksheet with your tax return, when filed. If you do not include the completed worksheet, your standard deduction will not be increased.

Taxpayers electing to take the Standard Deduction on their Arizona tax return may increase the standard deduction amount by 25% (.25) of the total amount of the taxpayer’s charitable contributions that would have been allowed if the taxpayer elected to claim itemized deductions on the Arizona tax return.

Charitable contributions (lines 1C, 2C, and 3C) are those gifts allowed on federal 1040 Schedule A (Gifts to Charity) that you would have claimed had you elected to take itemized deductions on your federal return.

**NOTE 1:** If you did not itemize deductions on your federal return and reported the allowable deduction (not to exceed $300) for qualifying charitable contributions on your federal return, you must reduce the total 2020 contributions by the amount for which you took the allowable deduction on your federal return. Enter the amount of your federal deduction on line 5C.

**NOTE 2:** You must reduce your contribution amount by the total 2020 contributions for which you are claiming an Arizona tax credit on Form 321 (line 20) and/or Form 352 (line 20) for the current tax year (2020) or claimed on your return for the prior tax year (2019). The prior tax year amounts can be found on line 10 of your 2019 Forms 321 and 352. Enter this amount on line 6C.

**NOTE 3:** If you itemized deductions on your federal return (1040 Schedule A) and were required to adjust the amount of your allowable contributions on your federal 1040 Schedule A for the amount claimed as a tax credit on your Arizona income tax return, include the amount of the federal contribution adjustment to line 1C and enter the amount of the Arizona tax credit on line 6C.

Complete the worksheet to determine your allowable increased standard deduction for charitable contributions:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1C</strong></td>
<td>2020 Gifts by cash or check</td>
</tr>
<tr>
<td><strong>2C</strong></td>
<td>2020 Other than by cash or check</td>
</tr>
<tr>
<td><strong>3C</strong></td>
<td>Carryover from prior year</td>
</tr>
<tr>
<td><strong>4C</strong></td>
<td>Add lines 1C through 3C and enter the total.</td>
</tr>
<tr>
<td><strong>5C</strong></td>
<td>If you did not itemize deductions on your federal return (1040 Schedule A) and took a deduction for charitable contributions on your federal return, enter the amount of charitable contribution deduction reported on your federal return. (See Note 1).</td>
</tr>
<tr>
<td><strong>6C</strong></td>
<td>Total charitable contributions made in 2020 for which you are claiming a credit under Arizona law for the current (2020) or prior (2019) tax year</td>
</tr>
<tr>
<td><strong>7C</strong></td>
<td>Subtract lines 5C and 6C from line 4C and enter the difference. If less than zero, enter “0”</td>
</tr>
<tr>
<td><strong>8C</strong></td>
<td>Multiply line 7C by 25% (.25) and enter the result</td>
</tr>
</tbody>
</table>

- Enter the amount shown on line 8C on page 2, line 44.
- Be sure to check box 43S for Standard Deduction on line 43.
- Check box 44C for charitable deductions on line 44. If you do not check this box, you may be denied the increased standard deduction.
Changes to Arizona Filing requirements

• Prior years

<table>
<thead>
<tr>
<th>Arizona Filing Requirements</th>
<th>These rules apply to all Arizona taxpayers.</th>
</tr>
</thead>
<tbody>
<tr>
<td>You must file if you are:</td>
<td>and your Arizona adjusted gross income is at least:</td>
</tr>
<tr>
<td>Single</td>
<td>$ 5,500</td>
</tr>
<tr>
<td>Married filing joint</td>
<td>$11,000</td>
</tr>
<tr>
<td>Married filing separate</td>
<td>$ 5,500</td>
</tr>
<tr>
<td>Head of household</td>
<td>$ 5,500</td>
</tr>
</tbody>
</table>

If you are an Arizona resident, you must report income from all sources including out-of-state income.

• 2020

<table>
<thead>
<tr>
<th>Arizona Filing Requirements</th>
<th>These rules apply to all Arizona taxpayers.</th>
</tr>
</thead>
<tbody>
<tr>
<td>You must file if you are:</td>
<td>and your gross income is more than:</td>
</tr>
<tr>
<td>Single</td>
<td>$12,400</td>
</tr>
<tr>
<td>Married filing joint</td>
<td>$24,800</td>
</tr>
<tr>
<td>Married filing separate</td>
<td>$12,400</td>
</tr>
<tr>
<td>Head of household</td>
<td>$18,650</td>
</tr>
</tbody>
</table>

If you are an Arizona resident, you must report income from all sources including out-of-state income.

To see if you have to file, figure your gross income the same as you would figure your gross income for federal income tax purposes. Then, you should exclude income Arizona law does not tax. Income Arizona law does not tax includes:

• interest from U.S. Government obligations,
• social security retirement benefits received under Title II of the Social Security Act,
• benefits received under the Railroad Retirement Act, tier 1 or tier 2 railroad retirement benefits, railroad disability benefits reported on federal forms RRB-1099 and RRB-1099-R, railroad unemployment benefits and railroad sickness payments paid by the Railroad Retirement Board, or
• pay received for active service as a member of the Reserves, National Guard or the U.S. Armed Forces.

• For 2020, non-residents prorate the threshold numbers by multiplying the number from the chart by the percentage that the Arizona gross income is of the federal adjusted gross income.
### Arizona Itemized Deduction Adjustment

**Arizona Schedule A**

**Itemized Deduction Adjustments**

For Full-Year Residents Filing Form 140

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Name as shown on Form 140</td>
<td>Your Social Security Number</td>
</tr>
<tr>
<td>Spouse’s Name as shown on Form 140 (if filing joint)</td>
<td>Spouse’s Social Security Number</td>
</tr>
</tbody>
</table>

To itemize on your Arizona return, you must first complete a federal Schedule A. Use Form 140, Schedule A, to adjust the amount shown on the federal Schedule A. Complete Form 140, Schedule A, only if you are making changes to the amount shown on the federal Schedule A. See instructions for details.

#### Adjustment to Medical and Dental Expenses

1. Medical and dental expenses allowed to be taken as a federal itemized deduction
2. Medical expenses allowed to be taken as a federal itemized deduction
3. If line 1 is the same as or more than line 2, subtract line 2 from line 1; otherwise, go to line 4
4. If line 2 is more than line 1, subtract line 1 from line 2

#### Adjustment to Interest Deduction

5. If you received a federal credit for interest paid on mortgage credit certificates (from federal Form 8332), enter the amount of mortgage interest you paid for 2020 that is equal to the amount of your 2020 federal credit

#### Adjustment to Charitable Contributions

6. Amount of charitable contributions for which you are claiming a credit under Arizona law

#### Adjustment to State Income Taxes

7. Amount of state taxes deducted on the federal Schedule A that are for contributions to a charity for which an Arizona credit was received. If your tax deductions were limited on your federal Schedule A, complete the worksheet on page 2 to determine the amount of your adjustment on this line

#### Other Adjustments

8. Amount allowed as a federal itemized deduction that relates to income not subject to Arizona tax

**Adjusted Itemized Deductions**

9. Add the amounts on lines 3 and 6
10. Add the amounts on lines 4, 5, 7, and 8
11. Total federal itemized deductions allowed to be taken on federal return
12. Enter the amount from line 9 above
13. Add lines 11 and 12
14. Enter the amount from line 10 above
15. Arizona itemized deductions: Subtract line 14 from line 13. Enter the difference here. Also, enter the amount from Form 140, page 2, line 43

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**Line 7 – Adjustment to State Income Taxes**

Arizona Revised Statute § 43-1042 was amended to require taxpayers to reduce the amount of itemized deductions for amounts used to claim an Arizona credit even if the amount was deducted on the federal return as taxes paid rather than charitable contributions.

Did you claim sales taxes rather than income taxes on your federal Schedule A?

- If yes, stop no adjustment is necessary. Go to line 8.
- If no, complete the worksheet on page 2 of Form 140 Schedule A to determine the amount of your adjustment to enter on line 7.
2020 Form 140 Schedule A  
Adjustment to State Income Taxes

Arizona Revised Statute § 43-1042 was amended to require taxpayers to reduce the amount of itemized deductions for amounts used to claim an Arizona credit even if the amount was deducted on the federal return as taxes paid rather than charitable contributions.

If you claimed income taxes on your federal 1040 Schedule A, complete the following worksheet to determine the amount of your adjustment to enter on page 1, line 7.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1A</td>
<td>Total Taxes on the federal Schedule A before applying the federal limitations</td>
</tr>
<tr>
<td>2A</td>
<td>Amount included in the line 1A for which you claimed an Arizona credit</td>
</tr>
<tr>
<td>3A</td>
<td>Subtract line 2A from line 1A. Enter the difference</td>
</tr>
<tr>
<td>4A</td>
<td>Limit from federal Schedule A. Enter $10,000 ($5,000 if married filing separate)</td>
</tr>
<tr>
<td>5A</td>
<td>Enter the smaller of line 3A or 4A</td>
</tr>
<tr>
<td>6A</td>
<td>Enter total taxes claimed on federal Schedule A (after limitation)</td>
</tr>
<tr>
<td>7A</td>
<td>Subtract line 5A from line 6A. This is the amount of your Arizona adjustment. Enter the amount on page 1, line 7</td>
</tr>
</tbody>
</table>
### 2019 Tax Amounts

**Table X** - Use Table X if your filing status is Single or Married Filing Separate

<table>
<thead>
<tr>
<th>(a) If taxable income is:</th>
<th>(b) Taxable income.</th>
<th>(c) Multiply the amount entered in column (b) by:</th>
<th>(d) Enter the result</th>
<th>(e) Subtract</th>
<th>(f) Your tax.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over</td>
<td>But not Over</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>0.00 =</td>
</tr>
<tr>
<td>$0</td>
<td>$26,500</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>$199 =</td>
</tr>
<tr>
<td>$26,500</td>
<td>$53,000</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>$639 =</td>
</tr>
<tr>
<td>$53,000</td>
<td>$159,000</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>$1,163 =</td>
</tr>
<tr>
<td>$159,000 and over</td>
<td>and over</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>$2,163 =</td>
</tr>
</tbody>
</table>

**Table Y** - Use Table Y if your filing status is Married Filing Joint or Head of Household

<table>
<thead>
<tr>
<th>(a) If taxable income is:</th>
<th>(b) Taxable income.</th>
<th>(c) Multiply the amount entered in column (b) by:</th>
<th>(d) Enter the result</th>
<th>(e) Subtract</th>
<th>(f) Your tax.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over</td>
<td>But not Over</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>0.00 =</td>
</tr>
<tr>
<td>$0</td>
<td>$53,000</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>$398 =</td>
</tr>
<tr>
<td>$53,000</td>
<td>$106,000</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>$1,277 =</td>
</tr>
<tr>
<td>$106,000</td>
<td>$318,000</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>$2,377 =</td>
</tr>
<tr>
<td>$318,000 and over</td>
<td>and over</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>$3,377 =</td>
</tr>
</tbody>
</table>

### 2020 Tax Amounts

**Table X** - Use Table X if your filing status is Single or Married Filing Separate

<table>
<thead>
<tr>
<th>(a) If taxable income is:</th>
<th>(b) Taxable income.</th>
<th>(c) Multiply the amount entered in column (b) by:</th>
<th>(d) Enter the result</th>
<th>(e) Subtract</th>
<th>(f) Your tax.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over</td>
<td>But not Over</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>0.00 =</td>
</tr>
<tr>
<td>$0</td>
<td>$27,727</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>$205 =</td>
</tr>
<tr>
<td>$27,727</td>
<td>$54,544</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>$657 =</td>
</tr>
<tr>
<td>$54,544</td>
<td>$163,632</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>$1,197 =</td>
</tr>
<tr>
<td>$163,632 and over</td>
<td>and over</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>$2,197 =</td>
</tr>
</tbody>
</table>

**Table Y** - Use Table Y if your filing status is Married Filing Joint or Head of Household

<table>
<thead>
<tr>
<th>(a) If taxable income is:</th>
<th>(b) Taxable income.</th>
<th>(c) Multiply the amount entered in column (b) by:</th>
<th>(d) Enter the result</th>
<th>(e) Subtract</th>
<th>(f) Your tax.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over</td>
<td>But not Over</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>0.00 =</td>
</tr>
<tr>
<td>$0</td>
<td>$54,544</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>$409 =</td>
</tr>
<tr>
<td>$54,544</td>
<td>$109,088</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>$1,315 =</td>
</tr>
<tr>
<td>$109,088</td>
<td>$327,263</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>$2,394 =</td>
</tr>
<tr>
<td>$327,263 and over</td>
<td>and over</td>
<td>X .0259</td>
<td>=</td>
<td>-</td>
<td>$3,394 =</td>
</tr>
</tbody>
</table>
The statute was amended to make it clear that even though some dependents could meet the qualifications for an “other exemption”, a “qualifying parent or grandparent exemption” and the “other dependent credit,” only one can be claimed for the same person.

1. Other Exemption
   • There is a $2,300 exemption available for each person 65 years of age or older regardless of the person’s relationship with the taxpayer:
     – If the taxpayer pays for more than one-fourth of the total cost of maintaining that person in a nursing care institution, residential care institution or assisted living facility if such payments exceed $800 in the taxable year.
     – If the taxpayer otherwise makes payments exceeding $800 in the taxable year for home health care or other types of medical care.

2. Qualifying Parent or Grandparent
   • There is a $10,000 exemption available for each parent or ancestor of a parent of the resident taxpayer who:
     – Is 65 years of age or older,
     – Requires assistance with activities of daily living (See ITR 14-3 and ITP 14-2),
     – Lives in the taxpayer’s principal residence for the entire taxable year, and
     – The taxpayer pays more than one-half of the person’s total support and maintenance costs (See ITP 14-1).
3. Other Dependent Credit

There is a $25 credit allowed for dependents that are 17 years of age or older.

Remember, credits are dollar for dollar deductions from the tax, while exemptions are a reduction to the taxable income. To compare the exemption to the credit, multiply the exemption by the taxpayer’s tax rate to determine the reduction in tax. For example, the value of the other exemption amount at each tax rate is determined as follows:

- $2,300 x 2.59% = $60
- $2,300 x 3.34% = $77
- $2,300 x 4.17% = $96
- $2,300 x 4.50% = 104
Credit for Contributions to School Tuition Organizations

• The maximum credit amount that may be taken for tax year 2020 for making a donation to a School Tuition Organization for scholarships to private schools is $593 (was $569) for single, unmarried head of household and married filing separate filers and $1,186 (was $1,138) for married filing joint filers.

• The tax credit for contributions to private school tuition organizations is claimed by the individual taxpayer on Form 323.

• Taxpayers who make contributions to private school tuition organizations (Form 323), between January 1, 2021 and April 15, 2021, may claim the allowable credit on either the 2020 or 2021 tax return.

• Publication 707 provides detailed questions and answers regarding both the private and the public school credits.
Credit for Contributions to School Tuition Organizations

• An individual may claim an additional credit for making a donation to a School Tuition Organization if the amount contributed is greater than the maximum amount that can be claimed on Form 323.

• The maximum credit amount that may be taken for tax year 2020 is $590 (was $566) for single, unmarried head of household and married filing separate filers and $1,131 (was $1179) for married filing joint filers. The tax credit for contributions to certified school tuition organizations-individuals is claimed by the individual taxpayer on Form 348.

• Taxpayers who make contributions to certified school tuition organizations (Form 348), between January 1, 2021 and April 15, 2021, may claim the allowable credit on either the 2020 or 2021 tax return.

• Both of the STO credits are non-refundable, but any amount in excess of tax may be carried forward for five years.
The Most Common Subtractions on the Arizona Return
The subtraction for benefits, annuities and pensions received as retired or retainer pay of the uniformed services of the United States was increased to $3,500.

The subtraction for all other United States Government or Arizona (including subdivisions) pensions remains at $2,500. Pensions from other states do not qualify.

It is possible for a taxpayer to qualify for both deductions if they have a pension from the U.S. Military and another pension from non-military U.S. or Arizona government job.

Note: The Uniformed Services of the United States consists of the armed forces (Army, Navy, Air Force, Marine Corps, and the Coast Guard), the commissioned Corps of the Public Health Service (USPHS) or the commissioned Corps of the National Oceanic and Atmospheric Administration.
• Social Security and railroad retirement benefits not already excluded on the federal return. See Income tax Ruling (ITR) 16-1 for more information regarding railroad retirement benefits, railroad disability benefits, railroad unemployment benefits and railroad sickness payments (paid by the U.S. Railroad Retirement Board).

• Interest income received on obligations of the United States included in the federal return less related expenses deducted in the federal return.
  – See ITR 06-1 for more information on what qualifies.
  – See ITR 02-2 regarding interest passed through from mutual funds.
  – See ITR 96-3 regarding IRAs with investments in U.S. Government Obligations. The distributions are not deductible.
  – See ITR 96-2 regarding pensions with investments in U.S. Government Obligations. The distributions are not deductible.
• Compensation received for active service as a member of the armed forces of the United States, the Reserves, or the National Guard to the extent include in federal adjusted gross income.
  – See ITR 12-2 for information regarding what income by Reserves or the National Guard qualify for Active Duty. Full-time civil service employment as a military technician does not qualify for the subtraction. Income of a dual status military technician does not qualify for the subtraction for the portion from civil service employment.
  – Unlike the pension subtraction, this subtraction does not apply to all “Uniformed Services.” This subtraction is for the armed forces. Therefore, this subtraction does not apply to the commissioned corps of the National Oceanic and Atmospheric Administration or the commissioned corps of the Public Health Service. See ITR 10-1.
  – “Armed forces” means the Army, Navy, Air Force, Marine Corps and the Coast Guard.
• Subtraction for 25% of the net long-term capital gains included in federal adjusted gross income that is derived from investments in assets acquired after 12/31/2011.

  – For example, taxpayer sells three different stocks in 2020. Stock A was acquired in 2013 and was sold with a $10,000 capital gain. Stock B was acquired in 2015 and was sold with a ($5,000) capital loss. Stock C was acquired in 2010 and was sold with a ($9,000). The net capital loss reported on the federal return is ($3,000) the excess ($1,000) loss is carried forward to a future year. Even though the net capital gain(loss) reported on the federal return is a loss of ($3,000), the taxpayer will still be entitled to an Arizona subtraction because the net-long term capital gain from assets acquired after 12/31/2011 is $5,000 ($10,000 - $5,000). The capital gain subtraction on the Arizona return would be $1,250 ($5,000 x 25%).

  – An asset received by gift or at the death of the transferor is considered acquired when the asset was acquired by the transferor.

  – If the date the asset was acquired cannot be verified a subtraction is not allowed.
The Most Common Credits on the Arizona Return
Dependent Credits

- $100 for each dependent under 17 years of age at the end of the year.
- $25 for each dependent that is at least 17 years of age at the end of the year.
- Reduced by 5% for each $1,000 (or fraction of $1,000) that the taxpayer’s FAGI exceeds $400,000 if filing married joint or $200,000 for all others.

No separate form is required, the credit is claimed on the tax return. Cannot be claimed on Form 140EZ. Complete boxes 10a and 10b on the return and the dependent information lines or the credit may be rejected.

Must be prorated for those that file a part year or non-resident return.
• This credit does not require a separate form (a worksheet is provided with the tax return instructions).
• To qualify the taxpayers Arizona adjusted gross income after adding back claimed blind, over 65, and the “other” exemptions must be below specified levels. Ranging from $10,000 or less for a single person with no dependents to $31,000 for a couple filing a joint return with 4 or more dependents.
• The credit is $40 for each person who is a resident of Arizona and who is either the taxpayer, the taxpayer’s spouse who is not filing a separate return or a dependent not to exceed $240 for married filing joint or head of household and $120 for single or married filing separate.
• This credit is non-refundable and any amount in excess of tax cannot be carried forward to future years.
• Refundable Credit
  • May be claimed on Forms 140, 140A, 140EZ or the 140PY. A separate credit form is not necessary.
  • If the taxpayer is claiming a property tax credit on Form 140PTC, the excise tax credit is included on that form.
  • If the taxpayer is not required to file a tax return and is not filing a property tax credit, the taxpayer may submit Form 140ET to claim the credit.
• The credit is $25 for each taxpayer and dependent, but not more than $100.
• The taxpayers federal adjusted gross income must be $25,000 or less if married couple or single person filing head of household; $12,500 or less if single or married filing separate.
• The claimant must have a valid social security number. The spouse and qualifying children must have a valid social security number or individual taxpayer identification number (ITIN).
• A person that is sentenced for at least 60 days during the taxable year to prison or jail will not qualify. See Publication 709 for more details.
Taxpayers use Form 140PTC to file an original claim for the property tax credit.

• The credit is refundable. If you are not required to file an income tax return, Form 140PTC can be filed by itself.
• The credit must be claimed on a timely filed return (including extensions).
• The credit ranges from $56 to $502 but cannot be more than the property tax actually paid.
• You were a resident of Arizona for the whole year. (January 1, 2020 to December 31, 2020).
• You were either 65 or older by December 31, 2020, or if you were under age 65, you were receiving Title 16 Supplemental Security Income (SSI) payments during 2018. (You must meet only one of these requirements.)

NOTE: If a taxpayer’s 65th birthday was January 1, 2021 (born 1/1/56), that person would be considered to be age 65 at the end of 2020 for federal income tax purposes and likewise for Arizona income tax purposes.
• Your total household income was less than $3,751 if you lived alone. If others lived with you, your total household income was less than $5,501.

• You paid property taxes or rent on your main home in Arizona during 2020. You may also have paid both property taxes and rent for the whole year of 2020. If you only paid rent during 2020, you must have rented for the whole year. You also meet this requirement if one of the following applies:
  – You were a resident of a nursing home in Arizona. The nursing home was subject to and paid property taxes. You used your social security or other personal funds to pay the nursing home.
  – You were a shareholder of a cooperative corporation in Arizona. The unit that you lived in was your main home during 2020.
  – You were a member of a condominium association in Arizona. Your unit was your main home during 2020.
Renters Certificate of Property Taxes Paid

**2020**

**Renters Seeking a Tax Rebate on Form 140PTC:**
1. Ask your landlord to complete Part 3 of this form.
2. Complete Parts 1 and 3 if you qualify. See instructions.
3. Use this information to complete your Form 140PTC.
4. Include this certificate with your Form 140PTC and keep a copy for your tax records.

**IMPORTANT:** For 2020, be sure to have your landlord complete this form well before April 16, 2021, or request an extension to protect the credit. Landlords may not have the information immediately available.

### Part 1: To be Completed by Tenant

<table>
<thead>
<tr>
<th>Field Name and Initial</th>
<th>First Name</th>
<th>Last Name</th>
<th>Social Security Number</th>
</tr>
</thead>
</table>

### Part 2: To be Completed by Your Landlord

1. Name of Landlord
2. Number and Street Address
3. City, County, State, ZIP Code
4. Business Name of Rental Property (if applicable)
5. Number and Street Address
6. City, County, State, ZIP Code

**If any of your tenants received rent subsidies in 2020, check this box:**

7. Check box if property was exempt from property tax during 2020.
8. If you checked box 8, tenants may not claim the property tax credit on any form or schedule.
9. If you occupy any portion of the property you rent or lease to others, check this box.

10. Enter property tax factor

**Signature of Responsible Party:**
I declare that I have examined this statement and to the best of my knowledge and belief, it is correct and complete.

**SIGNATURE OF OWNER, LESSEE, OR MANAGER OF RENTAL PROPERTY**

**DATE**

**BEST OR TYPE NAME OF SENDING PARTY**

**OWNERS OF PROPERTY MANAGER’S PHONE NUMBER**

### Part 3: Tenant Claiming Property Tax Credit Must Complete Part 3

13. Enter total rents paid in 2020 not including subsidies

14. Enter property tax factor from Part 2, line 10

15. Multiply line 13 by line 14. Enter the result here and on Form 140PTC, line 13. This is the amount of rent which constitutes property taxes

ADOR 10417 (20)
For more information:
• See the instructions on our website for Form 140PTC.
• ITR 12-1 - Defining Household Income for the Purpose of the Property Tax Credit
• ITR 94-6 - Requirements for Housing Authorities to Furnish Tenants With a Renter's Certificate of Property Taxes Paid
Charitable Credits

- Taxpayers who make contributions to qualified charitable organizations (QCOs) (Form 321), or qualifying foster care charitable organizations (QFCOs) (Form 352), between January 1, 2021 and April 15, 2021, may claim the allowable credit on either the 2020 or 2021 tax return using forms 321 (QCO) or 352 (QFCO).

- **Form 321** – maximum credit $400 for single/head of household; $800 for married filing joint.

- **Form 352** – maximum credit $500 for single/head of household; $1,000 for married filing joint.

- These credits are not refundable, but unused credits may be carried forward for five years.
For a list of QCOs or QFCOs go to the following:

- Or go to [www.azdor.gov](http://www.azdor.gov) and click on “Tax Credits” then “Contributions to QCOs and QFCOs.”

### List of Qualifying Charities

<table>
<thead>
<tr>
<th>Year</th>
<th>QCO</th>
<th>QFCO</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>QCO</td>
<td>QFCO</td>
<td>*</td>
</tr>
<tr>
<td>2019</td>
<td>QCO</td>
<td>QFCO</td>
<td>*</td>
</tr>
<tr>
<td>2018</td>
<td>QCO</td>
<td>QFCO</td>
<td>*</td>
</tr>
<tr>
<td>2017</td>
<td>QCO</td>
<td>QFCO</td>
<td>*</td>
</tr>
<tr>
<td>2016</td>
<td>QCO</td>
<td>QFCO</td>
<td>*</td>
</tr>
<tr>
<td>2015</td>
<td>QCO</td>
<td>QFCO</td>
<td>*</td>
</tr>
<tr>
<td>2014</td>
<td>QCO</td>
<td>QFCO</td>
<td>Umbrella</td>
</tr>
<tr>
<td>2013</td>
<td>QCO</td>
<td>QFCO</td>
<td>Umbrella</td>
</tr>
<tr>
<td>2012</td>
<td>QCO</td>
<td>N/A</td>
<td>Umbrella</td>
</tr>
</tbody>
</table>
Don’t forget to include the QCO or QFCO codes when completing the credit forms.

- The codes are available with the organization lists mentioned in the previous slides.
- See the note at the end of the list for the code to be used if the donation is made through an umbrella charitable organization.

**LIST OF QUALIFYING CHARITABLE ORGANIZATIONS FOR 2019**

—Qualifying organizations for cash donations made between January 1, 2019 and December 31, 2019—

<table>
<thead>
<tr>
<th>QCO Code</th>
<th>Name of Organization</th>
<th>Address</th>
<th>URL*</th>
<th>Phone #</th>
</tr>
</thead>
<tbody>
<tr>
<td>20266</td>
<td>1st Way Pregnancy Center</td>
<td>PO Box 5294, Phoenix, AZ 85016</td>
<td>URL</td>
<td>(602) 261-7522</td>
</tr>
<tr>
<td>20135</td>
<td>Freedom, Inc. dba Sold No More</td>
<td>PO Box 68888, Oro Valley, AZ 85737</td>
<td>URL</td>
<td>(520) 917-6528</td>
</tr>
<tr>
<td>20075</td>
<td>A New Leaf, Inc.</td>
<td>868 E University Drive, Mesa, AZ 85203</td>
<td>URL</td>
<td>(480) 969-4024</td>
</tr>
<tr>
<td>20920</td>
<td>Abaka Developmental Preschool &amp; Childcare Foundation</td>
<td>6620 W Shaw Butte Drive, Glendale, AZ 85304</td>
<td>URL</td>
<td>(602) 677-2968</td>
</tr>
<tr>
<td>20732</td>
<td>Abide Maternity Home</td>
<td>499 2nd Street, Camp Verde, AZ 86322</td>
<td>URL</td>
<td>(928) 202-9402</td>
</tr>
</tbody>
</table>
The public school credit is for fees paid or cash contributions made by the taxpayer to an Arizona public school for:
- Standardized testing
- Career and technical education industry certification assessment
- Cardiopulmonary resuscitation training
- Extracurricular resuscitation training
- Extracurricular activities
- Character education programs
- For the period July 1, 2019 through June 30, 2022 contributions may be used for acquiring certain capital items (books, equipment etc.), community school meal programs, student consumable health care supplies and playground equipment (including shades for the equipment).

The credit is $200 for single or head of household and $400 for married filing joint. The credit is claimed on Form 322. Unused credit may be carried forward five years.

Taxpayers who make qualified contributions or pay qualified fees to public school (Form 322), between January 1, 2021 and April 15, 2021, may claim the allowable credit on either the 2020 or 2021 tax return.
• Don’t forget to include the CTDS code assigned to the school when claiming the public school credit. CTDS stands for County Code, Type Code, District Code and Site Number.

For a list of Public Schools and CTDS codes go to the following:
• Or go to [www.azdor.gov](http://www.azdor.gov) and click on “Tax Credits” then “Public School Tax Credits” then click on List of Schools and CTDS.

<table>
<thead>
<tr>
<th>CTDS</th>
<th>School Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>108731101</td>
<td>A CHILD’S VIEW SCHOOL-CLOSED</td>
</tr>
<tr>
<td>120201114</td>
<td>A J MITCHELL ELEMENTARY SCHOOL</td>
</tr>
<tr>
<td>100206038</td>
<td>A. C. E.</td>
</tr>
<tr>
<td>078707202</td>
<td>AAEC - PARADISE VALLEY</td>
</tr>
<tr>
<td>078993201</td>
<td>AAEC - SMCC CAMPUS</td>
</tr>
</tbody>
</table>
How to Find the Documents Mentioned in this Presentation

• Rulings available at: https://azdor.gov/legal/rulings

• Procedures available at: https://azdor.gov/legal/procedures

• Publications available at: https://azdor.gov/reports-statistics-and-legal-research/publications

• Information on Tax Credits available at: https://azdor.gov/tax-credits
Questions?