

16. May we make an agreement to recommend someone else's child in exchange for their recommending our child?

No, that may violate the intent of the statute's prohibition on designating one's dependent.

17. How will a grant/scholarship to students be made?

In order for families to receive a grant, they must apply. Application forms for grants will be available at each school and will be forwarded to the H.E.L.P. Foundation for consideration. Grants will be awarded to students whose parents complete the application form and return it according to the guidelines on the application form. Applications are also available on our website.

18. If my child has been recommended for a grant/scholarship, do I still need to fill out an application for a scholarship?

Yes, there must be a fully completed application on file for a student to be eligible for an award.

19. When are the tax credit scholarships actually awarded to the students?

The H.E.L.P. Foundation awards scholarship money to students twice per year. Donations received from January 1- July 31, will be awarded to students in the Fall. Donations received from August 1 - December 31, will be awarded in the Spring.

If you have additional questions regarding the program please contact the H.E.L.P. Foundation's Coordinator for the Arizona Tuition Tax Credit Program at 623-694-3487.

REMEMBER: Your donation must be postmarked by December 31 to be claimed as a credit for this year.

YOUR TAX. YOUR CHOICE.

Choose where your Arizona income tax dollars go.



an Arizona School Tuition Organization
P.O. Box 90335 / Phoenix, AZ 85066-0335
623-694-3487 / www.HelpFoundationOnline.org

FAQ

Frequently Asked Questions & Answers

regarding the Arizona Private School Tuition Tax Credit Law



1. What is the Arizona Private School Tuition Tax Credit?

House Bill 2074, the Arizona Tuition Tax Credit Law, passed and signed into law in 1997 as A.R.S. Section 43-1089. The law offers single taxpayers or heads of households an annual credit of up to \$500. For married taxpayers that file a joint return, the credit is \$1,000. These donations can be used for tuition grants/scholarships at private schools.



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2. How does this affect my tax obligations?

Tax credits differ from tax deductions. A deduction reduces the amount of income subject to taxation, while a credit is a dollar-for-dollar reduction in the taxes owed. For example, if a taxpayer owes the state of Arizona \$1,000 for state taxes, by law you are able to donate your \$1,000 to help offset tuition at one of our Lutheran schools instead of giving it to the state.

3. How does this tax credit program benefit students?

These donations will provide tuition aid for students (K-12 only) who otherwise could not afford to attend and will reduce the tuition burden of families already sending their children to private schools.

4. If we decide to donate to the H.E.L.P. Foundation, what is the process?

Complete our donation form and mail it along with your check payable to the H.E.L.P. Foundation. To receive a tax credit for the current year, the donation must be postmarked to us by December 31. Credit card donations can also be made on the donation form or at www.HelpFoundationOnline.org.

5. Do we receive a receipt besides our cancelled check?

Yes, you will receive a receipt by the following January 31.

6. Can two married taxpayers filing a joint return both be eligible to claim the maximum credit?

No. The statutes allow only the \$1,000 and \$400 (public schools) maximums for the credits for taxpayers choosing to file a joint return.

7. Can two married taxpayers filing separate returns both be eligible to claim the credit?

No. Taxpayers that file married/separate returns can claim only one-half of the allowable credit on each return.

8. How much of my donation goes for tuition grant/scholarships and how much goes to the H.E.L.P. Foundation for administrative costs?

By law, we are allowed to withhold up to 10% of donations received in order to administrate the program. However, only 8% will be withheld.

9. What if my tax liability to the state is less than \$1,000?

You can send any amount up to the maximum of \$1,000 allowed. For example, if you pay only \$400 of state tax each year, you could donate all of that \$400 to the H.E.L.P. Foundation.

10. Can a taxpayer claim both the \$1,000 private school donation and the \$400 public school extra-curricular activities donation in the same taxable year?

Yes. Taxpayers can donate a total of \$1,400 to offset their state taxes. Public school donations need to be made at the public schools, not with us.

11. What if my employer already withheld enough money to cover my state taxes, can I receive a refund upon doing my taxes?

Yes, you will receive a refund of any amount you donate as long as your tax liability equals that amount. For example, if you contributed \$1,000 to the H.E.L.P. Foundation for the AZ Tuition Tax Credit Program and your tax liability was only \$700, then you would only receive a \$700 refund. Any unused amounts, in this case – \$300, may be carried forward for not more than five consecutive years. However, if your tax liability is over \$1,000, you would receive a refund of the \$1,000 that you donated.

12. Is our donation also eligible for a federal income tax deduction?

We are a federally tax exempt 501 (c) (3) charitable organization. You should consult your tax adviser for specific tax advice concerning deductibility for you.

13. Which Arizona state income tax forms do I use?

Forms 301 and 323. They are available from our website at www.HelpFoundationOnline.org, or from the AZ Department of Revenue at 602-542-4260 or www.revenue.state.az.us.

14. May I recommend my donation go to a particular school?

Yes, the H.E.L.P. Foundation's purpose is to assist families in WELS and ELS schools throughout the state of Arizona. See donation form or our website for the listed schools. Donations identifying a particular school will be awarded among applicants from that school.

15. May I recommend my donation go to a specific student at a particular school?

Yes, you may recommend any K-12 student who is not your legal dependent. The Arizona statute prohibits any designation of your own dependent as a potential recipient. Actual decisions awarding tuition grants/scholarships are subject to the absolute discretion of the H.E.L.P. Foundation.

**Your taxes, their
Christian education.**