

How the Arizona State Tax Credit Can Benefit You!

How taxes (typically) work:

Arizona state tax liability (line entitled "subtotal of tax" on AZ form 140)	\$3,000
Arizona state withholdings taken out of paychecks over the course of the year	\$2,500
End result will be the tax payer still owes the state \$500	

Examples of how the credit can work for you:

Arizona state tax liability (line 49 of AZ form 140)	\$3,000
Original tax credit donation (claimed on form 323)	\$1,186
PLUS/Switcher tax credit donation (claimed on form 348)	\$1,179
Reduces your liability owed to \$635	
Arizona state withholdings	\$2,500
End result will be the tax payer will expect a refund of \$1,865	

Arizona state tax liability (line 49 of AZ form 140)	\$6,000
Original tax credit donation (claimed on form 323)	\$1,186
PLUS/Switcher tax credit donation (claimed on form 348)	\$1,179
Reduces your liability owed to \$3,635	
Arizona state withholdings.....	\$2,500
End result will be the tax payer still owes the state \$1,135	

Arizona state tax liability (line 49 of AZ form 140)	\$250
Original tax credit donation (claimed on form 323)	\$1,186
PLUS/Switcher tax credit donation (claimed on form 348)	\$1,179
Reduces your liability owed to \$0, but with a carryover credit of \$2,115	
*You may only claim a credit for the maximum donation made, or the amount of liability owed, whichever amount you reach first.	
Arizona state withholdings	\$500
End result will be the tax payer will expect a refund of \$500	