Institute for Better Education

Making A Difference

IBE

From the desk of Kimberly

Dear Friends:

Welcome to the Institute for Better Education. Whether a parent, a donor or both, we know that you have a choice when it comes to School Tuition Organizations (STOs). IBE is committed to providing you with a high level of service and "user friendly" policies and practices. I'm available to discuss Arizona laws which guide the tax-credit program. My email address is kim@ibescholarships.org.

What sets IBE apart from the rest is:

- IBE awards more of your tax dollars than most STOs and donates a large portion of our 8% operating monies to Financial Aid Scholarships
- Only one application is needed per year for Individual, Plus, Corporate, and Disabled/Displaced
- Recommended Scholarships are offered to the schools every month from July-May
- Financial Aid Scholarships for the full year are typically offered in July
- Donors can donate online, by phone, postal mail, or in person
- Donors do not need to provide any extra information other than an address to send their tax credit receipt
- We accept checks, cash, and all credit cards

Friendly service is a hallmark of IBE. Our goal is to exceed your expectations! Again, thank you for choosing IBE. Together, we will positively impact the lives of children and families across our great state.

Kindest regards,

Kimberly J. Kirschner
Executive Director

Life of a Tax Credit

MAXIMUM AMOUNTS SET BY ARIZONA DEPARTMENT OF REVENUE CHANGE SLIGHTLY EACH YEAR.

LINE 48 AZ FORM 140

Donation amount based on taxes owed shown on line 48

SINGLE
$611 to IND
$608 to PLUS
$1,219 Total Max

MARRIED
$1,121 to IND
$1,214 to PLUS
$2,435 Total Max

Donation is made to IBE

DONOR

ADDITIONAL FORMS NEEDED TO REPORT CREDIT TO STATE OF ARIZONA

A TAX CREDIT DONATION RESULTS IN EITHER A REDUCTION OF AZ STATE TAXES OWED OR INCREASE IN ARIZONA STATE REFUND!

Receive Tax Credit receipt from IBE

Take to Accountant/ Tax Preparer

Tax Credits are listed on line 51 of AZ form 140

All tax credits are reported on AZ 301 Orginal/ Individual on AZ 323 PLUS/SWITCHER on AZ 343

APPLICANT

IBE Scholarship Committee reviews all incoming donations

IBE confirms current & complete application

Recommended donation awarded to recipient/ applicant

92% OF DONATION AWARDED!

IBE confirms attendance at private school and tuition owed

SCHOLARSHIP IS PAID OUT TO PRIVATE SCHOOL!

How The Arizona State Tax Credit Can Benefit You!

How taxes (typically) work:	
Arizona state tax liability (line #48 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 taxpayer still owes the state	$500

Examples of how the credit can work for you: **Example 1**	
Arizona state tax liability (line 48 of AZ form 140)	$3,000
Original tax credit donation (claimed on form 323)	$1,121
PLUS/Switcher tax credit donation (claimed on form 348)	$1214
Reduction of liability owed	$665
Arizona state withholdings	$2,500
End result will be the taxpayer will expect a refund of	$1,835

Example 2	
Arizona state tax liability (line 48 of AZ form 140)	$6,000
Original tax credit donation (claimed on form 323)	$1,121
PLUS/Switcher tax credit donation (claimed on form 348)	$1,214
Reduction of liability owed	$3,665
Arizona state withholdings	$2,500
End result will be the taxpayer will still owe to State	$1,165

Example 3	
Arizona state tax liability (line 48 of AZ form 140)	$250
Original tax credit donation (claimed on form 323)	$1,121
PLUS/Switcher tax credit donation (claimed on form 348)	$1,214
Reduces your liability owed to $0, but with a carryover credit of *You may only claim a credit for the maximum donation made, or the amount of liability owed, whichever amount you reach first.	$2,085
Arizona state withholdings	$500
End result will be the taxpayer will expect a refund of	$500

How much can I donate?

Any amount helps $100, $500, $1,000 or use the full tax credit!

IBE will help explain the different scholarship programs and how the tax credit works. Contact IBE today. Receive a dollar-for-dollar tax credit for your donation.

SINGLE TAXPAYERS		
2021 Original Tax Credit		$611.00
2021 Plus/Switcher Tax Credit		$608.00
	Total	**$1,219.00**
2022 Original Tax Credit		$626.00
2022 Plus/Switcher Tax Credit		$620.00
	Total	**$1,243.00**

MARRIED TAXPAYERS		
2021 Original Tax Credit		$1,221.00
2021 Plus/Switcher Tax Credit		$1,214.00
	Total	**$2,435.00**
2022 Original Tax Credit		$1,245.00
2022 Plus/Switcher Tax Credit		$1,238.00
	Total	**$2,483.00**

Our mission is to eliminate the financial barriers that distance students from their full potential.

Why IBE:

SINCE 1998

IBE has been a leader for over 20 years.

$151.2 MILLION

For the 2020-21 year, IBE awarded close to $21 million in scholarships and since inception, IBE has helped school children receive $151.2 million.

300+ SCHOOLS

IBE works with schools all across AZ, with many of the private schools being faith-based schools.

The largest demographic population IBE serves are vulnerable and low-income students across four programs.

$

IBE awards more of your tax dollars than most STOs. There is a difference. Trust IBE today.

Put the power of private school tax credits to work for Arizona's children

How to help a child at no cost to you

- Have an Arizona tax liability
- Contact STO
- Less than 2 min process
- Recommend tax credit
- Scholarships

All students must be enrolled full-time in private school

Original Individual Tax Credit Scholarship (Financial Aid/Recommended Funds)

Credit Amount

- Taxpayers who donate between January 1st and April 15th must choose which tax year they plan to claim the credit

Tax Year 2021

- $611 for single filers
- $1,221 married filing jointly

Tax Year 2022

- $623 for single filers
- $1,245 married filing jointly

Eligible / Grades K-12

Financial Aid

- IBE utilizes the income guidelines in order to assess financial aid requests.

  However, families of all incomes may apply.

Household Size	Gross Income
2	$59,620
3	$75,158
4	$90,696
5	$106,234
6	$121,773
7	$137,311

Recommended Funds

- There is no family financial cap for scholarships funded through a donor's recommendation

Ineligible

- Preschoolers other than those with disabilities

“PLUS” / Switcher Tax Credit Scholarship

Credit Amount

- Taxpayer MUST first donate the maximum credit amount for the original individual income tax credit before the “PLUS”/Switcher credit can be claimed
- Taxpayers who donate between January 1st and April 15th must choose which tax year they plan to claim the credit

Tax Year 2021

- $608 for single filers
- $1,214 married filing jointly

Tax Year 2022

- $620 for single filers
- $1,238 married filing jointly

Eligible / Must meet a minimum of 1 requirement

- Received a “PLUS”/Switcher, Low-Income corporate or Corporate Displaced/Disabled scholarship in a previous academic year and continued to attend a qualified private school
- Transferring from an Arizona public or charter school, home school, out of state, out of country, or ESA program
- Disabled preschooler enrolled in a qualified disabled preschool
- Dependent of active duty military stationed in Arizona on orders
- Entering kindergarten

Ineligible

- Children who have been attending private school and do not meet one of the requirements of eligibility of the “PLUS”/ Switcher Tax Credit Scholarship
- Children who have previously received individual scholarships and do not meet one of the requirements of eligibility of the “PLUS”/Switcher Tax Credit Scholarship
- Preschoolers other than those with disabilities

Low-Income Corporate Scholarship

Must meet state-mandated low-income Corporate guidelines and meet at least one of the following:

Household Size	Gross Income
2	$59,620
3	$75,158
4	$90,696
5	$106,234
6	$121,773
7	$137,311

Eligible / Must meet a minimum of 1 requirement

- Received a previous Low-Income Corporate, "PLUS"/Switcher or Individual scholarship in a previous academic year and continued to attend a qualified private school
- Transferring from an Arizona public or charter school, home school, out of state, out of country, or ESA program
- Disabled preschooler enrolled in a qualified disabled preschool
- Dependent of active duty military stationed in Arizona on orders
- Entering kindergarten

Ineligible

- Children who have been attending private school and have not received a qualifying scholarship in previous years
- Preschoolers other than those with disabilities

Disabled / Displaced Corporate Scholarship

For preschool students who have a public school IEP or MET or for K-12 who have a public school IEP, MET or 504 plan or have been in Arizona state foster care system.

Eligible | Must meet a minimum of 1 requirement

- Student has an IEP, MET or 504 plan from an Arizona public school

Or

- Student was placed at one time in the Arizona foster care system (to be verified by the Arizona Department of Child Safety)

Ineligible

- Displaced preschooler

Donors
How it works:

If you have a tax liability to the State of Arizona, you can recommend these funds to be used for private school education. The state requires use of an STO (School Tuition Organization). IBE, a qualified non-profit STO, helps make it easy.

1. Contact IBE by phone or online (Simple two minute process)
2. Complete form with your recommendation (student, school, or general fund) for your donation
3. Pay with your credit card or check for your donation and receive tax credit receipt for your taxes

For applicants, with IBE, it is as Easy as

1 One annual application

2 Scholarships awarded

3 Funds sent to school

Making A Difference

Institute for Better Education

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Notice (A.R.S 43-1603): A school tuition organization cannot award, restrict, or reserve scholarships based solely on a donor's recommendation. A taxpayer may not claim a tax credit if the taxpayer agrees to swap donations with another taxpayer to benefit either taxpayer's own dependent.