

**Credit for Certified School Tuition Organization - Individuals**

**Contributions**

to

Include

Arizona Form  
**348**

with your return.

contributions that exceed the maximum allowable credit on Arizona Form 323

For the

calendar year 2014 or fiscal year beginning iM.Mi D.Di 2.0.1.41 and ending iM.MiD.Di2.Q.Y.Yi

Your Name as shown on Form 140, 140NR, 140PY or 140X

Your Social Security Number

||

Spouse's Name as shown on Form 140, 140NR, 140PY or 140X (if joint return)

Spouse's Social Security Number

**Before you can claim this credit, you must claim the maximum allowable credit on Arizona Form 323, Credit for Contributions to Private School Tuition Organizations.** If you made contributions totaling more than the maximum allowable credit on Form 323, you may claim a credit on Form 348 for some or all of those contributions that exceed the maximum allowable credit on Form 323.

**If you have a carryover amount(s) from a credit claimed on Form 348 from prior tax year(s),** you do not have to claim the maximum allowable credit on Form 323 to only claim a carryover amount available on Form 348. See instructions under "Notice to All Taxpayers."

**Part 1 Eligibility**

- 1a** Are you claiming a current year's credit on your 2014 Form 323 for contributions to private school tuition organizations? ..... **1a**
- If you answered, "No", skip line 1b and goto line 1c.
  - If you answered, "Yes", complete line 1b.
- 1b** Did you make contributions in excess of the allowable credit claimed on Form 323? ..... **1b**
- If you answered, "No", **STOP**; do not complete this form. You cannot claim this credit.
  - if you answered, "Yes", complete this form to claim an allowable credit for the amount of contributions that exceed the amount of the allowable credit claimed on Form 323.
- 1c** Are you claiming only a carryover from Form 348 from prior tax year? ..... **1c**
- If you answered, "No", to lines 1a, 1b, and 1c, **STOP**, do not complete this form.
  - If you answered, "Yes", skip Part 2 and complete Part 3 and Part 4.

**Part 2 Current Year's Credit**

List **ajl** qualifying school tuition organizations to which you made contributions during 2014 and from January 1, 2015 to April 15, 2015. You must include the school tuition organizations to which you made contributions and claimed a 2014 current year's credit on Form 323. If you made contributions to more than three school tuition organizations, *include a separate schedule.*

**2** Name of school tuition organization: j \_\_\_\_\_ i  
Address of school tuition organization:

**2a** Contributions made from January 1, 2014 through December 31, 2014..... **2a**  
**2b** Contributions made from January 1, 2015 through April 15, 2015 for which you are claiming a credit on your 2014 return..... **2b**  
**2c** Total contributions made to organization named on line 2: Add lines 2a and 2b; enter the total ..... **2c**  
**3** Name of school tuition organization: i \_\_\_\_\_ 00i  
00  
Address of school tuition organization: i \_\_\_\_\_ i 00

<b>3a</b> Contributions made from January 1, 2014 through December 31, 2014..... <b>3a</b>	00
<b>3b</b> Contributions made from January 1, 2015 through April 15, 2015 for which you are claimina a credit on vour2014 return..... <b>3b</b>	00
<b>3c</b> Total contributions made to organization named on line 3: Add lines 3a and 3b; enter the total..... <b>3c</b>	00

**4** Name of school tuition organization:  
Address of school tuition organization: L  
00

**4a** Contributions made from January 1, 2014 through December 31, 2014..... **4a**  
**4b** Contributions made from January 1, 2015 through April 15, 2015 for which you are claiming a credit on your 2014 return ..... **4b**  
**4c** Total contributions made to organization named on line 4: Add lines 4a and 4b; enter the total..... **4c**

00 Continued on page 2 ^

**Part 2 (Continued)**

- 5 Add lines 2c, 3c, 4c, and any amounts from a separate schedule. Enter the total..... 5 0
- 6 Allowable credit claimed on Form 323 for the current year: Enter the amount from Form 323, Part 1, line 5 6 0
- 7 Potential credit: Subtract line 6 from line 5, and enter the difference ..... 7 00
- 8 Single taxpayers or heads of household, enter \$525. Married taxpayers filing joint, enter \$1050 ..... 8 00
- 9 Current Year's Credit to Claim on Form 348: Enter the smaller of line 7 or line 8. In most cases, if you are married filing a separate return, enter one-half (1/2) of the smaller of line 7 or line 8. See instructions. 9 00

**Part 3 Available Credit Carryover**

	(a) Taxable Year from which you are carrying the credit	(b) Original Credit Amount	(c) Amount Previously Used	(d) Available Carryover: Subtract column (c) from column (b).
10	2012	00	00	00
11	2013	00	00	00
12				
13				ESC >
14			fj	
15	TOTAL AVAILABLE CARRYOVER: Add lines 10 through 11 in column (d)			00

**Part 4 Total Available Credit**

- 16 Current year's credit: Enter the amount from Part 2, line 9..... 16 00  
Enter this amount on Arizona Form 301, Part 1, line 29, column (a).
- 17 Available credit carryover from Part 3, line 15, column (d) ..... 17 00  
Enter this amount on Arizona Form 301, Part 1, line 29, column (b).
- 18 Total Available Credit: Add line 16 and line 17 ..... 18 00  
Enter this amount on Arizona Form 301, Part 1, line 29, column (c).

**2014 Credit for Contributions  
to Certified School Tuition Organization - Individuals**  
(For contributions that exceed the maximum allowable credit on Arizona Form 323)

348

**Arizona Form**

**Phone Numbers**

**For information or help, call one of the numbers listed:**  
Phoenix (602)255-3381  
From area codes 520 and 928, toll-free (800) 352-4090

**Tax forms, instructions, and other tax information**

If you need tax forms, instructions, and other tax information, go to the department's website at [www.azdor.gov](http://www.azdor.gov).

**Income Tax Procedures and Rulings**

These instructions may refer to the department's income tax procedures and rulings for more information. To view or print these, go to our website and click on *Legal Research* then click on *Procedures* or *Rulings* and select a tax type from file drop down menu.

**Publications and Brochures**

To view or print the department's publications and brochures, go to our website and click on *Publications*.

**Notice to All Taxpayers**

*NOTE: To claim this credit, you must first claim the maximum credit allowed on Arizona Form 323, Credit for Contributions to Private School Tuition Organizations. The amount of credit you must claim on Form 323 depends on your filing status. See Form 323 for these amounts.*

*If you have a carryover amount(s) from a credit claimed on Form 348 from prior tax year(s), you do not have to claim the maximum allowable credit on Form 323 to only use a carryover amount on Form 348. If you are claiming only a carryover amount on Form 348, and are not claiming any current year's credit on Form 323, submit only Form 348.*

*For an example of how to calculate the current year credit and carryover credit, if any, see the last page of these instructions.*

**AZ Form 348 Credit Carryover Amount(s) from Prior Tax Year(s)**

If you claimed an allowable credit on Form 348 on your 2012 and/or 2013 tax return and your 2012 and/or 2013 tax liability was less than your allowable credit, you may have a carryover amount available.

You may use the available credit carryover amount to reduce your 2014 tax liability even if you do not claim a credit on Form 323 for 2014.

**General Instructions**

Arizona law provides an individual income tax credit for the voluntary cash contributions made to a certified school tuition organization in order to improve education by raising tuition scholarships for children in Arizona. This credit is available only to individuals. Corporations may not claim this credit. A partnership may not pass the credit through to its partners. An S corporation may not pass the credit through to its shareholders.

The credit is equal to the amount contributed after the maximum amount that can be claimed on Form 323 is contributed. For 2014, the credit cannot exceed \$525 for

single taxpayers or heads of household. For married taxpayers that file a joint return, the credit cannot exceed \$1,050. In most cases, for married taxpayers who file separate returns, each spouse may claim only one-half (1/2) of the credit that would have been allowed on a joint return.

■ *NOTE: The credit eligible contributions made to a certified school tuition organization from January 1, 2015 to April 15, 2015 may be claimed as a tax credit on either your 2014 or 2015 Arizona income tax return.*

If the allowable tax credit is more than your tax or if you have no tax, you may carry the unused credit forward for up to the next 5 consecutive taxable years' income tax liability. A certified school tuition organization is an organization that meets **all** of the following.

- The organization is tax exempt under Section 501(c)(3) of the Internal Revenue Code.
- The organization allocates at least 90% of its annual revenue for educational scholarships or tuition grants.
- The organization makes its scholarships or grants available to students of more than one qualified school.

A "qualified school" means a preschool that offers services to students with disabilities, nongovernmental primary or a secondary school that is located in Arizona. The school cannot discriminate on the basis of race, color, handicap, familial status, or national origin and requires all teaching staff and personnel that have unsupervised contact with students to be fingerprinted. A "qualified school" does not include a charter school or programs operated by a charter school. The primary school must begin with kindergarten and the secondary school must end with grade 12.

In the case of a preschool that offers services to students with disabilities, a "student with disabilities" is a student who has any of the following conditions.

- Hearing impairment
- Visual impairment
- Developmental delay
- Preschool severe delay
- Speech and/or language impairment

' *NOTE: The Arizona Department of Revenue is required to certify school tuition organizations. The department maintains a list of currently certified school tuition organizations on its website at [www.azdor.gov](http://www.azdor.gov).*

To qualify for the credit, all contributions must be made to a certified school tuition organization. To determine if your

contributions made in 2014 and/or 2015, qualify for this credit, you should verify that the school tuition organization you made a contribution to is certified. For a list of school tuition organizations certified to receive donations for the individual income tax credit, see the department's website.

Your donation to the school tuition organization will not qualify for the credit if you designate the donation for the direct benefit of your dependent.

*' NOTE: Your donation will also not qualify if you designate i a student beneficiary as a condition of your contribution to j the school tuition organization. Additionally, the tax credit is j not allowed if you agree with another person to designate \ each other's contributions to the school tuition organization / for the direct benefit of each other's dependent, a practice . commonly known as swapping.*

You cannot claim both a tax credit and an itemized deduction for the amount of contributions made to a certified school tuition organization for which you are claiming a credit. If you claim this credit in 2014 for a donation made from January 1, 2015, to April 15, 2015, you must make an adjustment on your Arizona Form 140; Schedule A, *Itemized Deduction Adjustments*, filed in 2015.

Before claiming this credit, make sure the school tuition organization issues you a receipt for the contributions. The receipt should show all of the following.

- The name and address of the school tuition organization
- The name of the taxpayer
- The amount paid
- The date paid .

Please keep this receipt with your tax records.

*j NOTE: You may be able to make credit eligible ! contributions to a certified school tuition organization j through payroll withholding. Check with your employer to • see if your employer has agreed to withhold contributions . that qualify for this credit from your pay.*

## **Line-by-Line Instructions**

Enter your name and Social Security Number (SSN) as shown on Arizona Forms 140, 140PY, 140NR, or 140X.

All returns, statements, and other documents filed with the department require a taxpayer identification number (TIN). The TIN for an individual is the taxpayer's SSN or an Internal Revenue Service (IRS) individual taxpayer identification number (ITIN). Taxpayers that fail to include their identification number may be subject to a penalty.

### **Part 1 - Eligibility**

#### **Lines 1a through 1c -**

For lines 1a through 1c, follow the instructions on the form.

### **Part 2 - Current Year's Credit**

*NOTE: You must include all school tuition organizations to \ which you made contributions and for which you claimed a j 2014 credit on Form 323. .*

#### **Line 2 -**

Enter the name and address of the school tuition organization to which you made a contribution, and for which you are claiming a current year's credit.

- **Line 2a** — Enter the amount of contribution(s) made from January 1, 2014 through December 31, 2014.

- **Line 2b** - Enter the amount of contribution(s) made from January 1, 2015 through April 15, 2015.

- **Line 2c** - Add lines 2a and 2b and enter the total. Arizona Form 348

#### **Lines 3 (a, b and c) and 4 (a, b, and c) -**

Complete lines 3 and 4 following the instructions for lines 2 and 2a through 2c.

If you made contributions to more than 3 school tuition organizations, include a separate schedule. The schedule should show the same information required on lines 2 through 4.

#### **Line 5 -**

Add lines 2c, 3c, and 4c, and enter the total. Include the total from any separate schedule in the amount on line 5.

#### **Line 6 -**

Enter the amount of credit claimed on Arizona Form 323, Part 1, line 5.

#### **Line 7 -**

Subtract line 6 from line 5 and enter the difference. This is your potential credit amount.

#### **Line 8 -**

Single taxpayers and taxpayers filing as heads of household enter \$525. Married taxpayers enter \$1,050.

#### **Line 9 - Current Year's Credit**

Enter the smaller of line 7 or line 8. If you are married filing a separate return but could have filed a joint return, you may take only one-half (1/2) of the total credit that would have been allowed on a joint return, up to a maximum of \$525 each. In this case, enter one-half (1/2) of the smaller of line 7 or line 8.

### **Part 3 - Available Credit Carryover**

*Note: Arizona law requires that a taxpayer must claim the maximum credit amount allowed on Arizona Form 323 before claiming a credit for excess contributions on Form 348.*

*You do not have to claim a current year credit on Form 323 to only claim a credit carryover amount from prior taxable years on Form 348.*

#### **Lines 10 through 15-**

Use Part 3 to figure your total available credit carryover from taxable year 2012 and/or 2013.

Complete line 10 to figure your available credit carryover from taxable years 2012 and/or 2013 if you claimed the credit on your 2012 and/or 2013 return, and the credit was more than your tax.

- In column (b), enter the credit originally computed for that taxable year listed in column (a).
- In column (c), enter the amount of the credit from that taxable year which you have already used.
- In column (d), subtract the amount in column (c) from column (b) and enter the difference.
- Add the amounts on lines 10 through 14 in column (d).

Enter the total from column (d) on line 15.

**Part 4 - Total Available Credit**

**Line 16 -**

Enter the amount from Part 2, line 9.

**Line 17 -**

Enter the amount from Part 3, line 15, column (d).

**Line 18 -**

Add line 16 and line 17. Enter the total here and on Arizona Form 301, Part 1, line 29, column (c).

*NOTE: To claim this credit, you must first claim the maximum credit allowed on Arizona Form 323, Credit for Contributions to Private School Tuition Organizations. The amount of credit you must claim on Form 323 depends on your filing status. See Form 323 for these amounts.*

**For example:** During 2014, Mary, a single person, gave \$1400 to a school tuition organization. Mary's tax liability for 2014 is \$400. Mary claimed the maximum credit amount

of \$528 allowed on Arizona Form 323. Since Mary made a contribution that totaled more than the allowable credit on

Arizona Form 348

Arizona Form 323, she may take a credit, up to the maximum amount allowed, on Form 348 (for 2014, \$525 for single or head of household; or \$1,050 for married filing joint.)

For 2014, Mary **would** compute her **available current year's credit** for Form 348 as follows:

Once Mary computes her credit, she must then determine how much of that credit may be applied to the current year's tax and how much, if any, may be carried over to a future year. In this case, Mary has already applied a credit (from Arizona Form 323) against her total tax liability of \$400. Therefore, Mary will have a \$525 carryover on Form 348 for the next taxable year.

Mary will compute her **2014 carryover credit** amount as follows:

Current Year's Credit		\$525
Mary's 2014 tax liability	\$ 400	
Tax credit used - from Arizona Form 323	(% 4001	
Balance of tax	\$ 0	
Amount of current year credit used from Form 348 to off-set taxes		<b>\$ 0</b>
Amount of current year credit from Form 348 available to carryover to next year.		02S

Mary may not carryover the \$347 gift that was more than the allowable credit.

2014 total contributions made to school tuition organization	\$ 1,400
Allowable credit claimed on Form 323 for tax year 2014	f\$ 5281
Contributions eligible to use for computing Form 348 credit	\$ 872
Maximum allowable credit from Form 348 that Mary may claim for 2014	\$ 525
Amount of the contributions exceeding the allowable credit. Mary may not use the amount of the gift, \$347, which was more than the allowable \$525 credit (\$872 <i>minus</i> \$525) to figure her credit on Form 348.	\$ 347