



**ARIZONA STATE SENATE**  
*Fifty-Second Legislature, Second Regular Session*

**AMENDED**  
FACT SHEET FOR S.B. 1216

charitable donations; tax credit amount

Purpose

Increases the amount of tax deductible credit for voluntary cash contributions made by a taxpayer to a qualifying charitable organization and foster care charitable organization and allows taxpayers to receive separate credits for contributions made to qualifying charitable organizations and foster care charitable organizations.

Background

The tax credit for charitable organizations is claimed as a tax credit for voluntary cash contributions made during any taxable year to a qualifying charitable organization. A qualifying charitable organization is defined as a charity that is a 501(c)(3) or a community action agency that receives community service block grant program monies that spend at least 50 percent of its budget on services to Arizona residents who either receive temporary assistance for needy families (TANF) benefits, are low income residents whose household income is less than 150 percent of the federal poverty level or are children who have a chronic illness or physical disability, and show that the charity plans to continue spending at least 50 percent of its budget on services to those described above. A charity has to apply for and meet all requirements of the law to be considered a qualifying charitable organization.

The anticipated fiscal impact to the General Fund is unknown at this time.

Provisions

1. Increases the credit taxpayers can claim for cash contributions to qualified charitable organizations from \$200 to \$400 for a single individual or a head of household and \$400 to \$800 for a married couple filing jointly.
2. Increases the credit taxpayers can claim for cash contributions to a qualifying foster care charitable from \$400 to \$500 for a single individual or head of household and \$800 to \$1000 for a married couple filing a joint return.
3. Specifies that taxpayers are eligible to receive both of the following tax credits separately:
  - a) A tax credit for contributions made to a qualifying charitable organization.
  - b) A tax credit for contributions made to a qualifying foster care charitable organization.
4. Becomes effective on the general effective date, retroactive to taxable years beginning January 1, 2016.

Amendments Adopted by Committee

- Increases the credit taxpayers can claim for cash contributions to a qualifying foster care charitable from \$400 to \$500 for a single individual or head of household and \$800 to \$1000 for a married couple filing a joint return.

Amendments Adopted by the House of Representatives

- Allows taxpayers to receive separate credits for contributions made to qualifying charitable organizations and foster care charitable organizations.

Senate Action

FIN                    2/10/2016    DPA    5-0-0  
3<sup>rd</sup> Read            2/22/2016                    29-1-0

House Action

WM                    3/14/2016    DP    9-0-0-0  
3<sup>rd</sup> Read            5/5/16                    41-18-1-0

Prepared by Senate Research  
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BR/TV/ljs