

State law (Arizona Revised Statutes 43-1089.01) allows people to receive a tax credit for donations made to a public school. These donations can be given to a specific program, or to the general activity fund. When given to a specific program, the money cannot be used for any other purpose. (For a list of programs, see below.) This is a wonderful way to support the school program of your choice, as well as reduce the amount of tax you have to send to the state.

This is a tax credit. You cannot have donations given in 2006 count as a credit for your 2005 taxes. Money paid this year (2006) will show up as a credit when you fill out your 2006 taxes next February. The question is, "Should I help the school now, or pay the state later?"

How the School Tax Credit works:

When you give any donation to the school, they will give a record of that donation. When you fill out your state taxes for the next year, you use that donation as a credit to lower the amount that you owe to the state.

Example: (Note: These figures are completely arbitrary)

Without School Tax Credit:

Income:	\$30000
State Tax Due:	\$520
State Tax Withheld:	<u>\$120</u>
Money owed to State	\$400

With School Tax Credit:

Income:	\$30000
State Tax Due:	\$520
State Tax Withheld:	\$120
School Tax Credit:	<u>\$300</u>
Money owed to State	\$100

You ended up paying the same amount (\$400), but \$300 went to the school program of your choice.

The limit is \$200 if filing singly, or \$400 filing jointly. However, not many people have \$200 dollars waiting to be donated to the school. Any amount helps. Fifty dollars will buy two and a half track uniforms, or one set of shoulder pads, or two volleyballs, or help the band attend competitions, or Character Counts awards. This list could go on. The money does not need to be donated all at once. Donations can be made anytime during the year.

For more information:

Go to the following web page: <http://www.azdor.gov/ResearchStats/Schooltaxcredit.htm>

For the actual law: <http://www.azleg.state.az.us/ars/43/01089-01.htm>

The following is a list of programs that can be designated to receive your donation:

Fredonia Elementary School

- Activity Fee
- Basketball Program
- Football Program

Fredonia High School

- Band
- Baseball
- Boys/Girls Basketball
- Cheerleading
- Chorus
- DECA
- Drama
- Drill Team
- Football
- General Activity Fee
- Softball
- Track
- Volleyball
- Yearbook Club