

Take the Credit

Each year St. Peter's provides scholarships to eligible kindergarteners and now first graders using money donated through the Arizona State Tax Credit and donors receive a dollar-for-dollar reduction on their state taxes. This is an extremely important program for our school. Without your support of this tax credit program St. Peter's would be able to offer very few scholarships. Below is an example of how the program works. Please read through this information carefully and contact the school administrator if you have any questions

SAMPLE TAXPAYER: Let's say your tax liability for 20xx is \$3,000. This is the tax amount you owe to the state of Arizona for the entire year. Most of us have ongoing withholdings from our paychecks throughout the year to ensure we pay the \$3,000. To fully explain the tax credit, we will look at two scenarios. Example 1: You have not yet completely paid the \$3,000 you owe with your monthly withholdings. Example 2: You have overpaid the \$3,000 through monthly withholdings. Here's the math:

	Example 1	Example 2
20xx Liability	\$3,000	\$3,000
20xx Paycheck Withholdings	\$2000	\$4,500
Amount owed or overpaid	\$1,000 (owed to AZ)	\$1,500 (overpaid to AZ)
Amount donated to Tax Program	\$1,000	\$1,000
Amount due or refund expected	\$0	\$2,500

In Example 1 the taxpayer still owes Arizona \$1,000. Instead of writing their check to the state of Arizona they write it to AESF, *designating St. Peter's as the beneficiary, and submit IRS form 323* with their taxes showing that they designated their remaining liability to be directed to the school tax credit program. In Example 2, the taxpayer overpaid taxes for the year and is owed \$1500. They also write a check to AESF, again *designating St. Peter's as the beneficiary, and submit IRS form 323* designating \$1,000 of their taxes to be given to the school tax credit program. In this example, the taxpayer receives the amount overpaid in taxes, plus the monies paid to AESF back in the form of a refund check totaling \$2,500. In both examples, another child had received much needed assistance in obtaining a quality education that they might otherwise be unable to afford. **You take control of where your tax dollars are spent. It's as simple as that.**

If you have no tax liability in the state of Arizona, please share this program with your friends and family. Everyone is able to participate regardless of whether they currently have children in a school, public or private. The school administrator has extra brochures available for distribution.

In 2011-12, we gave over \$41,000 in scholarships to kindergarteners and lower elementary students with a financial need. So take the credit and help us provide a quality education to more students.

This letter is not intended to provide tax or legal advice. Please consult the Arizona Department of Revenue, IRS, or your tax advisor for questions about individual issues. St. Peter's cannot restrict or reserve scholarships solely on the basis of donor 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(s).