

## 'Tis the Season for giving...

**Money Back Guarantees** and **Free Money** are not phrases you normally hear your investment advisor utter. However, at year-end, we are happy to report that both of these are available to you for being charitable. Specifically, the State of Arizona offers its citizens numerous **tax credits** for being charitable, regardless of whether an individual itemizes their state tax returns or not. Generally, these credits break down into four broad categories:

1. Public School Tax Credits
2. Private School Tax Credits
3. Arizona Charitable Tax Credits ([Arizona lawmakers doubled the limit this year](#))
4. Arizona Foster Care Tax Credits

Combined, the state is offering you the opportunity to direct your charitable giving, and be completely compensated with a tax credit of up to \$4373, if filing jointly. This is the **Money Back Guarantee** part. Plus, you the taxpayer are able to direct how your tax dollars are used. **The Free Money** part of the story comes in if you itemize on your federal tax returns. Under that scenario, these donations can also be claimed as charitable contributions, reducing your federal tax liability. That's where your generosity is rewarded with free money.

Below is a representation of how this is all done (amounts are for single/married):

**Private School Tax Credits:**  
 $\$542/\$1,083 + \$545/\$1,090 = \$1,087/\$2,173$   
(2 credits that can be claimed through the same organization)

**Public School Tax Credits**  
**\$200/\$400**  
[www.fusd1.org/Page/124](http://www.fusd1.org/Page/124)

**Arizona Charitable Tax Credits**  
(formerly known as the Working Poor Tax Credit)  
**\$400/\$800**  
[www.flagstafftaxcredit.org](http://www.flagstafftaxcredit.org)

**Arizona Foster Care Charitable Giving Tax Credit**  
**\$500/\$1,000**  
[www.flagstafftaxcredit.org](http://www.flagstafftaxcredit.org)



Generally, you need to make your donations by the end of the year; however, the school and charitable credits have extended deadlines.

Any one of us here at Four Peaks Wealth Management is happy to help you identify organizations that meet your values, and take advantage of these state-sponsored incentives. Alternatively, you can [find more information from the state about its qualifying credits HERE](#).