

WORKING POOR STATE TAX CREDIT

You can help give hope to families and individuals by investing a portion of your United Way contribution in the Helping the Working Poor Priority area; and you could receive up to a \$200 (for single taxpayer) or \$400 (for married, filing jointly) Arizona state tax credit!



In order to take advantage of the Helping the Working Poor state tax credit you must:

- Itemize your charitable contributions on your state tax return
- Direct up to \$200 (for single taxpayer) or \$400 (for married, filing jointly) to United Way's helping the Working Poor priority area
- Provide your name, home address and phone number on your pledge form in order to receive an acknowledgement for your tax records

WORKING POOR STATE TAX CREDIT FAQ's

Q. WHAT ARE BENEFITS OF GIVING TO HELPING THE WORKING POOR?

A. United Way's helping the Working Poor priority area invests in programs that assist working poor families move from welfare to work and improve their overall standard of living. If you itemize your taxes and give to the Working Poor priority area, you may be eligible for a state tax credit This can be accomplished by directing all or a portion of your gift to helping the Working Poor priority area.

Q. How are Helping the Working Poor funds invested in our community?

A. Trained volunteers, knowledgeable about the needs in our community, carefully invest your contribution in programs that provide a comprehensive set of services to the working poor. Funded programs help needy families achieve a higher level of self-sufficiency by providing job-skills training, education, affordable childcare, medical care, food, clothing and shelter.

Q. What's the difference between a tax credit and a tax deduction?

A. A tax deduction is an item that helps determine what your final tax liability will be. A tax credit is applied as a reduction to your final tax liability. In this case, a tax credit comes right off the top of your state tax bill, lowering the amount of money that you will pay.

IMPORTANT NOTE TO DONORS: United Way of Northern Arizona is not a tax advisor. As with any financial recommendation, contact a qualified tax advisor for expert advice on your specific tax situation.

Improving lives by mobilizing communities to
create lasting changes in community



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Q. How do I file for the credit?

A. There is a simple form (AZ Form 321) that is included with your state tax filing that you or your accountant will complete. The form is included with materials provided by the State of Arizona to all state tax filers.

Q. How does my gift to United Way qualify for the state tax credit?

A. United Way of Northern Arizona established and certified the Helping the Working Poor fund as a qualifying charitable organization with the State of Arizona in order to provide the tax credit benefit to our donors. In order to take advantage of this benefit, you must Direct up to \$200 (for single taxpayer) or up to \$400 (for married, filing jointly) to United Way's helping the Working Poor priority area. The legislation specifies that eligible organizations spend at least 50% of their budget on basic needs to residents of Arizona and must be certified by the State of Arizona.

Q. What happens if I don't owe taxes at the end of the year?

A. The Helping the Working Poor tax credit reduces your overall state tax liability and is not impacted by your tax withholdings during the course of the year. If you withheld more than what you owed, the credit will result in an increase in your state tax refund.

Q. How do I document my contribution?

A. United Way of Northern Arizona will send you a letter confirming your contribution to the Helping the Working Poor. This letter documents your contribution and is necessary to support your tax credit. Payroll deductions also require a pay stub receipt. Please make sure you include your name and home address on your United Way Pledge Form.

Q. Should I designate all of my United Way contribution to the Helping the Working Poor Fund?

A. You have a right to choose where your contribution goes. However, United Way of Northern Arizona recommends that you consider giving the increased amount of your gift to the Helping the Working Poor fund, while continuing to invest in the work of United Way of Northern Arizona. This way, you help provide solutions to the most critical human care needs in northern Arizona while receiving the benefits of the tax credit.

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QUALIFIED PARTNERS FOR WORKING POOR FUNDS FOR 2011 CAMPAIGN

*Flagstaff Chapter

Big Brothers Big Sisters of Flagstaff
Catholic Charities Community services
Flagstaff Family Food Center
Flagstaff Shelter Services
North Country Health Care
Northern Arizona University Senior Corps Program
Northland Family Help Center
Salvation Army
St. Mary's Food Bank Alliance – Flagstaff
Sunnyside Neighborhood Association
The Guidance Center
Teen Wellness Clinic

*Page Chapter

CUDDLE Outreach Ministry
Page Regional Domestic Violence

**Northeast Chapter

Community Counseling Center
Meals on Wheels
New Hope Ranch
Northern Arizona University Senior Corps Program
Salvation Army- White Mountain Outpost
White Mountain Safe House
Winslow Council on Aging

* Serving Coconino County

** Serving Southern Apache & Southern Navajo Counties



United Way
of Northern Arizona