

State of Arizona
House of Representatives
Fiftieth Legislature
Second Regular Session
2012

CHAPTER 271

House Engrossed
FILED
KEN BENNETT
SECRETARY OF STATE

HOUSE BILL 2627

AN ACT

AMENDING SECTION 43-1088, ARIZONA REVISED STATUTES; RELATING TO INDIVIDUAL
INCOME TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 43-1088, Arizona Revised Statutes, is amended to
3 read:

4 43-1088. Credit for contribution to qualifying charitable
5 organizations; definitions

6 A. A credit is allowed against the taxes imposed by this title for
7 voluntary cash contributions by the taxpayer or on the taxpayer's behalf
8 pursuant to section 43-401, subsection I during the taxable year to a
9 qualifying charitable organization not to exceed:

10 1. Two hundred dollars in any taxable year for a single individual or
11 a head of household.

12 2. Four hundred dollars in any taxable year for a married couple
13 filing a joint return.

14 B. A husband and wife who file separate returns for a taxable year in
15 which they could have filed a joint return may each claim only one-half of
16 the tax credit that would have been allowed for a joint return.

17 C. If the allowable tax credit exceeds the taxes otherwise due under
18 this title on the claimant's income, or if there are no taxes due under this
19 title, the taxpayer may carry forward the amount of the claim not used to
20 offset the taxes under this title for not more than five consecutive taxable
21 years' income tax liability.

22 D. The credit allowed by this section:

23 1. Is allowed only if the taxpayer itemizes deductions pursuant to
24 section 43-1042 for the taxable year.

25 2. Is in lieu of a deduction pursuant to section 170 of the internal
26 revenue code and taken for state tax purposes.

27 E. Taxpayers taking a credit authorized by this section shall provide
28 the name of the qualifying charitable organization and the amount of the
29 contribution to the department of revenue on forms provided by the
30 department.

31 F. A qualifying charitable organization shall provide the department
32 of revenue with a written certification that it meets all criteria to be
33 considered a qualifying charitable organization. The organization shall also
34 notify the department of any changes that may affect the qualifications under
35 this section.

36 G. The charitable organization's written certification must be signed
37 by an officer of the organization under penalty of perjury. The written
38 certification must include the following:

39 1. Verification of the organization's status under section 501(c)(3)
40 of the internal revenue code or verification that the organization is a
41 designated community action agency that receives community services block
42 grant program monies pursuant to 42 United States Code section 9901.

43 2. Financial data indicating the organization's budget for the
44 organization's prior operating year and the amount of that budget spent on
45 services to residents of this state who either:

- 1 (a) Receive temporary assistance for needy families benefits.
- 2 (b) Are low income residents of this state.
- 3 (c) Are chronically ill or physically disabled children.

4 3. A statement that the organization plans to continue spending at
5 least fifty per cent of its budget on services to residents of this state who
6 receive temporary assistance for needy families benefits, who are low income
7 residents of this state or who are chronically ill or physically disabled
8 children.

9 4. A statement that the organization does not provide, pay
10 for, ~~promote~~, OR provide coverage of ~~or provide referrals for~~ abortions and
11 does not financially support any other entity that provides, pays
12 for, ~~promotes~~, OR provides coverage of ~~or provides referrals for~~ abortions.

13 H. The department shall review each written certification and
14 determine whether the organization meets all the criteria to be considered a
15 qualifying charitable organization and notify the organization of its
16 determination. The department may also periodically request recertification
17 from the organization. The department shall compile and make available to
18 the public a list of the qualifying charitable organizations.

19 I. For the purposes of this section:

20 1. "Chronically ill or physically disabled children" has the same
21 meaning prescribed in section 36-260.

22 2. "Low income residents" means persons whose household income is less
23 than one hundred fifty per cent of the federal poverty level.

24 3. "Qualifying charitable organization" means a charitable
25 organization that is exempt from federal income taxation under section
26 501(c)(3) of the internal revenue code or is a designated community action
27 agency that receives community services block grant program monies pursuant
28 to 42 United States Code section 9901. The organization must spend at least
29 fifty per cent of its budget on services to residents of this state who
30 receive temporary assistance for needy families benefits or low income
31 residents of this state and their households or to chronically ill or
32 physically disabled children who are residents of this state. Taxpayers
33 choosing to make donations through an umbrella charitable organization that
34 collects donations on behalf of member charities shall designate that the
35 donation be directed to a member charitable organization that would qualify
36 under this section on a stand-alone basis. Qualifying charitable
37 organization does not include any entity that provides, pays for, ~~promotes~~,
38 OR provides coverage of ~~or provides referrals for~~ abortions or that
39 financially supports any other entity that provides, pays for, ~~promotes~~, OR
40 provides coverage of ~~or provides referrals for~~ abortions.

41 4. "Services" means cash assistance, medical care, child care, food,
42 clothing, shelter, job placement and job training services or any other
43 assistance that is reasonably necessary to meet immediate basic needs and
44 that is provided and used in this state.

1 Sec. 2. Severability

2 If a provision of this act or its application to any person or
3 circumstance is held invalid, the invalidity does not affect other provisions
4 or applications of the act that can be given effect without the invalid
5 provision or application, and to this end the provisions of this act are
6 severable.

APPROVED BY THE GOVERNOR APRIL 17, 2012.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 17, 2012.

Passed the House February 28, 2012

Passed the Senate April 10, 2012

by the following vote: 40 Ayes,

by the following vote: 31 Ayes,

16 Nays, 3 Not Voting
1 vacant

9 Nays, 0 Not Voting

[Signature]
Speaker of the House

[Signature]
President of the Senate

[Signature]
Chief Clerk of the House

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

11th day of April, 20 12

at 9:48 o'clock A M.

[Signature]
Secretary to the Governor

Approved this 17th day of

April

at 11:00 o'clock A M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 17th day of April, 20 12

at 3:36 o'clock P M.

[Signature]
Secretary of State

H.B. 2627