

State of Arizona
Senate
Fifty-second Legislature
First Regular Session
2015

CHAPTER 250

Senate Engrossed
FILED
MICHELE REAGAN
SECRETARY OF STATE

SENATE BILL 1103

AN ACT

AMENDING SECTION 43-1088, ARIZONA REVISED STATUTES; RELATING TO 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. Except as provided in subsection B of this section, a credit is
7 allowed against the taxes imposed by this title for voluntary cash
8 contributions by the taxpayer or on the taxpayer's behalf pursuant to section
9 43-401, subsection G during the taxable year to a qualifying charitable
10 organization not to exceed:

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

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

15 B. If the voluntary cash contribution by the taxpayer or on the
16 taxpayer's behalf pursuant to section 43-401, subsection G is to a qualifying
17 foster care charitable organization, the credit shall not exceed:

18 1. Four hundred dollars in any taxable year for a single individual or
19 a head of household.

20 2. Eight hundred dollars in any taxable year for a married couple
21 filing a joint return.

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

25 D. If the allowable tax credit exceeds the taxes otherwise due under
26 this title on the claimant's income, or if there are no taxes due under this
27 title, the taxpayer may carry forward the amount of the claim not used to
28 offset the taxes under this title for not more than five consecutive taxable
29 years' income tax liability.

30 E. The credit allowed by this section is in lieu of a deduction
31 pursuant to section 170 of the internal revenue code and taken for state tax
32 purposes.

33 F. Taxpayers taking a credit authorized by this section shall provide
34 the name of the qualifying charitable organization and the amount of the
35 contribution to the department of revenue on forms provided by the
36 department.

37 G. A qualifying charitable organization shall provide the department
38 of revenue with a written certification that it meets all criteria to be
39 considered a qualifying charitable organization. The organization shall also
40 notify the department of any changes that may affect the qualifications under
41 this section.

42 H. The charitable organization's written certification must be signed
43 by an officer of the organization under penalty of perjury. The written
44 certification must include the following:

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

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

8 (a) Receive temporary assistance for needy families benefits.

9 (b) Are low-income residents of this state.

10 (c) Are chronically ill or children with physical disabilities.

11 3. A statement that the organization plans to continue spending at
12 least fifty per cent of its budget on services to residents of this state who
13 receive temporary assistance for needy families benefits, who are low-income
14 residents of this state or who are chronically ill or children with physical
15 disabilities.

16 4. A statement that the organization does not provide, pay for or
17 provide coverage of abortions and does not financially support any other
18 entity that provides, pays for or provides coverage of abortions.

19 I. The department shall review each written certification and
20 determine whether the organization meets all the criteria to be considered a
21 qualifying charitable organization and notify the organization of its
22 determination. The department may also periodically request recertification
23 from the organization. The department shall compile and make available to
24 the public a list of the qualifying charitable organizations.

25 J. For the purposes of this section:

26 1. "Chronically ill or children with physical disabilities" has the
27 same meaning prescribed in section 36-260.

28 2. "Low-income residents" means persons whose household income is less
29 than one hundred fifty ~~per cent~~ PERCENT of the federal poverty level.

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

1 4. "Qualifying foster care charitable organization" means a qualifying
2 charitable organization that each operating year provides services to at
3 least two hundred ~~foster children~~ QUALIFIED INDIVIDUALS in this state and
4 spends at least fifty ~~per cent~~ PERCENT of its budget on services to ~~foster~~
5 ~~children~~ QUALIFIED INDIVIDUALS in this state. For the purposes of this
6 paragraph, "~~foster children~~" ~~has the same meaning prescribed~~ "QUALIFIED
7 INDIVIDUAL" MEANS A FOSTER CHILD AS DEFINED in section 8-501 OR A PERSON WHO
8 IS UNDER TWENTY-ONE YEARS OF AGE AND WHO IS PARTICIPATING IN A TRANSITIONAL
9 INDEPENDENT LIVING PROGRAM AS PRESCRIBED BY SECTION 8-521.01.

10 5. "Services" means cash assistance, medical care, child care, food,
11 clothing, shelter, job placement and job training services or any other
12 assistance that is reasonably necessary to meet immediate basic needs and
13 that is provided and used in this state.

APPROVED BY THE GOVERNOR APRIL 10, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 13, 2015.

Passed the House April 3, 20 15,

by the following vote: 50 Ayes,
6 Nays, 4 Not Voting

[Signature]
Speaker of the House

[Signature]
Chief Clerk of the House

Passed the Senate March 11, 20 15,

by the following vote: 29 Ayes,
0 Nays, 1 Not Voting

[Signature]
President of the Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this
6th day of April, 20 15,

at 8:23 o'clock A. M.

[Signature]
Secretary to the Governor

Approved this 10th day of
April, 20 15,

at 4:27 o'clock P. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this 13 day of April, 20 15

at 8:30 o'clock A. M.

[Signature]
Secretary of State

S.B. 1103