

The Paideia Academies, Inc.

1535 E Baseline Rd. Phoenix, AZ 85042 602-343-3040

Extra-Curricular Activities Tax Credit

2022 Arizona Extracurricular Activity (ECA) State Tax Credit Form

Support Paideia Academies' Mission and <u>reduce</u> your Arizona state tax liability with the Arizona ECA State Tax Credit!

Make your Tax Credit contribution to Paideia Academies by April 15th, 2023.

Gifts can be made in person or by mail.

Paideia Academies will receive much needed financial support for our extra-curricular

*The Arizona ECA State Tax Credit maximum donation:

- \$400 or \$33.33/month for married couples filing jointly and
- \$200 or \$16.67/month for individuals.
- ECA donations are not refundable.
- Paideia Academies Inc will issue you a receipt for your 2022 taxes.

You will receive a refund or reduction in your state tax bill for your full gift amount.

Please designate my contribution to: □ Where needed the most (preferred) □ Other

Extracurricular Activity (ECA) – State Tax Credit

Frequently asked Questions.....

What is the Arizona ECA Public School Tax Credit?

Under Arizona law, Arizona tax payers can claim a non-refundable individual tax credit for fees and cash contributions paid to public schools (including charters) in Arizona **for the support of extracurricular activities or character education programs.** The Arizona Public School Tax credit is a dollar-for-dollar reduction in the actual tax owed. For example, if you owe \$800 in state income taxes and you donate \$400 to a public school for extracurricular activities, you may subtract the \$400 from your tax bill and pay the state just \$400. Please note: *ECA donations are not refundable and nontransferable*.

What is an extracurricular activity?

Extracurricular activity means any optional, noncredit and nongraded educational activity that supplements the education program of the school. Activities such as sports, visual and performing arts, special programs, character building, field trips, clubs, outdoor education, gifted programs or classroom enrichment programs can be funded with tax credit money.

Extracurricular activities help children develop qualities such as leadership, team play and cooperation. They also provide safe, supervised activities after school hours.

Does all of my money go to student activities?

Yes, 100 percent of your donation goes directly to the schools to benefit students through extracurricular activities, and character education as outlined in state statute. None of the money is used for overhead.

Who is eligible to contribute?

This tax credit is available to all individual Arizona taxpayers whether they have children in school or not. An individual can contribute and receive a tax credit for any amount up to \$200, or a couple filing jointly may contribute up to \$400. Please consult with your personal tax advisor to determine the application of the credit.

Do I have to donate the full \$200 or \$400?

No, you may donate up to your \$200 or \$400 limit in installments during the calendar year or donate it at one time.

How does the Arizona ECA Credit Work?

- 1. Submit your Tax Credit contribution to Paideia Academies by April 15, 2022.
- 2. Paideia Academies will send you receipt for your contribution. Keep a copy in your records.
- 3. After determining your Arizona state tax liability, complete Arizona Form 322.
- 4. The resulting figures is what you will actually owe for 2022.

What if the state owes me a refund?

Your refund will be increased by the dollar for dollar amount of your Tax Credit contribution. For example, if you are due for a refund from the state of Arizona in the amount of \$350 and you contributed a \$300 2022 Tax Credit, you increase your refund to \$650.

Does The Credit Have To Be Claimed For The Year The Donation Was Made?

No, beginning in 2016, credit eligible fees paid and contributions made to a public school from January 1 through April 15 of a calendar year may be used as a tax credit on the prior year's tax return. For example, qualifying contributions made to a public school January 1, 2021 to April 15, 2022 may be used as a tax credit on either your 2022 or 2023 Arizona income tax return. Please visit the Arizona Department of Revenue's website for up-to-date information.