



AZ State Tax Credit Information

Arizona provides two separate tax credits for individuals who make contributions to charitable organizations:

- One for donations to Qualifying Charitable Organizations (QCO)
- Second for donations to Qualifying Foster Care Charitable Organizations (QFCO)

Qualifying Charitable Organizations (QCOs) and Qualifying Foster Care Charitable Organizations (QFCOs) are certified by the Arizona Department of Revenue (ADOR) to receive contributions eligible for the tax credit. This certification only pertains to the Arizona tax credit program. This program does not apply to general licensing, operations, or the deductibility of donations to charitable organizations. To become a QCO or QFCO, a charitable organization must complete the application form and submit it along with required documentation to ADOR. See the application instructions for details.

If your organization meets the qualifications, ADOR will then send a certificate to the primary point of contact for the charitable organization as indicated on the application form. Because ADOR may need to contact the organization for a variety of purposes over time, it is critical that organizations provide updated primary point of contact information to ADOR if and when changes are made.

Qualifying Charitable Organizations (QCO)

To become a QCO, a charitable organization must complete the QCO Application Form and submit it along with required documentation to ADOR. To qualify, a QCO must meet ALL of the following provisions:

- Is exempt from federal income taxes under Section 501(c)(3), or is a designated community action agency that receives community services block grant program monies pursuant to 42 United States Code Section 9901.
- Provides services that meet immediate basic needs.
 - cash assistance
 - medical care
 - childcare
 - food
 - clothing

- shelter
 - job placement
 - job training services
 - any other reasonably necessary support to meet immediate basic needs
- Serves Arizona residents who receive temporary assistance for needy families (TANF) benefits, are low-income residents whose household income is less than 150 percent of the federal poverty level, or are chronically ill or physically disabled individuals.
 - Spends at least 50% of its budget on qualified services to qualified Arizona residents.
 - Affirms that it will continue spending at least 50% of its budget on qualified services to qualified Arizona residents.

Qualifying Foster Care Charitable Organizations (QFCO)

To become a QFCO, a charitable organization must complete the QFCO Application Form and submit it along with required documentation to ADOR. To qualify, a QFCO must meet ALL of the following provisions:

- Is exempt from federal income taxes under Section 501(c)(3) or is a designated community action agency that receives community services block grant program monies pursuant to 42 United States Code Section 9901.
- Provide services that meet immediate basic needs.
 - cash assistance
 - medical care
 - behavioral health services
 - childcare
 - food (including snacks at a youth event)
 - clothing
 - job placement
 - job training services
 - character education programs
 - workforce development programs
 - secondary education student retention programs
 - housing or financial literacy services
 - or any other reasonably necessary support to meet immediate basic needs or provide normalcy
- Serves qualified individuals.
 - foster child as defined in section 8-501

- person who is participating in an independent living program as prescribed in section 8-521
 - person who is participating in a transitional independent living program as prescribed by section 8-521.01
 - person who is participating in an extended foster care program as prescribed in section 8-521.02
 - person who is under twenty-seven years of age and whose reason for leaving foster care is either that they reached eighteen years of age, or adoption or legal guardianship after reaching the age of fifteen, or reunification after reaching the age of fourteen
- Spends at least 50% of its budget on qualified services to qualified Arizona residents.
 - Affirm that it will continue spending at least 50% of its budget on qualified services to qualified Arizona residents.
 - Providing ongoing services to at least 200 qualified individuals in the foster care system.
 - Spending at least 50% of its budget on ongoing services to qualified individuals in the foster care system. Basic Tax credit Info - <https://azdor.gov/tax-credits/certification-qcos-and-qfcos>

To Apply:

- Tax Credit Form - <https://azdor.gov/forms/tax-credits-forms/application-certification-qualifying-charitable-organization>
- For help with your Tax Credit application or other questions, call:
AZ Department of Revenue (602) 716-6372 Ext 2