

Arizona Private Education Tax Credit Program

The State of Arizona instituted the *Private School Tuition Tax Credit* program in 1998 allowing individuals to redirect their state tax liability to qualified School Tuition Organizations (STO's) such as *Catholic Education Arizona (CEA)* on behalf of private schools. In 2006, Corporations became eligible to re-direct their AZ state tax liability in the same way. This is *historic* legislation. Never before has there been a mechanism in place allowing individuals and corporations to re-direct their AZ state tax liabilities to help children in need, attend a school that best serves their needs.

The Corporate Tuition Tax Credit allows *C-Corporations, S-Corporations, Insurance companies that collect premiums and LLC's who file their state taxes as a C-Corp or an S-Corp* to redirect **100%** of their state tax liability to qualified Student Tuition Organizations such as *Catholic Education Arizona (CEA)*. *The Corporate Tuition Tax Credit* program is a **dollar for dollar credit** against the taxes you owe the state of Arizona. These funds are used **exclusively**, to support the tuition costs of low income or "needs based" students.

Making a difference in the lives of so many children is **quick, easy**, and one of the most kind and impactful legacies a student will ever receive; a private education in a stable and advanced learning environment; one that their neighborhood schools may not offer.

Simply complete a Catholic Education Arizona (CEA) tax credit commitment form, and e-mail it to CEA. Corporations can designate a specific school or up to 5 schools to receive their state tax credit. Or they can re-direct their state tax liability to the "general fund", which supports several of our schools. **The deadline to submit your 2017 corporate tax credit commitment is June 30, 2017**, which is the end of the fiscal year for the state of Arizona. However, we graciously request commitments be confirmed before June 15, 2017 to allow time for processing before the deadline.

Each year, the State of Arizona limits the total amount of corporate state funding that can be used for distribution to private schools. The annual statewide cap for this year is \$74,270,838. This includes all corporate contributions.

Corporate tax credit applications are accepted by ADOR until the \$74,270,838 tax credit maximum is met. This usually occurs within 24 hours after applications are submitted to ADOR on July 01 (2017). CEA notifies each corporation that their tax credit has been accepted. Once the tax credit is confirmed, the tax credit amount is due within 20 days of the approval; about July 20, 2017

Summary

- The corporate tax credit program funds underprivileged children in our state, allowing them to attend high performing K-12 private (Catholic) schools. All faith and all cultures are welcome and do attend our schools. Only 17 states in the U.S. have this type of mandated, educational funding mechanism in place for private schools, making it possible for disenfranchised children to begin the climb out of poverty.
- With NO out-of-pocket costs, corporations can re-direct up to **100%** of their Arizona state tax liability to a qualified STO such as **Catholic Education Arizona** on behalf of **any** of our 37 Catholic schools. The tax credit is a **dollar-for-dollar** investment in a responsive and advanced education for the children of Arizona.
- The Tax Credit is a legislated program and highly regulated within the State of Arizona. With very low administrative costs, CEA can assure our contributors that all funds are being used wisely and are hard at work, forming hearts, minds and souls, and building a dedicated workforce for tomorrow. The educational results at our schools are astonishing, with a 99% high school graduation rate; and 97% continuing on to post-secondary educational opportunities or military service.
- Catholic Education Arizona is the oldest and largest STO in the State of Arizona. We fund over 7,000 needs based children each year in the Diocese of Phoenix. On behalf of all of our students, *thank you!*