

Include with your return.

- Do not use this form for contributions or fees paid to a public school.
- See Form 322 for contributions or fees paid to public schools.

For the calendar year 2016 or fiscal year beginning MM, DD, 2016 and ending MM, DD, YYYY.

Your Name as shown on Form 140, 140NR, 140PY or 140X	Your Social Security Number
Spouse's Name as shown on Form 140, 140NR, 140PY or 140X (if joint return)	Spouse's Social Security Number

Part 1 Current Year's Credit

If you are married and filing separate, be sure to include **all** cash contributions made by you **and** your spouse.

Donations made from January 1, 2016, through December 31, 2016. If you made cash contributions to more than three private school tuition organizations, include a separate schedule.

	(a) Name of Private School Tuition Organizations to which you made cash contributions:	(b) Street Address	(c) City, State	(d) Cash Contribution Made
1				00
2				00
3				00
4	Total contributions made in 2016 to the private school tuition organizations: Add the amounts in column (d) of lines 1, 2, and 3. Also, add any amount included on a separate schedule.....			4 00

Donations made from January 1, 2017, through April 18, 2017, for which you are claiming a credit on your 2016 return. If you made cash contributions to more than three private school tuition organizations, include a separate schedule.

	(a) Name of Private School Tuition Organizations to which you made cash contributions:	(b) Street Address	(c) City, State	(d) Cash Contribution Made
5				00
6				00
7				00
8	Total contributions made from January 1, 2017, through April 18, 2017, to the private school tuition organizations for which you are claiming a credit on your 2016 return: Add the amounts in column (d) of lines 5, 6, and 7. Also, add any amount included on a separate schedule.....			8 00
9	Add lines 4 and 8. Enter the total			9 00
10	Single taxpayers or heads of household, enter \$545. Married taxpayers, enter \$1,090			10 00
11	Current year's credit: Enter the smaller of line 9 or line 10. In most cases, if you are married filing a separate return, enter one-half of the smaller of line 9 or line 10. See instructions			11 00

You **may** be able to claim an additional credit for excess contributions made to school tuition organizations. Complete Part 4, on page 2 of this form. **See Arizona Form 348** for more information.

Continued on page 2 →

Your Name (as shown on page 1)	Your Social Security Number
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Part 2 Available Credit Carryover

	(a) Taxable Year from which you are carrying the credit	(b) Original Credit Amount	(c) Amount Previously Used	(d) Available Carryover: Subtract column (c) from column (b).
12	2011	00	00	00
13	2012	00	00	00
14	2013	00	00	00
15	2014	00	00	00
16	2015	00	00	00
17	TOTAL AVAILABLE CARRYOVER: Add lines 12 through 16, column (d)..			00

Part 3 Total Available Credit

18 Current year's credit: Enter the amount from Part 1, line 11. Also, enter this amount on <i>Arizona Form 301, Part 1, line 14, column (a)</i>	18		00
19 Available credit carryover from Part 2, line 17, column (d). Also, enter this amount on <i>Arizona Form 301, Part 1, line 14, column (b)</i>	19		00
20 Total Available Credit: Add lines 18 and 19. Also, enter this amount on <i>Arizona Form 301, Part 1, line 14, column (c)</i>	20		00

Part 4 Do I Have Excess Contributions Available to Claim on Arizona Form 348?

21 Total contributions made during the taxable year: • Single taxpayers; head of household; and married taxpayers filing joint; enter the amount from Part 1, line 9. • Married taxpayers filing separate; enter one-half of the amount from Part 1, line 9			
22 Maximum credit allowed on Form 323: • Single taxpayers; and heads of household; enter \$545. • Married taxpayers filing joint; enter \$1,090. • Married taxpayers filing separate; enter \$545	21		00
23 Excess contributions: Subtract line 22 from line 21 and enter the difference. If less than zero, enter "0". If the amount on line 23 is more than zero, you have excess contributions available and may claim a credit on Form 348 for those contributions. If the amount on line 23, is "0", you do not have any excess contributions available to claim on Form 348	22		00
	23		00

2016 Credit for Contributions to Private School Tuition Organizations

For information or help, call one of the numbers listed:

Phoenix (602) 255-3381
From area codes 520 and 928, toll-free (800) 352-4090

Tax forms, instructions, and other tax information

If you need tax forms, instructions, and other tax information, go to the department's website at www.azdor.gov.

Income Tax Procedures and Rulings

These instructions may refer to the department's income tax procedures and rulings for more information. To view or print these, go to our website and click on *Legal Research* then click on *Procedures* or *Rulings* and select a tax type from the drop down menu.

Publications

To view or print the department's publications, go to our website and click on *Publications*.

General Instructions

NOTE: You *must* also complete Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture, and include Forms 301 and 323 with your tax return to claim this credit.

Arizona law provides a credit for contributions made to a private school tuition organization that provides scholarships or grants to qualified schools.

This credit is available **only** to individuals. Corporations may not claim this credit. A partnership may not pass the credit through to its partners. An S corporation may not pass the credit through to its shareholders.

The credit is equal to the amount contributed. For 2016, the maximum amount of credit that a taxpayer can establish for the current taxable year is \$545 for single taxpayers or heads of household. For married taxpayers that file a joint return, the maximum credit that can be established for the current taxable year is \$1,090. In most cases, for married taxpayers who file separate returns, each spouse may claim only one-half (1/2) of the credit that would have been allowed on a joint return.

NOTE: The maximum amount of credit established for the current taxable year does **not** include any unused valid carryover amount(s) from prior taxable years. Because this is a nonrefundable credit, the total amount of available credit [current year plus any valid carryover amount(s)] that a taxpayer may use for the taxable year cannot be greater than the tax liability shown.

The credit eligible contributions made to a school tuition organization from January 1, 2017, to April 18, 2017, may be used as a tax credit on either your 2016 or 2017 Arizona income tax return.

If the allowable tax credit is more than your tax or if you have no tax, you may carry the unused credit forward for up to the next 5 consecutive taxable years' income tax liability.

A private school tuition organization is an organization that meets **all** of the following:

- The organization is tax exempt under Section 501(c)(3) of the Internal Revenue Code (IRC).
- The organization allocates at least 90% of its annual revenue from contributions to educational scholarships or tuition grants.
- The organization makes its scholarships or grants available to students of more than one qualified school.

A "qualified school" means a preschool that offers services to students with disabilities, nongovernmental primary or a secondary school that is located in Arizona. The school cannot discriminate on the basis of race, color, handicap, familial status, or national origin and requires all teaching staff and personnel that have unsupervised contact with students to be fingerprinted. A "qualified school" does not include a charter school or programs operated by a charter school. The primary school must begin with kindergarten and the secondary school must end with grade 12.

In the case of a preschool that offers services to students with disabilities, a "student with disabilities" is a student who has any of the following conditions:

- hearing impairment,
- visual impairment,
- developmental delay,
- preschool severe delay, or
- speech and/or language impairment.

NOTE: The Arizona Department of Revenue is required to certify school tuition organizations. The department maintains a list of currently certified school tuition organizations on its website at www.azdor.gov.

To qualify for the credit all contributions must be made to a certified school tuition organization. To determine if your contributions made in 2016 and/or 2017, qualify for this credit, you should verify that the school tuition organization you made a contribution to is certified. For a list of school tuition organizations certified to receive donations for the individual income tax credit, see the department's website.

Your donation to the school tuition organization will not qualify for the credit if you designate the donation for the direct benefit of your dependent.

NOTE: Your donation will also not qualify if you designate a student beneficiary as a condition of your contribution to the school tuition organization. Also, the tax credit is not allowed if you agree with another person to designate each other's contributions to the school tuition organization for the direct benefit of each other's dependent, a practice commonly known as swapping.

You cannot claim both a tax credit and an itemized deduction for the amount of contributions made to a private school tuition organization for which you are claiming a credit.

If you claim this credit in 2016 for a donation made from January 1, 2017, to April 18, 2017, you must make an adjustment on your Arizona Form 140 Schedule A; or Form 140PY Schedule A(PY) or A(PYN); or Form 140NR Schedule A(NR), filed in 2017.

Before claiming this credit, make sure the school tuition organization issues you a receipt for the contribution. The receipt should show **all** of the following:

- name and address of the school tuition organization,
- name of the taxpayer,
- amount paid,
- date paid, and
- the tax year for which you will claim the contribution.

Please keep this receipt with your tax records. For more information on school tax credits, see the department’s publication, Pub 707, *School Tax Credits*.

NOTE: *You may be able to make credit eligible contributions to a school tuition organization through payroll withholding. Check with your employer to see if your employer has agreed to withhold contributions that qualify for this credit from your pay.*

Line-by-Line Instructions

Enter your name and Social Security Number (SSN) as shown on Arizona Forms 140, 140PY, 140NR, or 140X.

All returns, statements, and other documents filed with the department require a taxpayer identification number (TIN). The TIN for an individual is the taxpayer's SSN or an Internal Revenue Service (IRS) individual taxpayer identification number (ITIN). Taxpayers that fail to include their identification number may be subject to a penalty.

Part 1 - Current Year’s Credit

Lines 1, 2 and 3 -

*If you are married and filing separate, be sure to include all cash contributions made by you **and** your spouse.*

Enter the following information for each private school tuition organization to which you made contributions from January 1, 2016 through December 31, 2016 and for which you are claiming a current year’s credit for on your return.

- name of the private school tuition organization,
- street address of the private school tuition organization,
- location (city and state) of the private school tuition organization, and
- the amount of contributions made.

NOTE: *Do not include those contributions that you made from January 1, 2016, through April 18, 2016, for which you claimed a credit on your 2015 tax return.*

If you made cash contributions to four or more schools, complete an additional schedule. The schedule should show

the same information required on lines 1, 2, and 3 for each of the additional schools to which you made cash contributions.

Line 4 -

Add the amounts in column (d) of lines 1, 2, and 3. Also, add any amount included on a separate schedule.

Lines 5, 6 and 7 -

For calendar year filers: *Because April 15, 2017 falls on a Saturday and District of Columbia Emancipation Day will be observed on April 17, 2017, you have until Tuesday, April 18, 2017, to make a contribution and claim a credit for that amount on your 2016 tax return.*

Enter the following information for each private school tuition organization to which you made contributions from January 1, 2017 through April 18, 2017, for which you are claiming a credit on your 2016 tax return.

- name of the private school tuition organization,
- street address of the private school tuition organization,
- location (city and state) of the private school tuition organization, and
- the amount of contributions made.

If you made cash contributions to four or more schools, complete an additional schedule. The schedule should show the same information required on lines 5, 6, and 7 for each of the additional schools to which you made cash contributions.

Line 8 -

Add the amounts in column (d) of lines 5, 6, and 7. Also, add any amount included on a separate schedule.

Line 9 -

Add lines 4 and 8. Enter the total.

Line 10 -

Single taxpayers and taxpayers filing as head of household, enter \$545. Married taxpayers enter \$1,090.

Line 11 - Current Year’s Credit

Enter the smaller of line 9 or line 10. If you are married filing a separate return, but you could have filed a joint return, you may take only one-half of the total credit that you and your spouse would have been allowed to take on a joint return, up to a maximum of \$545 each. In this case, enter one-half of the smaller of line 9 or line 10.

NOTE: *If you made contributions that total more than the allowable current year’s credit on Form 323, you may claim a credit on Arizona Form 348 for some or all of the contributions that exceed the maximum allowable amount. To determine if you have excess contributions available to claim a credit on Form 348, complete Part 4 of Form 323.*

For additional information see Form 348.

Part 2 - Available Credit Carryover

Lines 12 through 17 -

Use lines 12 through 17 to figure your total available credit carryover from taxable years 2011 through 2015.

Complete lines 12 through 17 if you claimed this credit on a return for one of these years and the credit was more than your tax.

NOTE: *You may carry over only that portion of the credit that you do not apply to tax. You cannot carry over any amount that you gave that was more than the amount allowed as a credit. See the example at the end of these instructions.*

- In column (b) enter the credit originally computed for that taxable year listed in column (a).
- In column (c) enter the amount of the credit from that taxable year which you have already used.
- Subtract the amount in column (c) from column (b) and enter the difference in column (d).
- Add the amounts entered on lines 12 through 16 in column (d).

Enter the total on line 17, column (d).

Part 3 - Total Available Credit

Line 18 -

Enter the amount from Part 1, line 11. Also, enter this amount on Form 301, Part 1, line 14, column (a).

Line 19 -

Enter the amount from Part 2, line 17, column (d). Also, enter this amount on Form 301, Part 1, line 14, column (b).

Line 20 -

Add line 18 and line 19. Enter the total. Also, enter this amount on Form 301, Part 1, line 14, column (c).

Part 4 - Do I Have Excess Contributions Available to Claim on Arizona Form 348?

Complete Part 4, lines 21 through 23, to determine if you have excess contributions available to claim a credit on Arizona Form 348, *Contributions to Certified School Tuition Organization – Individuals*.

NOTE: *Married taxpayers filing a separate return - be sure to enter **one-half** of the total amount of contributions made during the taxable year by you **and** your spouse on line 9.*

Line 21 -

Enter the total amount of contributions made during the taxable year:

- Single taxpayers, heads of household and married taxpayers filing a joint return; enter the total amount from Part 1, line 9.
- Married taxpayers filing separate; enter one-half (1/2) of the total amount from Part 1, line 9.

Line 22 -

Enter the maximum credit allowed on Form 323:

- Single taxpayers and heads of household; enter \$545.
- Married taxpayers filing joint; enter \$1,090.
- Married taxpayers filing separate; enter \$545.

Line 23 – Excess Contributions:

Subtract line 22 from line 21 and enter the difference. If less than zero, enter “0”.

If the amount on line 23 is more than zero, you have excess contributions available and may claim a credit on Form 348 for those contributions.

If the amount on line 23 is “0”, you do not have any excess contributions available to claim on Form 348.

EXAMPLE: During 2016, Mary, a single person, gave \$1,400 to a school tuition organization. For 2016, Mary is allowed a maximum credit on Form 323 of \$545. Mary’s 2016 tax liability is \$400. Mary may apply \$400 of the \$545 credit claimed on Form 323 against her 2016 tax liability. Mary may carryover the unused credit of \$145 to her 2017 income tax return. Mary may not claim a credit on Form 323 for the \$855 gift that was more than the allowable credit (\$1,400 minus allowable credit of \$545).

However, Mary may claim a credit on Arizona Form 348 for the contribution made to the school tuition organization that was more than the \$545 allowable credit. The credit Mary may claim on Form 348 cannot exceed the maximum credit allowed on that form.

To compute that credit, Mary must complete Form 348 in addition to Form 323. Mary must also complete Arizona Form 301. For 2016, Mary would compute her available credit for Form 323 as follows.

2016 total contribution made to school tuition organizations		\$1,400
2016 maximum allowable credit claimed on Form 323		<u>\$ 545</u>
Mary’s 2016 tax liability	\$ 400	
Less: available tax credit - Form 323	<u>\$ 400</u>	
Balance of tax	<u>\$ 0</u>	
Carryover available for 2017 from Form 323 (\$545 minus \$400)	\$ 145	
Contribution available to calculate the allowable credit on Form 348 (\$1,400 minus \$545). Mary must complete Arizona Form 348 to figure that credit.		<u>\$ 855</u>

Include with your return.

For contributions that exceed the maximum allowable credit on Arizona Form 323

For the calendar year 2016 or fiscal year beginning [M, M, D, D] 2, 0, 1, 6 and ending [M, M, D, D] Y, Y, Y, Y.

Your Name as shown on Form 140, 140NR, 140PY or 140X	Your Social Security Number
Spouse's Name as shown on Form 140, 140NR, 140PY or 140X (if joint return)	Spouse's Social Security Number

Before you can claim this credit, you must claim the maximum allowable credit on Arizona Form 323. Credit for Contributions to Private School Tuition Organizations. If you made contributions totaling more than the maximum allowable credit on Form 323, you may claim a credit on Form 348 for some or all of those contributions that exceed the maximum allowable credit on Form 323.

If you have a carryover amount(s) from a credit claimed on Form 348 from prior tax year(s), you do not have to claim the maximum allowable credit on Form 323 to **only** claim a carryover amount available on Form 348. See instructions under "Notice to All Taxpayers".

Part 1 Eligibility

- 1a** Are you claiming a current year's credit on your 2016 Form 323 for contributions to private school tuition organizations? **1a** **YES** **NO**
- If you answered, "No", skip line 1b and go to line 1c.
 - If you answered, "Yes", complete line 1b.
- 1b** Did you make contributions in excess of the allowable credit claimed on Form 323? See Form 323, Part 4, line 23 **1b**
- If you answered, "No", go to line 1c.
 - If you answered, "Yes", complete this form to claim an allowable credit for the amount of contributions that exceed the amount of the allowable credit claimed on Form 323.
- 1c** Are you claiming only a carryover from Form 348 from prior tax year? **1c**
- If you answered, "No", to lines 1a, 1b, and 1c, **STOP**, do not complete this form.
 - If you answered, "Yes", to line 1c, skip Part 2 and complete Part 3 and Part 4.

Part 2 Current Year's Credit

You must include the school tuition organizations to which you made contributions and claimed a 2016 current year's credit on Form 323. If you are married and filing separate, be sure to include **all** cash contributions made by you **and** your spouse.

Donations made from January 1, 2016, through December 31, 2016. If you made contributions to more than three school tuition organizations, include a separate schedule.

	(a) Name of Certified School Tuition Organizations to which you made cash contributions:	(b) Street Address	(c) City, State	(d) Cash Contribution Made
2				00
3				00
4				00
5	Total contributions made during 2016: Add the amounts in column (d) of lines 2, 3, and 4. Also, add any amount included on a separate schedule.....			00

Donations made from January 1, 2017, through April 18, 2017, for which you are claiming a credit on your 2016 return. If you made cash contributions to more than three school tuition organizations, include a separate schedule.

	(a) Name of Certified School Tuition Organizations to which you made cash contributions:	(b) Street Address	(c) City, State	(d) Cash Contribution Made
6				00
7				00
8				00
9	Total contributions made from January 1, 2017, through April 18, 2017, for which you are claiming a credit on your 2016 return: Add the amounts in column (d) of lines 6, 7, and 8. Also, add any amount included on a separate schedule.....			00

Your Name (as shown on page 1)	Your Social Security Number
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Part 2 (Continued)

10 All Taxpayers: Add lines 5 and 9. Enter the total	10		00
11 Maximum allowable credit claimed on Form 323 for the current taxable year: • Single taxpayer; and heads of household; enter \$545 • All married taxpayers, enter \$1,090	11		00
12 Potential credit: Subtract line 11 from line 10, and enter the difference	12		00
13 Maximum allowable credit on Form 348 for the current taxable year: • Single taxpayers or heads of household, enter \$542. • All married taxpayers, enter \$1,083	13		00
14 Current year's credit to claim on Form 348: Enter the smaller of line 12 or line 13. In most cases, if you are married and filing a separate return, enter <i>one-half</i> of the smaller of line 12 or line 13.....	14		00

Part 3 Available Credit Carryover

	(a) Taxable Year from which you are carrying the credit	(b) Original Credit Amount	(c) Amount Previously Used	(d) Available Carryover: Subtract column (c) from column (b).
15	2012	00	00	00
16	2013	00	00	00
17	2014	00	00	00
18	2015	00	00	00
19				
20	TOTAL AVAILABLE CARRYOVER: Add lines 15 through 18 in column (d)...			00

Part 4 Total Available Credit

21 Current year's credit: Enter the amount from Part 2, line 14. Also, enter this amount on <i>Arizona Form 301, Part 1, line 30, column (a)</i>	21		00
22 Available credit carryover from Part 3, line 20, column (d). Also, enter this amount on <i>Arizona Form 301, Part 1, line 30, column (b)</i>	22		00
23 Total Available Credit: Add line 21 and line 22. Also, enter this amount on <i>Arizona Form 301, Part 1, line 30, column (c)</i>	23		00

2016 Credit for Contributions to Certified School Tuition Organization - Individuals

(For contributions that exceed the maximum allowable credit on Arizona Form 323)

**Arizona Form
348**

For information or help, call one of the numbers listed:

Phoenix (602) 255-3381
From area codes 520 and 928, toll-free (800) 352-4090

Tax forms, instructions, and other tax information

If you need tax forms, instructions, and other tax information, go to the department's website at www.azdor.gov.

Income Tax Procedures and Rulings

These instructions may refer to the department's income tax procedures and rulings for more information. To view or print these, go to our website and click on *Legal Research* then click on *Procedures* or *Rulings* and select a tax type from the drop down menu.

Publications

To view or print the department's publications, go to our website and click on *Publications*.

NOTE: You **must** also complete Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture, and include Forms 301 and 348 with your tax return to claim this credit.

Notice to All Taxpayers

NOTE: To claim a current year's credit on Form 348, you **must** first claim the maximum current year's credit allowed on Arizona Form 323, Credit for Contributions to Private School Tuition Organizations. The amount of credit you must claim on Form 323 depends on your filing status. See Form 323 for these amounts.

If you have a carryover amount(s) from a credit claimed on Form 348 from prior tax year(s), you do not have to claim the maximum allowable credit on Form 323 to only use a carryover amount on Form 348. If you are claiming only a carryover amount on Form 348, and are not claiming any current year's credit on Form 323, submit only Form 348.

For an example of how to calculate the current year credit and carryover credit, if any, see the last page of these instructions.

AZ Form 348 Credit Carryover Amount(s) from Prior Tax Year(s)

If you claimed an allowable credit on Form 348 on your 2012, 2013, 2014 and/or 2015 tax return and your 2012, 2013, 2014 and/or 2015 tax liability was less than your allowable credit, you may have a carryover amount available.

You may use the available credit carryover amount to reduce your 2016 tax liability even if you do not claim a credit on Form 323 for 2016.

General Instructions

Arizona law provides an individual income tax credit for the voluntary cash contributions made to a certified school tuition

organization in order to improve education by raising tuition scholarships for children in Arizona.

This credit is available only to individuals. Corporations may not claim this credit. A partnership may not pass the credit through to its partners. An S corporation may not pass the credit through to its shareholders.

The amount of current year's contributions that may be claimed on Form 348 is computed *after* the maximum credit is claimed on Form 323 and is based on the excess amount of contributions shown on Form 323, Part 4, line 23.

For 2016, the maximum amount of credit on Form 348 that a taxpayer can establish for the current taxable year is \$542 for single taxpayers or heads of household. For married taxpayers that file a joint return, the maximum amount of credit that a taxpayer can establish for the current taxable year is \$1,083. In most cases, for married taxpayers who file separate returns, each spouse may claim only **one-half** (1/2) of the credit that would have been allowed on a joint return.

NOTE: The maximum amount of credit established for the current taxable year does **not** include any unused valid carryover amount(s) from prior taxable years. Because this is a nonrefundable credit, the total amount of available credit [current year plus any valid carryover amount(s)] that a taxpayer may use for the taxable year cannot be greater than the tax liability shown.

If the allowable tax credit is more than your tax or if you have no tax, you may carry the unused credit forward for up to the next five consecutive taxable years' income tax liability.

You cannot claim both a tax credit and an itemized deduction for the amount of contributions made to a certified school tuition organization for which you are claiming a credit.

NOTE: The credit eligible contributions made to a certified school tuition organization from January 1, 2017, to April 18, 2017, may be claimed as a tax credit on either your 2016 or 2017 Arizona income tax return.

If you claim this credit in 2016 for a donation made from January 1, 2017, to April 18, 2017, you must make an adjustment on your Arizona Form 140 Schedule A, or Form 140PY Schedule A(PY) or A(PYN); or Form 140NR Schedule A(NR), filed in 2017.

A certified school tuition organization is an organization that meets **all** of the following.

- The organization is tax exempt under Section 501(c)(3) of the Internal Revenue Code.
- The organization allocates at least 90% of its annual revenue for educational scholarships or tuition grants.
- The organization makes its scholarships or grants available to students of more than one qualified school.

A “*qualified school*” means a preschool that offers services to students with disabilities, nongovernmental primary or a secondary school that is located in Arizona. The school cannot discriminate on the basis of race, color, handicap, familial status, or national origin and requires all teaching staff and personnel that have unsupervised contact with students to be fingerprinted.

A “*qualified school*” does not include a charter school or programs operated by a charter school. The primary school must begin with kindergarten and the secondary school must end with grade 12.

In the case of a preschool that offers services to students with disabilities, a “*student with disabilities*” is a student who has any of the following conditions:

- hearing impairment,
- visual impairment,
- developmental delay,
- preschool severe delay, or
- speech and/or language impairment.

NOTE: *The Arizona Department of Revenue is required to certify school tuition organizations. The department maintains a list of currently certified school tuition organizations on its website at www.azdor.gov.*

To qualify for the credit, all contributions must be made to a certified school tuition organization. To determine if your contributions made in 2016 and/or 2017, qualify for this credit, you should verify that the school tuition organization you made a contribution to is certified. For a list of school tuition organizations certified to receive donations for the individual income tax credit, see the department’s website.

Your donation to the school tuition organization will not qualify for the credit if you designate the donation for the direct benefit of your dependent.

NOTE: *Your donation will also not qualify if you designate a student beneficiary as a condition of your contribution to the school tuition organization. Additionally, the tax credit is not allowed if you agree with another person to designate each other’s contributions to the school tuition organization for the direct benefit of each other’s dependent, a practice commonly known as swapping.*

Before claiming this credit, make sure the school tuition organization issues you a receipt for the contributions. The receipt should show **all** of the following:

- the name and address of the school tuition organization,
- the name of the taxpayer,
- the amount paid, and
- the date paid.

Please keep this receipt with your tax records.

NOTE: *You may be able to make credit eligible contributions to a certified school tuition organization through payroll withholding. Check with your employer to see if your employer has agreed to withhold contributions that qualify for this credit from your pay.*

Line-by-Line Instructions

Enter your name and Social Security Number (SSN) as shown on Arizona Forms 140, 140PY, 140NR, or 140X.

All returns, statements, and other documents filed with the department require a taxpayer identification number (TIN). The TIN for an individual is the taxpayer’s SSN or an Internal Revenue Service (IRS) individual taxpayer identification number (ITIN). Taxpayers that fail to include their identification number may be subject to a penalty.

Part 1 - Eligibility

Lines 1a through 1c -

For lines 1a through 1c, answer the questions and follow the instructions on the form.

Part 2 - Current Year’s Credit

NOTE: *You must include **all** school tuition organizations to which you and your spouse, if married, made contributions to and for which you claimed a 2016 credit on Form 323.*

Lines 2, 3 and 4 -

Enter the name and address of the certified school tuition organization to which you made contributions from January 1, 2016, through December 31, 2016, and for which you are claiming a current year’s credit on your return.

- name of the certified school tuition organization,
- street address of the certified school tuition organization,
- location (city and state) of the private school tuition organization, and
- the amount of contributions made.

NOTE: *Do not include those contributions that you made from January 1, 2016, through April 18, 2016, for which you claimed a credit on your 2015 tax return.*

If you made cash contributions to three or more schools, complete an additional schedule. The schedule should show the same information required on lines 2, 3 and 4 for each of the additional schools to which you made cash contributions.

Line 5 -

Add the amounts in column (d) of lines 2, 3, and 4. Also, add any amount included on a separate schedule.

Line 6, 7 and 8 -

For calendar year filers: *Because April 15, 2017 falls on a Saturday and District of Columbia Emancipation Day will be observed on April 17, 2017, you have until Tuesday, April 18, 2017, to make a contribution and claim a credit for that amount on your 2016 tax return.*

Enter the name and address of the certified school tuition organization to which you made contributions from January 1, 2017, through April 18, 2017, and for which you are claiming a current year’s credit on your return. Enter the following:

- name of the certified school tuition organization,
- street address of the certified school tuition organization,
- location (city and state) of the certified school tuition organization, and
- the amount of contributions made.

If you made cash contributions to four or more schools, complete an additional schedule. The schedule should show the same information required on lines 6, 7, and 8 for each of the additional schools to which you made cash contributions.

Line 9 -

Add the amounts in column (d) of lines 6, 7, and 8. Also, add any amount included on a separate schedule.

Line 10 -

All taxpayers: Add lines 5 and 9. Enter the total.

Line 11 - Maximum Credit Claimed on Form 323

- Single taxpayers and taxpayers filing as heads of household enter \$545.
- All married taxpayers enter \$1,090.

Line 12 - Potential Credit

Subtract line 11 from line 10, and enter the difference.

Line 13 - Maximum Allowable Credit on Form 348

- Single taxpayers and taxpayers filing as heads of household enter \$542.
- All married taxpayers enter \$1,083.

Line 14 - Current Year's Credit to Claim on Form 348

Enter the smaller of line 12 or line 13. If you are married filing a separate return but could have filed a joint return, you may take only one-half (1/2) of the total credit that would have been allowed on a joint return, up to a maximum of \$542 each. In this case, enter one-half (1/2) of the smaller of line 12 or line 13.

Part 3 - Available Credit Carryover

NOTE: Arizona law requires that a taxpayer must claim the maximum credit amount allowed on Arizona Form 323 before claiming a credit for excess contributions on Form 348. However, you do not have to claim a current year credit on Form 323 to **only** claim a credit carryover amount from prior taxable years on Form 348.

Lines 15 through 20 -

Use Part 3 to figure your total available credit carryover from taxable years 2012, 2013, 2014 and/or 2015.

Complete lines 15, 16 and 17 to figure your available credit carryover from taxable years 2012, 2013, 2014 and/or 2015, if you claimed the credit on a return for one of these years, and the credit was more than your tax.

- In column (b), enter the credit originally computed for that taxable year listed in column (a).
- In column (c), enter the amount of the credit from that taxable year which you have already used.
- In column (d), subtract the amount in column (c) from column (b) and enter the difference.
- Add the amounts on lines 15 through 17 in column (d).

Enter the total on line 20, column (d).

Part 4 - Total Available Credit

Line 21 -

Enter the amount from Part 2, line 14. Also, enter this amount on Form 301, Part 1, line 30, column (a).

Line 22 -

Enter the amount from Part 3, line 20, column (d). Also, enter this amount on Form 301, Part 1, line 30, column (b).

Line 23 -

Add line 21 and line 22. Also, enter this amount on Form 301, Part 1, line 30, column (c).

NOTE: To claim this credit, you **must** first claim the maximum credit allowed on Arizona Form 323, Credit for Contributions to Private School Tuition Organizations. The amount of credit you must claim on Form 323 depends on your filing status. See Form 323 for these amounts.

EXAMPLE: During 2016, Mary, a single person, gave \$1400 to a school tuition organization. Mary's tax liability for 2016 is \$400. Mary claimed the maximum credit amount of \$545 allowed on Arizona Form 323.

Since Mary made a contribution that totaled more than the allowable credit on Arizona form 323, she may claim a credit, up to the maximum amount allowed, on Form 348 (for 2016, \$542 for single or head or household; or \$1,083 for married filing joint.) For 2016, Mary would compute her **available current year's credit** for Form 348 as follows:

2016 total contributions made	\$ 1,400
Credit claimed on Form 323 for tax year 2016	(\$ 545)
Contributions eligible to use for computing Form 348 credit	\$ 855
Maximum credit on Form 348 that Mary may claim	\$ 542
Contributions exceeding the allowable credit. Mary may not use the amount of the gift, \$313, which was more than the allowable \$542 credit (\$855 minus \$542) to figure her credit on Form 348.	\$ 313

Once Mary computes her credit, she must then determine how much of that credit may be applied to the current year's tax and how much, if any, may be carried over to a future year. In this case, Mary has already applied a credit (from Arizona Form 323) against her total tax liability of \$400. Therefore, Mary will have a \$542 carryover on Form 348 for the next taxable year. Mary will compute her **2016 carryover credit** amount as follows:

Current Year's Credit	\$ 542
Mary's 2016 tax liability	\$ 400
Tax credit used – from Arizona Form 323	(\$ 400)
Balance of tax	\$ 0
Amount of current year credit used from Form 348 to off-set taxes	\$ 0
Amount of current year credit from Form 348 available to carryover to next year.	\$ 542