

FAQ'S

How much can a corporation give?

C Corps: C Corporations may donate up to their state income tax liability for the given tax year, as long as it does not exceed the entire statewide cap for the year.

S Corps: S Corporations may donate up to their state income tax liability for the given tax year, with a minimum donation of \$5,000, and then pass the tax credit on to their shareholders proportionately.

Can an LLC participate in this tax credit?

LLCs that are taxed as S-Corps are eligible to make a donation for a tax credit and pass the credit through to the individual shareholder. An LLC that is treated as a partnership can only pass the credit through to corporate partners, not individual partners.

What is the state cap?

There is a yearly statewide maximum for corporate donations. The statewide cap opens the first week of July each year. The Low-Income Corporate cap increases each year. Visit TOPSforKids.com to see the current year's caps, and contact us to see if the cap has been met.

What are the corporate tax credits and limits?

There are two corporate tax credits:

1. Low-Income Corporate Tax Credit (**Tax Form 335**)
2. Disabled/Displaced Corporate Tax Credit (**Tax Form 341**)

Can a corporation recommend a school to benefit from their tax donation? Yes!



Questions?

www.TOPsforKids.com
(480) 414-TOPS (8677)



CORPORATE TAX CREDITS

(480) 414-TOPS (8677)
www.TOPsforKids.com

Dept. #880031 • PO Box 29650
Phoenix, AZ 85038-9650 • Fax 1-888-256-1130

Did You Know?

You can help make a difference in AZ private education at NO cost to you.

You can help underserved AZ children receive a private education with your tax dollars.

Who Can Give?

- 👤 C Corporations
- 👤 S Corporations
- 👤 Insurance companies that pay premium tax

AZ's Corporate Tax Credit allows corporations to take what they owe in state taxes and donate it to a School Tuition Organization (STO) like TOPS for Kids.

TOPS for Kids uses the corporate donations to fund scholarships for low-income, disabled and fostered children to attend a private school that best suits their individual needs.

In turn, the corporations receive a dollar for dollar tax credit. It's a win-win for all!

How To Donate

1. Corporation determines how much to donate (based on tax liability)
2. Corporation submits a corporate donor application to TOPS for Kids (Online via website or email Tanya@topsforkids.com)
3. TOPS for Kids submits the application to ADOR for approval
4. Corporation has 20 days to fund the donation after approval
5. Once funded, TOPS for Kids provides a tax receipt and the corporation takes the tax credit when filing taxes

Who Will Benefit?

AZ FAMILIES

- 👤 Low-income families
- 👤 Displaced AZ foster children
- 👤 Children with learning disabilities

YOUR CORPORATION

- 👤 Receives tax credit for a charitable donation to a nonprofit (TOPS)
- 👤 Customers and employees appreciate support of AZ education
- 👤 Your donation impacts the next generation of competent leaders

Why Give?

- 👤 "It's a no brainer"!
- 👤 You owe state taxes
- 👤 Why not support the education of the most vulnerable children in AZ?
- 👤 The benefits are HUGE and the cost is NOTHING



Notice: A School Tuition Organization cannot award, restrict or reserve scholarships solely on the basis of a donor's recommendation. A taxpayer may not claim a tax credit if the taxpayer agrees to swap donations with another taxpayer to benefit either taxpayer's own dependent. A.R.S. 43-1089-Chapter 15)