

2024 Credit for Contributions To Qualifying Foster Care Charitable Organizations

**Arizona Form
352**

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 select the *About* tab on the home page and select *Legal Research* from the drop-down menu and then click on *Procedures* or *Rulings* from the drop-down menu. Using the Category box, select the tax type and then scroll down to find the *Document ID* or use the *Search Keyword* function to locate the document.

Publications

To view or print the department's publications, go to our website select the *About* tab on the home page and select *Legal Research* from the drop-down menu and then click on *Publications* from the drop-down menu.

General Instructions

NOTE: You **must** also complete Arizona Form 301, Nonrefundable Individual Tax Credits and Recapture, and include Forms 301 and 352 with your tax return to claim this credit.

Arizona law provides a **separate** credit for cash contributions made to qualifying foster care charitable organizations (QFCO).

CAUTION: Cash Contributions made after December 31, 2015, to a QFCO do not qualify for, and cannot be included in, a credit claimed on Arizona Form 321 for cash contributions made to a qualifying charitable organization (QCO).

If you made cash contributions to a **non-foster care qualifying charitable organization**, you **must** complete Arizona Form 321 to claim a credit for those contributions. Do **not** use Form 352 to claim a credit for contributions made to non-foster care charitable organizations.

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.

What is a QFCO?

A QFCO is a qualifying charitable organization that is exempt from federal income taxation under section 501(c)(3) of the internal revenue code or is a designated community action agency that receives community services block grant program monies pursuant to 42 United States Code section 9901 and each operating year provides services to at least two hundred qualified individuals in Arizona. The charity must spend at least 50% of its budget on services to qualified individuals in this state.

"Qualified individual" means any of the following:

- (a) A foster child as defined in section 8-501.
- (b) a person who is participating in an independent living program as prescribed in section 8-521.
- (c) A person who is participating in a transitional independent living program as prescribed by section 8-521.01.
- (d) A person who is participating in an extended foster care program as prescribed in section 8-521.02.
- (e) A person who is under twenty-seven years of age and whose reason for leaving foster care is any of the following:
 - (i) Reaching eighteen years of age.
 - (ii) Adoption or legal guardianship after reaching fifteen years of age.
 - (iii) Reunification after reaching fourteen years of age.

"Foster home" means a home maintained by any individual or individuals having the care or control of minor children, other than those related to each other by blood or marriage, or related to such individuals, or who are legal wards of such individuals.

For a QFCO, "Services" means the following:

For a qualifying foster care charitable organization, cash assistance, medical care, behavioral health services, child care, food (including snacks at a QFCO's foster youth event), clothing, shelter, job placement services, job training services, character education programs, workforce development programs, secondary education student retention programs, housing or financial literacy services or any other assistance that is reasonably necessary to meet basic needs or provide normalcy and that is provided and used in this state. For the purposes of this subdivision:

- (i) "Behavioral health services" has the same meaning prescribed in section 36-401.
- (ii) "Character education program" means any program described in section 15-719, subsection b that is offered by a qualifying foster care charitable organization.
- (iii) "Job training services" has the same meaning as vocational and technical preparation as defined in section 15-781.
- (iv) "Normalcy" means the condition of experiencing a typical childhood by participating in activities that are age or developmentally-appropriate, as defined in 42 US code section 675.
- (v) "Workforce development program" means any program recognized by the workforce Arizona council pursuant to section 41-5401.

NOTE: For more information on what is a qualifying charitable organization, see the instructions for Form 321.

How Can I Tell if a Foster Care Charity Qualifies?

To qualify, a foster care charity must provide the department with written certification that it meets the criteria necessary to be considered a qualifying foster care charity.

To see a list of qualifying foster care charities, visit our website and click on *Tax Credits* and select *Contributions to QCOs and QFCOs*.

- For donations made in 2024 - use the 2024 list.
- For donations made from January 1, 2025 to April 15, 2025 - use the 2024 list.

A cash contribution for which a credit is claimed and that is made on or before the fifteenth day of the fourth month following the close of the taxable year may be applied to either the current or preceding taxable year and is considered to have been made on the last day of that taxable year.

For calendar year filers, credit eligible cash contributions made to a QFCO from January 1, 2025 through April 15, 2025 may be used as a tax credit on either your 2024 or 2025 Arizona income tax return.

IMPORTANT: *To claim a credit on your 2024 tax return for contributions made January 1, 2025 through April 15, 2025 the charitable organization must be certified by the department for the 2025 tax year.*

If you claim this credit in 2024 for a cash contribution made from January 1, 2025 through April 15, 2025 you must make an adjustment on your 2025 Arizona Form 140 Schedule A, Form 140PY Schedule A(PY) or A(PYN), or Form 140NR Schedule A(NR).

NOTE: *You cannot claim both a tax credit and an itemized deduction for the amount of contributions made to a QFCO for which you are claiming a credit.*

You cannot claim an increased standard deduction for the amount of contributions made to a QFCO for which you are claiming a credit.

The maximum amount of credit that a taxpayer can establish for the current taxable year is \$587 for single taxpayers or heads of household. For married taxpayers filing a joint return, the maximum amount of credit that a taxpayer can establish for the current taxable year is \$1,173. In most cases, for married taxpayers who file separate returns, each spouse may claim only **one-half** (½) of the total credit that would have been allowed on a joint return up to \$587.

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 may qualify for this credit if you make cash contributions to a qualified foster care charity through an Umbrella Charitable Organization (UCO). An UCO is a charitable organization that collects contributions on behalf of member charities and directs that contribution as designated by the taxpayer to a QFCO that is certified by the Department.

In this case, 100% of the contribution to a specific qualifying foster care charitable organization or to a specific fund of the UCO must be distributed to a QFCO that is certified by the Department.

The UCO will need to provide you with a receipt for your contribution that specifies the QFCO or fund to whom the contribution is designated and certifies that 100% of the contribution will be distributed to the named QFCO. If a fund is designated then the receipt should certify that 100% of the fund is distributed to a QFCO that is certified by the Department.

NOTE: *You may be able to make contributions to these charities through your payroll withholding. Contact your employer and ask if they can withhold contributions for this credit from your pay.*

For more information, see the department's publication, Pub 710, *Credit for Contributions to Qualifying Charitable Organizations*.

What is a Qualifying Foster Care Charitable Organization Code?

For Arizona tax credit purposes, the department assigns a code (a 5 digit identification number) to each QFCO and the UCO fund (for example: 12345). If your donation receipt did not include the foster care charity's code, the department's list of qualifying charities includes the code assigned to each charity and the UCO fund code.

Be sure to enter the code number, in column (a), for each qualifying foster care charity for which you and your spouse made cash contributions.

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.

NOTE: *Complete Parts 1 and 3 **only** if you are claiming a new credit for the current tax year.*

If you are only claiming a carryover amount available from a previous credit, complete Parts 2 and 3.

Part 1 - Current Year's Credit**A. Cash contributions made January 1, 2024 through December 31, 2024**

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

Lines 1, 2, and 3

Enter the following for each QFCO you or your spouse made cash contributions or paid fees from January 1, 2024 through December 31, 2024 for which you or your spouse are claiming a credit on the 2024 tax return:

- Column (a): the date you made the contribution (MM/DD/2024);
- Column (b): the five digit code number of the qualifying QFCO or the UCO fund code (example: 23456);
- Column (c): the name of the QFCO or the UCO fund name; and
- Column (d): the amount of cash contributions made during 2024.

Do not include those cash contributions that you or your spouse made from January 1, 2024 through April 15, 2024 for which you or your spouse claimed a credit on the 2023 tax return.

NOTE: *For contributions made to an Umbrella Charitable Organization, the Qualifying Charitable Organization Code and name of the qualifying charity are reported on the tax form. If a fund is designated, the Umbrella Charitable Organization Fund Code and the name of the fund are reported on the tax form.*

If you made cash contributions to more than three QFCOs, complete the Continuation Sheet on page 3 of the form and include it with the credit form.

What if I Made More than Ten (10) Contributions to the Same Qualified Charitable Organization?

If you made more than ten (10) re-occurring monthly donations (or used paycheck deductions) for contributions **to the same qualified charitable organization**, the department will permit the netting/summarizing of the contributions made to the same charity and provision of one common date (for example 12/31/24). Enter the total amount of contributions made in column (d).

Line 4

Enter the amount from line 4h of the continuation Sheet; otherwise enter "0".

Lines 5

Add lines 1 through 4, column (d). Enter the total.

B. Cash contributions made January 1, 2025 through April 15, 2025**Lines 6, 7, and 8**

NOTE: *If you are married and filing separate returns, include all cash contributions made by you and your spouse.*

Enter the following for each QFCO you or your spouse made cash contributions from January 1, 2025 through April 15, 2025 for which you or your spouse are claiming a credit on the 2024 tax return.

- Column (a): the date you made the contribution (MM/DD/2024);
- Column (b): the five digit code number of the QFCO or UCO fund code (example: 23456);
- Column (c): the name of the QFCO or the UCO fund name; and
- Column (d): the amount of cash contributions made from January 1, 2025 through April 15, 2025.

NOTE: *For contributions made to an Umbrella Charitable Organization, the Qualifying Charitable Organization Code and name of the qualifying charity are reported on the tax form. If a fund is designated, the Umbrella Charitable Organization Fund Code and the name of the fund are reported on the tax form.*

If you made cash contributions to more than three QFCOs, complete the Continuation Sheet on page 3 of the form and include it with the credit form.

What if I Made More than Ten (10) Contributions to the Same Qualified Charitable Organization?

If you made more than ten (10) re-occurring monthly donations (or used paycheck deductions) for contributions **to the same qualified charitable organization**, the department will permit the netting/summarizing of the contributions made to the same charity and provision of one common date (for example 04/15/24). Enter the total amount of contributions made in column (d).

Line 9

Enter the amount from line 9h of the Continuation Sheet; otherwise enter "0".

Line 10

Add lines 6 through 9, column (d). Enter the total.

Line 11

Add lines 5 and 10. Enter the total.

Line 12

Single taxpayers and taxpayers filing as head of household enter \$587. Married taxpayers enter \$1,173.

Line 13 - Current Year's Credit

Enter the smaller of line 11 or line 12.

If you are married filing a separate return, but you could have filed a joint return, you may take only $\frac{1}{2}$ of the total credit that you and your spouse would have been allowed to take on a joint return, up to a maximum of \$587. In this case, enter $\frac{1}{2}$ of the smaller of line 11 or line 12.

Part 2 - Available Credit Carryover**Lines 14 through 19**

Use lines 14 through 19 to figure your total available credit carryover from taxable years 2019 through 2023 if you claimed this credit on these returns 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 maximum amount allowed as a credit.*

For example: During 2024, Mary, a single person, gave \$600 to a qualified foster care charity. For 2024, Mary is allowed a maximum credit of \$587. Mary's 2024 tax is \$250. Mary can apply \$250 of the credit to her 2024 tax liability and carryover \$311 of the unused \$587 credit to 2024.

Mary cannot claim any credit for the \$13 gift that was more than the allowable credit (\$600 minus allowable credit of \$587).

- In column (b), enter the credits originally computed for the tax years listed in column (a).
- In column (c), enter the amount of the credit which you have already used.
- In column (d), subtract the amount in column (c) from column (b) and enter the difference in column (d).
- Add the amounts entered on lines 14 through 17 in column (d)

Enter the total on line 19, column (d).

Part 3 - Total Available Credit**Lines 20 through 22**

Use lines 20 through 22 to figure your total available credit for the taxable year.

Line 20

Enter the amount from Part 1, line 13. Also, enter this amount on Arizona Form 301, Part 1, line 21, column (a).

Line 21

Enter the amount from Part 2, line 19, column (d). Also, enter this amount on Form 301, Part 1, line 21, column (b).

Line 22 - Total Available Credit

Add line 20 and line 21. Enter the total. Also, enter this amount on Form 301, Part 1, line 21, column (c).