

The graphic features a stylized sunburst at the top, with alternating yellow and red rays emanating from a central point. Below the sunburst is a solid dark blue horizontal band. The text "AZ State Tax Knowledge Check" is centered in white within this blue band. Below the blue band, the text "TY2022" is centered in red.

AZ State Tax Knowledge Check

TY2022

Instructions

- AARP requires each state with an income tax to certify Counselors in State Tax Law
- Knowledge check can be used as part of the certification process for AZ for TY2022
- Please complete the answer sheet and send your answers to your Local Coordinator
- Your LC will notify you of incorrect answers and guide you to documents for you to review

Answer Sheet

#1: _____

#2: _____

#3: _____

#4: _____

#5: _____

#6: _____

#7: _____

#8: _____

#9: _____

#10: _____

#11: _____

#12: _____

#13: _____

#14: _____

Property Tax Credit

Q 1: A taxpayer under age 65 is eligible for an AZ Property Tax Credit if the taxpayer can prove SSI Title 16 benefits?

- a. True
- b. False

Q 2: A taxpayer could file form 140PTC after April 18, 2023, if they file Form 204 prior to April 18, 2023?

- a. True
- b. False

Property Tax Credit

Q 3: Which of the following are considered income when completing PTC140?

1. Wages
 2. Self Employment Income
 3. AZ Muni Interest
 4. CD Interest
 5. Military Pension
 6. Prior year Federal or State tax refund
 7. Social Security Benefits
 8. Non-AZ Unemployment
 9. Veterans Disability Pensions
 10. \$1.5K of Capital Loss Carryforward
- a. 1, 3, 4 and 8
 - b. 1, 2, 3, 4 and 10
 - c. 1, 2, 3, 4, 8 and 10
 - d. 1, 2, 4, 6, 8 and 10
 - e. 1, 2, 5, 7 and 9
 - f. 2, 3, 4, 6 and 8

Property Tax Credit

Q 4: A taxpayer may use up to \$1,500 of Capital Losses to lower income for PTC140.

- a. Yes - for Prior year loss only
- b. Yes - for Current year loss only
- c. Yes – For both Prior and Current year loss
- d. No – Capital Losses are not allowed to lower income for PTC

Q 5: Steve (66) lives alone in an AZ home purchased in February, when he moved from CA. At closing, Steve paid property taxes back to 11/2022. His only income is \$2,200 in SSA benefits and CA UCI of \$3,700. Is Steve eligible for PTC140?

- a. No, because he was not an AZ resident for all of 2022
- b. No, because he did not pay taxes all year.
- c. No, because his income is over the limit for PTC

Property Tax Credit

Q 6: Susan (66) & Cindy (63) lived together in AZ all year. They have SSA benefits of \$3,800 and \$4,600, respectively. Susan has an AZ State pension of \$2,100. Cindy has net SE income of \$1,810. Cindy's son Mark (43) lives with them and gets SSI benefits of \$1,800 and earns interest of \$150. What is their household income for Form 140PTC?

- a. \$3,910
- b. \$3,760
- c. \$3,610
- d. \$4,060
- e. \$5,860

Ancestor Exemption

Q 7: Which qualification is not acceptable to claim an Ancestor exemption?

- a. Person is the taxpayer's parent, grandparent or great grandparent.
- b. Taxpayer paid more than 50% of support and maintenance.
- c. Person lived in assisted care during the year.
- d. Taxpayer provided two or more activities of daily living for the person.

Q 8: Which of the daily activities is not acceptable to claim an Ancestor exemption?

- a. Shopping
- b. Finances
- c. Reading
- d. Bathing

Long Term Capital Gain Exclusion

Q 9: Jerry has a brokerage statement with the following transactions.

Stock	Sold	Acquired	Sale \$	Cost \$	Gain\$	Term
LLY	12/1/22	12/22/21	\$2,800	\$1,600	\$1,200	Short
PFE	10/1/22	11/10/08	\$1,500	\$1,100	\$ 400	Long
MRK	11/1/22	12/15/16	\$2,300	\$1,800	\$ 500	Long
OGN	09/1/22	11/14/18	\$1,200	\$1,400	<\$ 200>	Long

What will Jerry's LTCG exclusion amount show on line 23 of AZ Form 140?

- a. \$525
- b. \$225
- c. \$175
- d. \$75

Tax Credits

Q 10: Susan (single) contributed \$400 to Military Family Relief on Dec 1, 2022. How much of her AZ tax liability of \$600 can she offset in TY2022?

- a. \$200
- b. \$300
- c. \$400

Q 11: How much of Susan's donation will carryforward to next year?

- a. \$0
- b. \$200
- c. \$300
- d. \$400

Tax Credits

Q 12: Mark & Midge (MFJ) contributed \$500 cash and \$500 in items to Goodwill on April 1, 2022. What questions might you ask before you can determine how to complete Form 321?

- a. Do they wish to apply contributions toward their TY22 return?
- b. Do they wish to amend their TY21 return to use some of the credit?
- c. Did they apply some of the contribution in TY21?
- d. All the above

Other

Q 13: What AZ personal exemptions are still allowed in TY22?

- a. \$1,500 for blind
- b. \$2,100 for age 65+
- c. \$2,300 for age 65+ and medical support deductions
- d. All of the above

Q 14: What is the AZ credit for dependents under age 17?

- a. \$25
- b. \$100
- c. \$300
- d. \$500

How did you do?

Are there some areas you need to brush up on?

Visit aztax-aide.org > Tax Preparation > Arizona Tax Information