

AZ STATE INCOME TAX TY22

■ AZ Tax Forms

- Form 140 – Resident Personal Income Tax Return - Handout
- Form 140NR – Nonresident Personal Income Tax Return
- Form 140PY – Part-Year Resident Personal Income Tax Return
- Form 140PTC – Property Tax Credit Refund Claim - Handout
- Form 140ET – Credit for Increased Excise Tax
- Form 140-SBI* – Small Business Income Tax Return - OOS

■ TaxSlayer Data Transfer

- Federal Input
 - Most data transfers to the AZ return
 - Many states have unique requirements
 - Requirements may require input in the State section
- AZ Supplemental Intake
 - Aids to identify unique requirements
 - Discussions with taxpayer(s)
- Prior Year State Tax Return
 - Used to verify Carryforward balances (also Notes)

AZ INCOME TAX RETURN

What Data Transfers from Federal Input?

Basic Information

DO NOT STAPLE ANY ITEMS TO THE RETURN.

Arizona Form 140		Resident Personal Income Tax Return		FOR CALENDAR YEAR 2021	
82F <input type="checkbox"/> Check box 82F if filing under extension		OR FISCAL YEAR BEGINNING [M, M, D, D] 2, 0, 2, 1 AND ENDING [M, M, D, D] 2, 0, Y, Y.		66F	
1 Your First Name and Middle Initial		Last Name		Enter your SSN(s). Your Social Security Number	
1 Spouse's First Name and Middle Initial (if box 4 or 6 checked)		Last Name		Spouse's Social Security No.	
2 Current Home Address - number and street, rural route		Apt. No.	Daytime Phone (with area code)		
3 City, Town or Post Office		State	ZIP Code	Last Names Used in Last Four Prior Year(s) (if different)	
FILING STATUS		4 <input type="checkbox"/> Married filing joint return		4a <input type="checkbox"/> Injured Spouse Protection of Joint Overpayment	
		5 <input type="checkbox"/> Head of household. Enter name of qualifying child or dependent on next line.		REVENUE USE ONLY. DO NOT MARK IN THIS AREA.	
		6 <input type="checkbox"/> Married filing separate return. Enter spouse's name and Social Security Number above.		88	
		7 <input type="checkbox"/> Single			
EXEMPTIONS		↓ Enter the number claimed. Do not put a check mark.			
8		Age 65 or over (you and/or spouse)		81 PM	
9		Blind (you and/or spouse)		80 RCVD	
10a		Dependents: Under age of 17.			
11a		Qualifying parents and grandparents			

If completing lines 8, 9, and 11a, also complete lines 38, 39, and 41. For lines 10a and 10b, also complete line 49.

10b Dependents: Age 17 and over.

Dependents & Qualifying Ancestors

(Box 10a and 10b): Dependent Information. See instructions. For more space, check the box and complete page 4, Part 1.

	(a) FIRST AND LAST NAME (Do not list yourself or spouse.)	(b) SOCIAL SECURITY NO.	(c) RELATIONSHIP	(d) NO. OF MONTHS LIVED IN YOUR HOME IN 2021	(e) Dependent Age included in:		(f) If you did not claim this person on your federal return due to educational credits
					1 (Box 10a)	2 (Box 10b)	
10c					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10d					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10e					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(Box 11a): Qualifying parents and grandparents. See instructions. For more space, check the box and complete page 4, Part 2.

	(a) FIRST AND LAST NAME (Do not list yourself or spouse.)	(b) SOCIAL SECURITY NO.	(c) RELATIONSHIP	(d) NO. OF MONTHS LIVED IN YOUR HOME IN 2021	(e) IF AGE 65 OR OVER	(f) IF DIED IN 2021
11b					<input type="checkbox"/>	<input type="checkbox"/>
11c					<input type="checkbox"/>	<input type="checkbox"/>

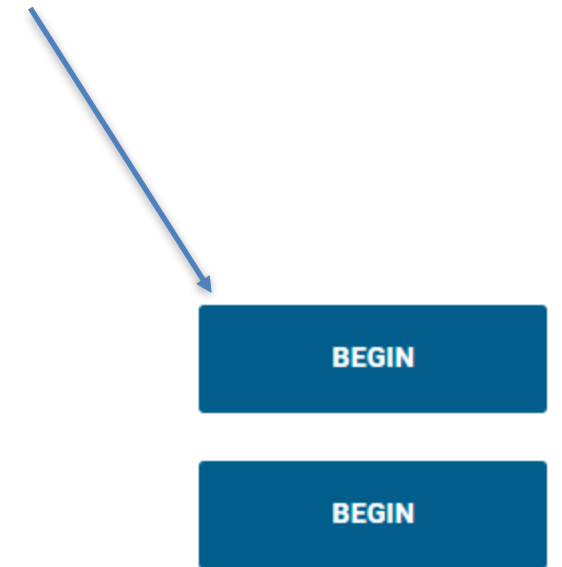
- Enter Ancestors in the Federal section
 - May qualify for AZ exemption

■ Ancestor Input - AZ

- 11a – Qualifying Parents and Grandparents
 - Enter Ancestor as a Dependent on the Federal return
 - On the AZ return, Select Ancestors claimed on the Federal return
 - AZ has specific rules for claiming Ancestors, follow the guideline

Qualifying Parents or Ancestors Information that were claimed on Federal return

Qualifying Dependents that were not claimed on Federal return but are eligible for AZ purposes





Ancestor Input - AZ

Arizona Return

AZ Qualifying Parents Or Ancestors

BACK

Name of Parent or Ancestor	
SHIRLEY ANDERSON	Edit

Qualifying Parent or Ancestor Exemption. You may claim this exemption if all of the following apply: 1)Your Parent or an Ancestor of Your Parent Lived in Your Main Home for the Entire Taxable Year. 2)You Paid More Than 1/2 of the Support and Maintenance Cost. 3)The Parent or Ancestor of Your Parent was 65 Year or Older. 4)The Parent or Ancestor of Your Parent Require Assistance With Activities of Daily Living.

Select the Dependent that qualifies for as Qualifying Parents or Ancestors

SHIRLEY ANDERSON ▼

Is dependent a Qualifying Ancestor?

Yes ▼

Income & Additions

	12	Federal adjusted gross income (from your federal return)	12		00
	13	Small Business Income: 13S <input type="checkbox"/> check the box if you are filing Arizona Form 140-SBI and enter the amount from Form 140-SBI, line 10..	13		00
	14	Modified federal adjusted gross income. Subtract line 13 from line 12.....	14		00
Additions	15	Non-Arizona municipal interest.....	15		00
	16	Partnership Income adjustment. See instructions	16		00
	17	Total federal depreciation	17		00
	18	Other Additions to Income: Complete <i>Other Additions to Arizona Gross Income</i> schedule on page 5.....	18		00
	19	Subtotal: Add lines 14 through 18 and enter the total	19		00

- Federal AGI is the starting point for AZ Income
 - Non-AZ Muni interest transfers from Federal input
 - Line 18 - List of Additions – see page 5 of AZ Form 140

Subtractions

20	Total net capital gain or (loss). See instructions	20		00	
21	Total net short-term capital gain or (loss). See instructions	21		00	
22	Total net long-term capital gain or (loss). See instructions	22		00	
23	Net long-term capital gain from assets acquired <i>after</i> December 31, 2011. See instructions.	23		00	
24	Multiply line 23 by 25% (.25) and enter the result	24			00
25	Net capital gain derived from investment in qualified small business.....	25			00
26	Recalculated Arizona depreciation	26			00
27	Partnership Income adjustment. See instructions	27			00
28	Interest on U.S. obligations such as U.S. savings bonds and treasury bills.....	28			00
29a	Exclusion for federal, Arizona state or local government pensions (up to \$2,500 per taxpayer).....	29a			00
29b	Exclusion for benefits, annuities and pensions for retired/retainer pay of the uniformed services.....	29b			00
30	U.S. Social Security or Railroad Retirement Act benefits included as income on your federal return (taxable amount)	30			00
31	Certain wages of American Indians	31			00
32	Pay received for active service as a member of the reserves, national guard or the U.S. armed forces.....	32	OOS*		00
33	Net operating loss adjustment. See instructions.....	33			00
34	Contributions to: 34a 529 College Savings Plans <input type="text"/> 00 34b 529A (ABLE accounts) <input type="text"/> 00 add 34a and 34b	34c			00
35	Subtract lines 24 through 34c from line 19. Enter the difference.....	35			00

■ Subtractions – Net Long Term Capital Gain

- 27% Capital Gain subtraction – AZ 140 - Line 23
 - Net Gain from sale of assets acquired after 12/31/2011
 - Must be calculated from taxpayer documents

Arizona Return

Subtractions From Income

Net Long-term capital gain from assets acquired after December 31, 2011.

BEGIN

■ Subtractions – Net Long Term Capital Gain

- Enter the NET Capital Gain
 - Use the Form 8949 box
 - Enter the Net Gain – TaxSlayer will calculate the 25%

Net long-term capital gains or (losses) from assets acquired after December 31, 2011.

BACK

CONTINUE

Form 8949 - Net long-term capital gains or (losses) from assets acquired after December 31, 2011.

\$

■ Subtractions – Pensions

- Exclusion for Qualifying Pensions & Annuities
 - Fed & AZ Government pensions – **up to \$2,500** (can be lower)
 - Unformed Services - \$100%

Pension Exclusion

NO

YES

■ Subtractions – Pensions

Enter the qualified pension income amount that qualifies for the Exclusion for U.S. Government, Arizona State or Local Government Pensions

Taxpayer: \$

Spouse: \$

i The taxpayer has federal pensions in the amount of: \$43,120.00 . If you are eligible for the pension exclusion please enter the appropriate amount above.

Enter the qualified benefits, annuities and pensions for retired/retainer pay of the uniformed services

Taxpayer: \$

Spouse: \$

i The taxpayer has federal pensions in the amount of: \$43,120.00 . If you are eligible for the pension exclusion please enter the appropriate amount above.

■ Input Screen has both Qualifying Exclusions

- Fed/AZ Government and Uniformed Services

■ Subtractions – Certain Wages & Income

- Qualifying American Indian wages
 - Tribe Member, Live & Earned on the Reservation

Enter certain wages of American Indians

Enter taxable income tax refund from Other States

- Qualifying Non-AZ Tax Refunds
 - \$'s if reported in Fed AGI

■ Subtractions – 529 & 529A Plans

- Contributions to Qualified 529 College Plans
 - Any state qualifying plan
 - Maximum \$2,000 per eligible beneficiary **per taxpayer or spouse**
 - Enter in same location (Subtractions) on AZ input screen

Contributions to 529 College Savings Plan

Exemptions & AZ AGI

Exemptions	36	Other Subtractions from Income. Complete <i>Other Subtraction from Arizona Gross Income</i> schedule on page 6.....	36		00
	37	Subtract line 36 from line 35. Enter the difference	37		00
	38	Age 65 or over: Multiply the number in box 8 by \$2,100.....	38		00
	39	Blind: Multiply the number in box 9 by \$1,500	39		00
	40	Other Exemptions. See instructions.....40E <input type="text"/> Multiply the number in box 40E by \$2,300.....	40		00
	41	Qualifying parents and grandparents: Multiply the number in box 11a by \$10,000.....	41		00
	42	Arizona adjusted gross income: Subtract lines 38 through 41 from line 37. If less than zero, enter "0".....	42		00

■ TaxSlayer calculates exemption allowances

- Age, Blind, Other Exemptions & Ancestors

■ Deductions & Non-refundable Credits

	43 Deductions: Check box and enter amount. See instructions 43I <input type="checkbox"/> ITEMIZED...43S <input type="checkbox"/> STANDARD 43		00
	44 If you checked box 43S and claim charitable contributions, check 44C <input type="checkbox"/> Complete page 3. See instructions..... 44		00
	45 Arizona taxable income: Subtract lines 43 and 44 from line 42. If less than zero, enter "0"..... 45		00
Balance of Tax	46a Compute the tax using amount on line 45 and Tax Tables X and Y or Optional Tax Tables..... 46a		00
	46b If line 45 is \$250,001 or more (single/mfs) or \$500,001 or more (mfj/hoh) compute the tax surcharge. Enter the amount.. 46b		00
	47 Tax from recapture of credits from Arizona Form 301, Part 2, line 30 47		00
	48 Subtotal of tax: Add lines 46a, 46b and 47. Enter the total..... 48		00
	49 Dependent Tax Credit. See instructions 49		00
	50 Family income tax credit (from the worksheet - see instructions) 50		00
	51 Nonrefundable Credits from Arizona Form 301, Part 2, line 61..... 51		00
	52 Balance of tax: Subtract lines 49, 50 and 51 from line 48. If the sum of lines 49, 50 and 51 is greater than line 48, enter "0" 52		00

- TaxSlayer can determine best Itemized or Standard deduction
 - Adjusts Federal Medical reduction
- Line 44 – Calculates from Federal Itemized Charitable cash & non-cash entries
- Line 51 – Arizona Tax Credits – Form 301

Withholding & Payments – Refundable Credits

Total Payments and Refundable Credits	53	2021 AZ income tax withheld.....	53		00
	54	2021 AZ estimated tax payments.. 54a <input type="text" value="00"/> Claim of Right 54b <input type="text" value="00"/> Add 54a and 54b. 54c			00
	55	2021 AZ extension payment (Form 204).....	55		00
	56	Increased Excise Tax Credit (from the worksheet - see instructions)	56		00
	57	Property Tax Credit from Arizona Form 140PTC.....	57		00
Tax Due or Overpayment	58	Other refundable credits: Check the box(es) and enter the total amount..... 581 <input type="checkbox"/> 308-I 582 <input type="checkbox"/> 349	58		00
	59	Total payments and refundable credits: Add lines 53 through 58. Enter the total.....	59		00
	60	TAX DUE: If line 52 is larger than line 59, subtract line 59 from line 52. Enter amount of tax due. Skip lines 61, 62 and 63.....	60		00
	61	OVERPAYMENT: If line 59 is larger than line 52, subtract line 52 from line 59. Enter amount of overpayment.....	61		00
	62	Amount of line 61 to be applied to 2022 estimated tax.....	62		00
	63	Balance of overpayment: Subtract line 62 from line 61. Enter the difference	63		00

- If taxpayer(s) qualify – must enter Form 140PTC
 - Owners & Renters eligible

Statistical & Banking

Voluntary Gifts	64 - 74 Voluntary Gifts to:		Solutions Teams Assigned to Schools.....	64		00	Arizona Wildlife.....	65		00				
	Child Abuse Prevention.....	66		00	Domestic Violence Services.....	67		00	Political Gift.....	68		00		
	Neighbors Helping Neighbors..	69		00	Special Olympics.....	70		00	Veterans' Donations Fund	71		00		
	I Didn't Pay Enough Fund.....	72		00	Sustainable State Parks and Road Fund.....	73		00	Spay/Neuter of Animals..	74		00		
	75 Political Party (if amount is entered on line 68 - check only one): 751 <input type="checkbox"/> Democratic 752 <input type="checkbox"/> Libertarian 753 <input type="checkbox"/> Republican													
Penalty	76 Estimated payment penalty										76		00	
	77 771 <input type="checkbox"/> Annualized/Other 772 <input type="checkbox"/> Farmer or Fisherman 773 <input type="checkbox"/> Form 221 included													
	78 Add lines 64 through 74 and 76; enter the total										78		00	
Refund or Amount Owed	79 REFUND: Subtract line 78 from line 63. If less than zero, enter amount owed on line 80.....										79		00	
	Direct Deposit of Refund: Check box 79A if your deposit will be ultimately placed in a foreign account; see instructions. 79A <input type="checkbox"/>													
	<input checked="" type="checkbox"/> 98	<input type="checkbox"/> C Checking or	ROUTING NUMBER					ACCOUNT NUMBER					<input type="checkbox"/> S Savings	
80 AMOUNT OWED: Add lines 60 and 78. Make check payable to Arizona Department of Revenue; write your SSN on payment; and include with your return.....										80		00		

- Enter in Voluntary Contributions section
 - Entry Reduces Refund or Increases Tax Owed

■ AZ Tax Input Questions

Questions?



Comments...

■ Arizona Tax Credits – Form 301

	43 Deductions: Check box and enter amount. See instructions 43I <input type="checkbox"/> ITEMIZED...43S <input type="checkbox"/> STANDARD	43	00
	44 If you checked box 43S and claim charitable contributions, check 44C <input type="checkbox"/> Complete page 3. See instructions.....	44	00
	45 Arizona taxable income: Subtract lines 43 and 44 from line 42. If less than zero, enter "0".....	45	00
Balance of Tax	46a Compute the tax using amount on line 45 and Tax Tables X and Y or Optional Tax Tables.....	46a	00
	46b If line 45 is \$250,001 or more (single/mfs) or \$500,001 or more (mfj/hoh) compute the tax surcharge. Enter the amount..	46b	00
	47 Tax from recapture of credits from Arizona Form 301, Part 2, line 30	47	00
	48 Subtotal of tax: Add lines 46a, 46b and 47. Enter the total.....	48	00
	49 Dependent Tax Credit. See instructions	49	00
	50 Family income tax credit (from the worksheet - see instructions)	50	00
	51 Nonrefundable Credits from Arizona Form 301, Part 2, line 61.....	51	00
	52 Balance of tax: Subtract lines 49, 50 and 51 from line 48. If the sum of lines 49, 50 and 51 is greater than line 48, enter "0"	52	00

■ Line 51 – Arizona Tax Credits – Form 301

Form 301

8	Credit for Contributions to Qualifying Charitable Organizations..	Form 321 ▶
9	Credit for Contributions Made or Fees Paid to Public Schools....	Form 322 ▶
10	Credit for Contributions to Private School Tuition Organizations	Form 323 ▶
11	Agricultural Pollution Control Equipment Credit	Form 325 ▶
12	Credit for Donation of School Site	Form 331 ▶
13	Credit for Employment by Healthy Forest Enterprises	Form 332 ▶
14	Credit for Employing National Guard Members.....	Form 333 ▶
15	Credit for Business Contributions by an S Corporation to School Tuition Organizations - Individual	Form 335-I ▶
16	Credit for Solar Energy Devices – Commercial and Industrial Applications.....	Form 336 ▶
17	Credit for Investment in Qualified Small Businesses.....	Form 338 ▶
18	Credit for Donations to the Military Family Relief Fund	Form 340 ▶
19	Credit for Business Contributions by an S Corporation to School Tuition Organizations for Displaced Students or Students with Disabilities - Individual	Form 341-I ▶
20	Renewable Energy Production Tax Credit.....	Form 343 ▶
21	Credit for New Employment.....	Form 345 ▶
22	Additional Credit for Increased Research Activities for Basic Research Payments	Form 346 ▶
23	Credit for Contributions to Certified School Tuition Organizations (for contributions that exceed the allowable credit on Arizona Form 323).	Form 348 ▶
24	Credit for Contributions to Qualifying Foster Care Charitable Organizations	Form 352 ▶

■ Popular Tax Credits

- Qualifying Charitable Organizations
- Public Schools
- Private School Tuition Organizations
- Military Family Relief
- Foster Care Organizations

AZ Legislature determines qualifying amounts and other limitations

Arizona Non-Refundable Tax Credits



CREDIT TYPE	AZ FORM	Single/H of H Maximum	MFJ Maximum	Donation Deadline
Credit Recapture Form	Form 301			
Taxes Paid to another State/Country (same income)	Form 309			
Qualifying Charitable Organizations	Form 321	\$400	\$800	4/18/2023
Contributions or Fees to Public Schools	Form 322	\$200	\$400	4/18/2023
Contributions to Private School Tuition Organizations	Form 323	\$611	\$1,221	4/18/2023
Contributions to Military Family Relief Fund	Form 340	\$200	\$400	12/31/2022
Contributions to Certified School Tuition Organizations (complete Form 323 first)	Form 348	\$608	\$1,214	4/18/2023
Contributions to Qualifying Foster Care Organizations	Form 352	\$500	\$1,000	4/18/2023

The date of the contributions is now required on each Tax Credit Form. Taxpayer may NOT claim both a Tax Credit & Itemized Deduction for the same contribution.



QCO & QFCO Lists and Codes



For a list of QCOs or QFCOs go to the following:

- <https://azdor.gov/tax-credits/contributions-qcos-and-qfcos>, or
- log into aztax-aide.org > Tax Preparation > Arizona Taxes, then Tax Credits > #2 Qualifying Codes for Charitable Orgs
- Use TY22 code for donations made after 12/31/2022,
- See instructions at end of list for Umbrella organizations

List of Qualifying Charities

2021	QCO	QFCO
2020	QCO	QFCO
2019	QCO	QFCO
2018	QCO	QFCO
2017	QCO	QFCO
2016	QCO	QFCO
2015	QCO	QFCO

▼ Tax Credits

1. [AZ Dept. of Revenue link for info](#)
2. Qualifying Codes
 - [Codes for Prior Years](#)
 - [Charitable Orgs TY21](#)
 - [Foster Care Orgs TY21](#)
3. School Codes
 - [alphabetical list](#)
 - [search by name](#)
 - [Tuition Organizations List TY20](#)



Contributions or Fees Paid to Public Schools

- The public-school credit is for cash contributions or fees paid by the taxpayer to an Arizona public school. Fees paid for a meal or meal card do not qualify as a contribution.
- Fees include Extracurricular activities
- Charter Schools are included
- Taxpayer should get a receipt and must enter the 9-digit CTDS code
 - Available on aztax-aide.org website
- Taxpayers who make qualified contributions or fees to public school between January 1, 2023, and April 18, 2023, may claim the credit on either 2022 or 2023 tax return.



Public School Credit

- Remember to include the CTDS code assigned to the school when claiming the public-school credit.
- CTDS stands for *County Code, Type Code, District Code and Site Number*.
- Codes are available at
 - https://azdor.gov/sites/default/files/media/PUBLICATION_ADESchoolListing.pdf
 - www.aztax-aide.org
 - Log in > Tax Preparation > Arizona Taxes > Tax Credits > #3 School Codes



List of Schools and CTDS - County Code, Type Code, and District Code & Site Number

CTDS	School Name
108731101	A CHILD'S VIEW SCHOOL-CLOSED
120201114	A J MITCHELL ELEMENTARY SCHOOL
100206038	A. C. E.
078707202	AAEC - PARADISE VALLEY
078993201	AAEC - SMCC CAMPUS



Contributions to School Tuition Organizations

- For 2022, the private school tuition credit allowed for Single, H of H & MFS is **\$611**. For MFJ it is **\$1,221**
- TP's who donate between January 1, 2023, and April 18, 2023, may claim the allowable tax credit on either the 2022 or 2023 tax return.
- Arizona publication 707 provides information & answers regarding both the private and the public-school credits.
- No special codes are necessary to claim this credit.



Contributions to School Tuition Organizations



- Taxpayer may claim an additional credit for a donation to a school tuition organization if the amount contributed is greater than the maximum amount that can be claimed on Form 323.
- The excess credit amount that may be taken for tax year 2022 is \$608 Single, H of H & MFS and \$1,214 for MFJ.
- This excess tax credit to *certified school tuition organizations* is claimed on [Form 348](#).
- TP's who make contributions between January 1, 2023 & April 18, 2023, may claim the allowable credit on either the 2022 or 2023 tax return.



Contributions to Military Family Relief Fund

- There are 2 Funds , Pre-9/11 and Post 9/11. The receipts show identify which fund. If not, use Post 9/11.
- Taxpayer must make the donation on or before 12/31/2022.
- There is NO Carryforward of excess donation.
- Arizona allows maximum donations annually of \$1M. Once the Fund reaches \$1M, further donations do not qualify of the Tax Credit. The receipt will indicate if it qualifies.
- No special codes are necessary to claim this credit.



AZ Tax Credit Carryforward

- Most AZ Tax Credits include a Credit Carryforward
- Use prior year tax return to enter:
 - Total Tax Credit allowed (by year)
 - Tax Credit Used
- Each Tax Credit Form (321, 322, 323, 348 & 352) shows the carryforward information in Part 2
- Form 301, Part 2 shows the amount of each Tax Credit used to offset taxes due



AZ Tax Credit Carryforward

Nonrefundable Tax Credits Used This Taxable Year: Enter amounts actually used from Part 1.

35	Military Reuse Zone Credit.....	Form 306 ▶	35		00
36	Credit for Increased Research Activities – Individuals.....	Form 308-I ▶	36		00
37	Credit for Taxes Paid to Another State or Country.....	Form 309 ▶	37		00
38	Credit for Solar Energy Devices	Form 310 ▶	38		00
39	Agricultural Water Conservation System Credit	Form 312 ▶	39		00
40	Pollution Control Credit	Form 315 ▶	40		00
41	Credit for Solar Hot Water Heater Plumbing Stub Outs and Electric Vehicle Recharge Outlets	Form 319 ▶	41		00
42	Credit for Employment of TANF Recipients.....	Form 320 ▶	42		00
43	Credit for Contributions to Qualifying Charitable Organizations.....	Form 321 ▶	43	50	00
44	Credit for Contributions Made or Fees Paid to Public Schools.....	Form 322 ▶	44	50	00
45	Credit for Contributions to Private School Tuition Organizations.....	Form 323 ▶	45	21	00

AZ Tax Credit Carryover tool is available on the AZ website.



Questions?

