

AZ Tax Law Training

- 1. Arizona Individual Income Tax – TY23**
 - i. AZ Standard Deduction
 - ii. Filing Requirement – Income Exclusions
 - iii. Changes for 2023 – AZ Tax, TSO Input
 - iv. AZ Tax Forms –
 - v. Out of Scope Reminder

- 2. AZ Supplemental Intake Form**
 - i. AZ website > Tax Prep > Arizona Taxes
 - ii. Organized in order of the AZ tax return.
 - iii. Contains AZ items requiring manual input in TSO

- 3. Cactus Book**
 - i. AZ Cactus Book > AZ website
 - ii. Mirrors Federal Pub 4012
 - iii. Add to Google Drive (Chromebook)

- 4. Exemptions**
 - i. Ancestor
 - ii. Other
 - iii. Dependents

- 5. Income Adjustments**
 - i. Additions to Income
 1. Non-AZ Bond income
 2. K-1 Partnership income
 - ii. Pension Exclusions
 1. Government
 - a. Fed, AZ State & Local government – up to \$2,500
 2. Military - Uniform Services Pension – 100%
 - iii. SSA or Railroad pension benefits
 - iv. Certain Wages of American Indians
 - v. Interest on US Obligations – Treasury Bills and US Bonds
 - vi. Net Long Term Capital Gains – 25% exclusion
 - vii. Contributions to 529/529 ABLÉ Plans
 - viii. Long Term Care Premiums

- 6. Tax Credits**
 - i. **Excise Tax Credit**
 - ii. **Property Tax Credit - PTC140**
 1. Renters – Form 201
 2. Owners – Property Taxes Paid (need receipt)

iii. Other Tax Credits

- iv. 309 – Taxes paid to another State or Country
- v. 310 – ~~Solar Credit~~ – **Out of Scope**
- vi. 321 – Qualifying Charitable Organizations
- vii. 322 – Donations to Public Schools
- viii. 323 – Donations to Private School Tuition Organizations
- ix. 348 – Donations to Certified School Tuition Organizations
- x. 352 – Qualifying Foster Care Organizations
- xi. 340 – Donations to Military Family Relief Funds
- xii. Excise Tax Credit – When/Where to adjust ETC

7. Charitable Donations – TSO Cactus Guide, AZ Tax Credit Training
w/Standard Deduction

- i. AZ allows a 31% increase to the Standard Deduction
- ii. Includes cash and non-cash donations.
- iii. TSO adjusts AZ Tax Credit from Federal input.

w/Itemized Deduction

- iv. Charity that results in an AZ Tax Credit
 - 1. Qualified Tax Credit \$'s removed from Federal Charitable Donations in TSO (Sch A)
 - 2. Qualified Tax Credit \$'s added to Federal Sch A - State Taxes Paid
 - 3. Requires adjustments to AZ Itemized Deduction to correct the actual Federal Charitable Donations

8. Charity – QCD

- i. Donations from QCD's qualify for preferential tax treatment

9. AZ Form 140

- i. What Pulls Forward from Federal input.
- ii. What may need AZ manual input.

AZ Tax-Aide website > Tax Preparation > Arizona Tax Information

- 1. Ancestors Exemption**
 - a. Activities of Daily Living Definitions
 - b. Checklist (AZ ITP 14-2)

- 2. AZ Tax Help**
 - a. AZ DOR 140 Booklet
 - b. AZ Quick Reference Guide
 - c. AZ Tax Law Changes
 - d. Cactus Guide

- 3. Community Property**
 - a. AZ Community Property Explanation
 - b. MFS Policy (Pacific Region)

- 4. County Assessor & Treasurer Links**

- 5. Intake/Interview – AZ Checklist**
 - a. AZ Checklist
 - b. AZ Intake Form (SP)
 - c. AZ Intake Form (1 page)
 - d. AZ Intake Form (2 page)

- 6. Local Sales Taxes**
 - a. Local Sales Tax by County & some Cities

- 7. Net Long-Term Gain**
 - a. Long term Capital Gains Exclusion

- 8. Property Tax Credits**
 - a. Form 140 PTC
 - b. 140 PTC Instructions
 - c. Form 140 PTC Quick Guide

- 9. Tax Credits**
 - a. AZ Carryover Assistant explanation
 - b. Carryover Assistant Tool
 - c. AZ Charity and TS entries
 - d. AZ DOR Codes & Credits Link
 - e. AZ QCD Donations
 - f. Charity Quick Check Chart
 - g. Code for Tax Credits
 - i. Form 321 Charities
 - ii. Form 322 Schools
 - iii. Form 323 Tuition Organizations
 - iv. Form 352 Foster Care

AZ Practice Exercises

AZ Property Tax Credit Exercise –

Paula T Cashless (SSN# 333-00-1234, DOB 06/10/1942) is a widow living on Social Security. She receives \$950 per month (after \$142/month is deducted for Medicare). She has no other income.

Paula lives at 5151 N Kain Ave, Lot #37, 85705, which is a trailer park village. She owns her trailer but rents the lot. She provides a receipt from the Pima County Treasurer (Property ID#210-55-8512) showing she paid \$212 for the last half of her 2022 property taxes on 4/12/23 and \$257 for the first half of her 2023 property taxes on 10/26/23.

She also provides a signed AZ Form 201 from the End of the Trail trailer park showing 2.6% of her rent went to pay real estate taxes. She paid \$250 per month to rent the lot.

Calculate her total Form 140PTC credit.

Arizona State Tax Knowledge Check –

Wyatt Earp Exercise