

The graphic features a stylized sunburst at the top, with alternating yellow and maroon rays radiating from a central point. Below this, a solid dark blue horizontal band contains the text. The text is centered and reads "AZ State Tax Knowledge Check" in a large, white, sans-serif font. Below the main title, the text "TY2023" is written in a smaller, red, sans-serif font.

AZ State Tax Knowledge Check

TY2023

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 TY2023
- 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 with an SSI Title 16 benefits letter is eligible for an AZ Property Tax Credit?

- a. True
- b. False

Q 2: A taxpayer can file Form 140PTC after April 15, 2024, if they file Form 204 prior to April 15, 2024?

- 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. Gambling income
- a. 1, 3, 4 & 8
 - b. 1, 2, 3, 4 & 10
 - c. 1, 2, 3, 4, 5, 8 & 10
 - d. 1, 2, 4, 6, 8 & 10
 - e. 1, 2, 5, 7 & 9
 - f. 2, 3, 4, 6 & 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 he purchased in February, when he moved from CA. In November, Steve paid the full year property taxes for 2023. His only income is \$2,200 in SSA benefits and CA UCI of \$3,750. Is Steve eligible for PTC140?

- a. No, because he was not an AZ resident for all of 2023
- 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 & Cindy live 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 lives with them and receives SSI benefits of \$1,800 and has interest income of \$150. What is Susan & Cindy's household income for 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\$
LLY	12/1/23	12/22/22	\$2,800	\$1,600	\$1,200
PFE	10/1/23	11/10/08	\$1,500	\$1,100	\$ 400
MRK	11/1/23	12/15/16	\$2,300	\$1,800	\$ 500
OGN	09/1/23	11/14/18	\$1,200	\$1,400	<\$ 200>

What is Jerry's Long-Term Capital Gain entered on line 22 of AZ 140?

- a. \$500
- b. \$300
- c. \$900
- d. \$1,200

Tax Credits

Q 10: Susan (S) contributed \$400 to Military Family Relief on Dec 1, 2023. How much of her \$600 AZ tax liability can she offset in TY2023?

- a. \$200
- b. \$300
- c. \$400
- d. \$600

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

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

Tax Credits

Q 12: Mork & Mindy (MFJ) contributed \$500 cash to Goodwill on April 1, 2023. What questions might you ask before you can determine how to complete Form 321?

- a. Do they wish to apply contributions toward their TY23 return?
- b. Do they wish to amend their TY22 return to use the credit?
- c. Did they apply some or all of the contribution in TY22?
- d. All the above

Other

Q 13: What AZ personal exemptions are still allowed in TY23?

- 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