

Frequently Asked Questions 2007

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Q. How does the Tuition Tax Credit work?

A. Any Arizona taxpayer can contribute up to \$1000 to a School Tuition Organization that provides scholarships to students in private schools. When you file your state tax return, you get the money back as a dollar-for-dollar credit.

Q. What are the maximum tax credit limits?

A. Private School Credit: \$1000 per tax year – married, filing jointly
 \$500 per tax year – single or head of household

Public School Credit: \$400 per tax year – married, filing jointly
 \$200 per tax year – single or head of household

Q. Where do I mail my payment?

A. CTODP
Bank Processing Center
P.O. Box 53321
Phoenix AZ 85072

Q. Can I contribute online?

A. Yes, at www.catholictuition.org -- online contributions can be made through December 31st. It is secure, convenient and generates an instant tax receipt via email.

Q. Can I take advantage of the public school credit, too?

A. Yes! Contact the public school of your choice for details on where to send your payment. The Catholic Tuition Organization of the Diocese of Phoenix (CTODP) is unable to accept payments for the public school credit.

Q. How do I get my tax receipt and the tax forms needed to claim the credit?

A. Receipts will be mailed by the end of January, along with Arizona Tax Forms 301 and 323. The forms are also available on www.catholictuition.org, or from a tax preparer, or from the Arizona Department of Revenue.

Q. Can I designate my payment to a specific student?

A. The Catholic Tuition Organization of the Diocese of Phoenix (CTODP) does not accept individual student recommendations; however you can designate your money to go to the students at a particular school. Undesignated funds are distributed where needed most.

Q. Must I designate a school? What is the general scholarship fund?

A. You do not have to designate a specific school. In fact, the Catholic Tuition Organization of the Diocese of Phoenix (CTODP) prefers contributions be left undesignated in the General Scholarship Fund so they can be awarded to students with the greatest financial need at any diocesan school.

Q. Can I designate more than one school?

A. Yes, you may designate more than one school and choose how much goes to each. For mailed in payments, write the schools and amounts in the designation box.

Q. How do I determine my tax liability?

A. Review your previous year's state tax return or call your tax preparer. Your liability is the total amount of tax due to the state, not the amount you underpaid or had refunded to you.

Q. How do I claim the credit on my tax return?

A. The credit may be claimed on the designated forms of your Arizona individual income tax return. The credit will benefit you only to the extent that you incur an Arizona income tax liability. Any unused credit can be carried forward for up to five (5) consecutive tax years.

Q. How does a tax credit differ from a tax deduction? Can I claim both?

A. A tax credit is significantly more beneficial than a deduction. A tax credit enables the contributor to get 100% of the contribution back dollar-for-dollar while a deduction allows the contributor to get a much smaller percentage back according to his or her tax bracket. For example: A person in the 28% tax bracket could only get a maximum of 28% of his or her contribution back as a deduction, whereas that same person could get 100% back as a tax credit. On your state tax return, if you claim the credit, you cannot also claim a deduction. However, you may be able to claim the contribution as an itemized deduction on your Federal tax return, thus lowering the amount of Federal tax paid.

Q. Does the Catholic Tuition Organization of the Diocese of Phoenix (CTODP) accept matching gifts from employers?

A. Yes! Obtain the application from your employer and send it to: CTODP, 340 E. Palm Lane #138, Phoenix AZ 85004-4528. Or you can mail it with your payment. You will be notified once we have received the matched funds. Matched funds are designated the same way as the personal payment.

Q. How does the Catholic Tuition Organization of the Diocese of Phoenix (CTODP) distribute the money collected?

A. Every student entering one of the 38 diocesan schools in grades K-12 each school year is eligible to complete an application for a scholarship. The primary criteria for awarding scholarships are financial need. The Catholic Tuition Organization of the Diocese of Phoenix (CTODP) strives to assist as many students as possible to the extent of their need based on the funds available.

Q. Where can I obtain more information regarding the Arizona Tuition Tax Credit program?

A. More information can be obtained online at www.catholictuition.org or from the Department of Revenue at <http://www.revenue.state.az.us/brochure/707.pdf> or by calling (602) 255-3381 in Phoenix or (800) 352-4090, toll-free statewide.

Q. How can I learn more about the new corporate tax credit?

A. If you would like information regarding the new corporate tax credit, please visit our website at www.catholictuition.org or call Debra Castro at 602-218-6580.