

**THE
SOCIETY
OF**

**ST.
VINCENT
DE PAUL**



**FEED. CLOTHE.
HOUSE. HEAL.**

VINCENTIAN GUIDE TO THE CREDIT FOR CONTRIBUTIONS TO QUALIFYING CHARITABLE ORGANIZATIONS

(Formerly known as the Working Poor Tax Credit)

Utilizing the Tax Credit to Increase Conference Donations to Further the
Mission of the Society of St. Vincent de Paul.

Table of Contents

Introduction	3
Frequently Asked Questions	4
Promoting the Tax Credit	6
Sample Tax Credit Presentation	7
Sample Envelope Stuffer	8
Sample Promotional Postcard	8
Sample Thank You Letter/Receipt	9

Introduction

Having to tell someone during a home visit that there are not enough funds to help them through a rough time is never easy to do.

Through promotion of the Credit for Contributions to Qualifying Charitable Organizations, formerly known as the Working Poor Tax Credit, ("Tax Credit"), Society of St. Vincent de Paul Conferences can encourage their communities to make financial contributions to help carry out the Society's mission to Feed, Clothe, House and Heal our neighbors in need.

The Tax Credit gives Arizonans an added incentive to donate financial gifts because they can receive a dollar for dollar credit against any Arizona state tax liability they may have up to the limits allowed by law.

This booklet was designed by the Council's Development Department to give you some basic information on how the Tax Credit can help you raise more money so that you can have the resources needed to assist those neighbors who turn to your Conference for help.

If you have any questions regarding the information contained in this booklet, please contact the **Development Department at 602.261.6884.**

*****UPDATE*****

Beginning in 2016, the maximum credit has been increased to \$400 for single individuals and \$800 for married couples, filing jointly.

The information contained in this booklet is general only and not meant to take the place of individual tax advice. Please consult a licensed tax advisor for specific tax advice. For more information, please visit the Arizona Department of Revenue's website at www.azdor.gov.

Frequently Asked Questions

The following are some frequently asked questions regarding the Tax Credit. Please remember that unless you are a licensed tax preparer, you cannot give tax advice. These answers are for guidance only. Please refer donors to their tax preparer or the Arizona Department of Revenue for answers to specific tax questions.

What is the Credit for Contributions to Qualifying Charitable Organizations?

Individuals who donate to Qualifying Charitable Organizations (QCO) may take a credit for their donation on their Arizona state income tax return. The Society of St. Vincent de Paul is a QCO. This credit was formerly known as the "Working Poor Tax Credit."

How is a credit different than a deduction?

A deduction reduces your income on your tax return. A credit reduces the tax liability you have for that year. For example:

Mr. and Mrs. Jones made a donation to St. Vincent de Paul in the amount of \$800. After completing Arizona Form 140 (Resident Personal Income Tax Return) their tax liability for last year was \$2,000. Because St. Vincent de Paul is a QCO, they may subtract their \$800 donation from their tax liability, reducing it to \$1,200.

Can the donation be claimed as a deduction on the Federal tax return and a credit on the Arizona tax return?

Yes. However, an adjustment will need to be made so that the donation is not taken as both a deduction and a credit on the Arizona return. The donor's tax preparer can assist in completing the appropriate forms so that the donation can be taken as a deduction on the Federal return and a credit on the Arizona state tax return. To take the Federal deduction, the gift must be made between January 1 and December 31 of the tax year.

Are there limits on the amount of the credit?

Yes. Donors filing single can take up to \$400 as a credit. Married donors filing jointly can take up to \$800 as a credit. Even if the donor has made gifts to more than one QCO, he or she is only able to take a credit of up to \$400 total for a donor filing an individual return or \$800 total for donors filing jointly. Anything over those limits can still be taken as a deduction.

Does the donor have to specify that his or her donation is for the tax credit?

No. Because it is a QCO, any donations made to St. Vincent de Paul may qualify for the Tax Credit. The donor does not need to specify it is for the Tax Credit. Also, the donation does not have to be made all at once. Cumulative donations throughout the tax year may be taken as a credit so long as they do not exceed the limits listed above.

Does the donor have to itemize deductions to take the credit?

No, as of tax year 2013, itemizing deductions is no longer required.

Can the donor take the Tax Credit by donating food, clothing or other tangible items?

No. The Tax Credit only applies to voluntary cash donations.

Does taking the Tax Credit affect the donor's ability to take other credits such as credit for donations to School Tuition Organizations?

No. This Tax Credit is separate from, and in addition to, any other applicable credits for which the donor is eligible to take. Beginning in 2016, the Credit for Contributions to Qualifying Foster Care Agencies is an entirely separate credit with separate limits.

Does St. Vincent de Paul have to provide the donor with a form so that he or she can take the credit?

St. Vincent de Paul must provide the donor with a receipt that shows the date of the donation, the amount of the donation and that there were no goods or services provided in return for the donation. Including St. Vincent de Paul's Tax ID Number on the receipt is encouraged. It is 86-0096789. The donor's tax preparer can assist with filing the appropriate tax forms for the credit. The forms can be found on the Arizona Department of Revenue's website at www.azdor.gov. Normally, the St. Vincent de Paul receipt does not need to be filed with the donor's tax return, but should be kept with all other supporting tax documents.

Is there a deadline for making the Tax Credit donation?

Effective 2016, the State of Arizona extended the deadline for making contributions eligible for this credit. Gifts made on or before April 15 may be applied to either the current or preceding taxable year and are considered to have been made on the last day of that taxable year. However, to be eligible for a deduction on the Federal return, the gift must be made between January 1 and December 31 of the tax year.

Promoting the Tax Credit

There are many Qualifying Charitable Organizations in Arizona that can accept Tax Credit donations. This means there is a lot of competition for donation dollars. Here are some tips to raise more of those Tax Credit donations for your Conference.

- Start early! Tax Credit donations can be made throughout the tax year, not just in December! By asking early, you can be the first organization to be considered by the donor for his or her gift. This is important because there are limits on the amount of the credit the donor can take.
- Ask your Pastor for permission to address the congregations at the Masses to educate them on the Tax Credit. (A sample presentation is included in this booklet.)
- If possible, set up a table outside the Church for parishioners to stop after Mass with questions they may have about the Tax Credit—be prepared to take donations on the spot! You may consider doing this during tax time in April to accommodate donors who are planning ahead, and then again in December for donors who are making last minute donations.
- Send prompt thank you letters/receipts for all gifts your Conference receives from donors and include information about the Tax Credit on the receipt, or as a separate envelope stuffer. (Samples are included in this booklet.) Donors whose gift is less than the Tax Credit limit may send in another donation to get the full benefit of the amount allowed! Make sure to include an envelope in with your receipt.
- Let your community know that the Tax Credit can be taken in addition to any public or private school credits they may be able to take and in addition to the Foster Care credit.
- Some donors may be hesitant to give because they feel they have to give the full \$400 or \$800 limits. Let them know that donations up to the \$400 and \$800 limits qualify. This will encourage donors who may not have the full amount to still support your Conference with the funds they can afford to donate.
- Review the Frequently Asked Questions in this booklet and be prepared to answer any general questions donors may have about the Tax Credit.
- Take advantage of Council-provided Tax Credit postcards and envelopes for promoting the Tax Credit within your parish boundaries.
- Give them the best reason to donate! Let your community know how their donation will help others. Share the many ways your Conference helps those in need.

Sample Tax Credit Presentation

Thank you, Father [Pastor Name], for the opportunity to speak with our parishioners today. My name is _____ and I am a Vincentian with the [Conference Name] for the Society of St. Vincent de Paul.

I am asking you to take The Credit for helping to Feed, Clothe, House and Heal our neighbors in need--the Tax Credit that is. By making a donation to St. Vincent de Paul, you will not only be helping our neighbors in need within [Parish Name] and the surrounding area, you will be able to take a tax credit against your Arizona state taxes for the amount of your gift.

Effective 2016, the State increased the credit to up to \$800 if you are married, filing jointly, or \$400 if you are filing single.

For example, if your state tax liability this year is \$1,000, and you are married, filing jointly, you can take up to \$800 off that \$1,000 liability, reducing it to \$200.

And, this credit is IN ADDITION to any other credits you may be able to take, including school credits or the foster care credit.

This is a great way for you to redirect your tax dollars to a cause that you know helps thousands of people each year.

Please consider making your gift today. [I will be at the table outside the Church to assist you with your gift and answer any questions.]

Thanks again, Father [Pastor Name] for allowing the Society of St. Vincent de Paul to share this information with our parishioners.

Sample Envelope Stuffer



**YOUR GIFT TO ST. VINCENT DE PAUL
MAY QUALIFY FOR EVEN MORE TAX CREDIT
THIS YEAR.**

Signed into law, SB 1216 doubled the Charitable Tax Credit available to Arizona taxpayers. Singles can now take up to \$400 (\$800 if filing jointly). This credit is in addition to the foster care and school tax credits.

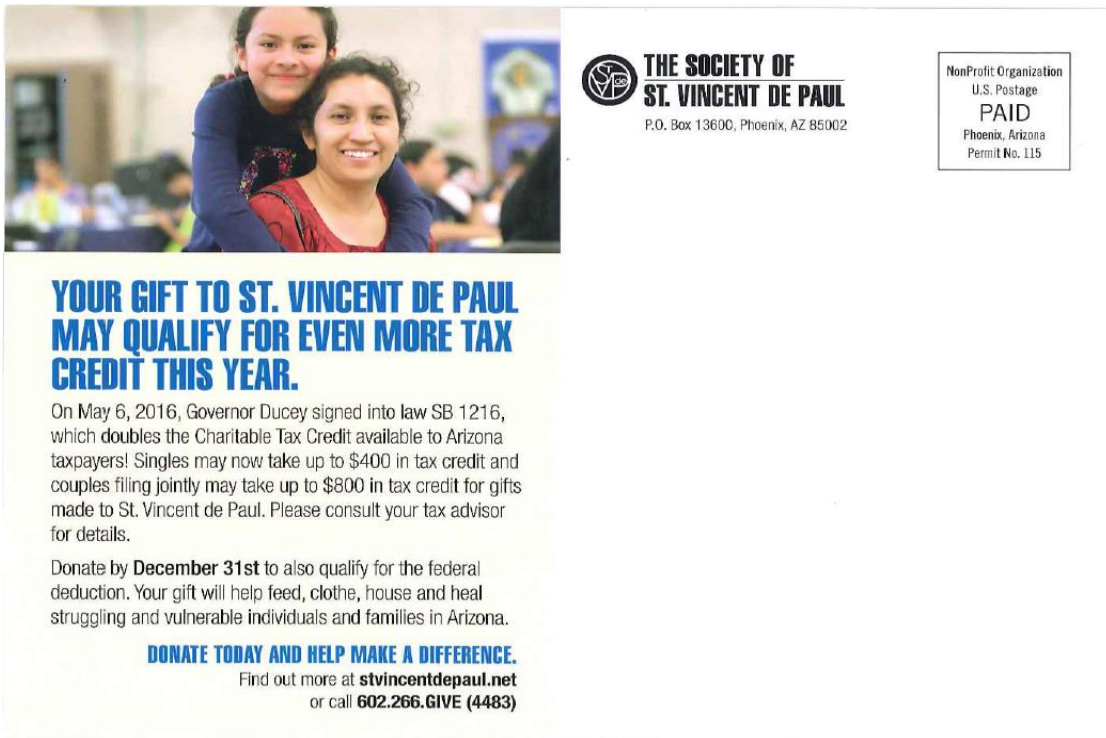
DONATE TODAY AND HELP MAKE A DIFFERENCE.
Call 602.266.4483 or make your gift
online at stvincentdepaul.net



Sample Promotional Postcard



Front



Back

Sample Thank You Letter/Receipt

[Date]

[Donor Name]
[Donor Street]
[Donor City, State, Zip]

Dear [Donor Name]:

Your kindness gives hope to many individuals and families served through the [Name of Conference] of the Society of St. Vincent de Paul. We thank you from the heart for your gift of [Gift Amount], received on [Date Received] to benefit our programs for the working poor. We deeply appreciate your caring commitment to helping those who need it most.

We receive numerous calls from people in our parish and surrounding community in need of food, clothing and assistance with rent or utilities. Our faithful volunteers deliver food boxes to families in their homes and then take a few moments to visit with them to learn if there are ways that St. Vincent de Paul can help them get back on their feet. Sometimes, just the visit alone can mean the world to someone who is going through a difficult time. You make all of this possible through your generous gift.

Please feel welcome to contact us at [Conference phone number] if we can assist you in any way. Again, thank you for your kindness and generosity.

Warmest Regards,

[Conference President Name]
Conference President

For tax purposes:

- Your contribution up to \$800.00 may qualify for Arizona's "Credit for Contributions to Qualifying Charitable Organizations". Please consult your tax advisor.
- The Society of St. Vincent de Paul is a 501(c)(3) non-profit organization, tax ID #86-0096789.
- You received no goods or services in exchange for your gift. Please keep this acknowledgment for your tax records.