



HOW YOUR BUSINESS CAN SUPPORT NEED-BASED SCHOLARSHIPS

Arizona's C corporations, S corporations and insurance companies can benefit from the corporate private school tuition tax credit program and support education



**JEWISH
TUITION**
ORGANIZATION

The Arizona business community can help children obtain an excellent Jewish day school education and promote school choice. Businesses that apply the tax credit can support the Jewish Tuition Organization (JTO) and help children in Arizona receive a quality education with scholarships to Jewish day schools. **A minimum of 90 percent of the funds go directly to support children in Jewish day schools.**

When your company supports a School Tuition Organization (STO) certified by the Arizona Department of Revenue (ADOR), such as the JTO, it receives a dollar-for-dollar Arizona state tax credit. It helps provide a quality education to a student in need. Corporations can recommend their support for a Jewish day school, however, by law, they cannot recommend a particular student. In addition, please check with your tax preparer regarding federal tax benefits.

The tax credit can only be filed with the ADOR **by the JTO** beginning July 1. Funding is **not** available prior to July 1. In previous years, the state's cap for this tax credit **was exhausted in one day**, so it is important that the JTO has all requests by June 26 to ensure that the paperwork is accurate and complete for submission by the JTO to ADOR beginning July 1.

Who can support the dollar-for-dollar tax credit program?

- C corporations
- S corporations that file a 120S corporate income tax return
- Insurance companies operating in Arizona
- LLCs that file as S corporations

How does a corporation participate in this tax credit program?

The following is the **required procedure** for corporate support of the JTO. This is the only method recognized by the ADOR. Contact the JTO now, so we can prepare your paperwork.

1. Corporations and insurance companies fill out an application required by the ADOR and send that form to the JTO.
2. The JTO will send the form to ADOR via email beginning July 1. ADOR will confirm the tax standing of the corporation and verify that there are sufficient funds in the state cap for corporate tax credits to cover the support.
3. ADOR responds to the request for pre-approval within 20 days of receiving the request. The request will be approved if the state cap has not yet been met. In the event a request is received for an amount that is greater than the remaining amount under the cap, ADOR will approve only the amount remaining. For example, if \$500,000 is left under the cap and a request is received for \$750,000, ADOR shall approve only \$500,000.
4. ADOR will respond to the JTO either approving or denying the application. The JTO will notify the supporting corporation of their standing on the same day ADOR notifies the JTO.
5. The corporation has 20 calendar days following the notification to give their support to the JTO. The JTO must receive the check before the ADOR's 20-day (20 calendar days, not 20 business days) deadline – you will be notified of the deadline. If the corporation misses that deadline, the corporation's application expires and the process must start over. The cap has usually been met by this time.
6. The JTO will notify ADOR upon receipt of the funds. As stated above, if the corporation fails to send the funds to the JTO within 20 calendar days of being notified of the approval, the corporation is no longer approved for the donation and would be required to submit a new pre-approval form and start the process over.

Please contact the JTO and support this tax credit program today!

The JTO is a nonprofit 501(c)(3) and can accept noncredit donations; all support is appreciated.

480-634-4926 | info@JTOphoenix.org | JTOphoenix.org | 12701 N. Scottsdale Road, Suite 100M, Scottsdale, AZ 85254

NOTICE: A school tuition organization cannot award, restrict or reserve scholarships solely on the basis of donor recommendation. A taxpayer may not claim a tax credit if the taxpayer agrees to swap donations with another taxpayer to benefit either taxpayer's own dependent. Consult your tax advisor for specific tax advice.



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