



**ARIZONA STATE SENATE**  
*Fifty-First Legislature, Second Regular Session*

**REVISED**  
FACT SHEET FOR S.B. 1302  
tax credit; food bank organizations

Purpose

Permits a taxpayer to receive a tax credit for voluntary cash contributions made to a qualifying charitable food bank organization.

Background

Statute permits Arizona taxpayers to make a voluntary cash contribution to a qualifying charitable organization and receive a credit for the contribution against their income tax. Taxpayers can receive credit for voluntary cash contributions of up to \$200 for a single individual or head of household or \$400 for a married couple filing a joint return. Taxpayers can also receive credit for voluntary cash contributions to a foster care charitable organization of up to \$400 for a single individual or head of household and \$800 for a married couple filing jointly.

A qualifying charitable organization is a charitable organization that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code or is a designated community action agency that receives federal monies under the community services block grant program. The organization must spend at least 50 percent of its budget on services to state residents who receive benefits pursuant to Temporary Assistance for Needy Families, have a low income or have children who are chronically ill or physically disabled. A qualifying charitable organization must certify to the Department of Revenue (DOR) that it meets these requirements and notify DOR of any changes that may affect its qualification. The certification must be in writing and signed under penalty of perjury by an officer of the organization (A.R.S. § 43-1088).

The anticipated fiscal impact of this legislation is unknown at this time.

Provisions

1. Permits a taxpayer to receive a tax credit for voluntary cash contributions made to a qualifying charitable food bank organization of up to:
  - a) \$400 in any taxable year for a single individual or a head of household; and
  - b) \$800 in any taxable year for a married couple filing a joint return.
2. Defines a *qualifying charitable food bank organization* as a qualifying charitable organization that operates with at least 6,000 square feet of office and warehouse space used for food storage and distribution, is audited annually by an outside certified public accountant, has a volunteer board of directors that is accountable for operations and that

meets at least four times annually, meets or exceeds local health and safety standards and spends at least 50 percent of its budget on services to low-income residents of this state.

3. Makes conforming changes.
4. Becomes effective on the general effective date.

Revision

- Corrects the definition of a *qualifying charitable food bank organization*.

Prepared by Senate Research

February 3, 2014

BR/lr