

History

Arizona School Choice Trust (ASCT) is the most experienced school tuition organization in Arizona. ASCT's mission is to provide hope and opportunity to low-income families by providing tuition scholarships to enable their children to attend private elementary and secondary schools (K-12) through the Arizona Tax Credit Scholarship Program for Low-Income Income and Displaced (foster care) and Disabled Children.

Why Partner with ASCT?

Since 1993, ASCT has provided over 19,000 scholarships to economically disadvantaged children who qualify for the National School Free and Reduced Lunch Program.

- S Corporations (S-corps) are able to redirect up to 100 percent of its state corporate income tax liability to fund these low-income student scholarships via the Arizona Tax Credit Scholarship Program *at no additional cost to participate.*
- Any S-corp that files a 120S Arizona Corporate Income Tax Return can redirect its tax liability to ASCT since we administer K-12 education scholarships for economically disadvantaged children and scholarships for displaced (foster care) and disabled students. Instead of claiming this credit against income taxed at the corporate level (on the 120S), the S-corp may make an *irrevocable election* to pass the credit through to its individual shareholders.
- The S-corp does not have to have liability in order to pass the tax credit through to its shareholders. Each shareholder will apply his/her share of the tax credit against his/her individual income tax liability.
- Each individual shareholder may claim only a pro rata share of the credit based on the individual's ownership interest in the S-corp.

- The donation to ASCT must be made by the S-corp, not the individual taxpayer, in order to be eligible for the tax credit.
- If a company applies for and makes a donation, then later determines it is not eligible for the tax credit, the STO is not required to refund the donation.



ASCT scholarship recipient, Jadon was diagnosed with autism, but Lauren's Institute for Education has given him and his parents hope for a successful educational experience.

How to Reserve Your Tax Credit

Corporations who owe taxes to the State of Arizona are eligible to receive a 100% dollar-for-dollar tax credit against the amount a S-corp redirects to ASCT, and the corporation doesn't need to be domiciled in Arizona to redirect its tax liability.

Program Cap and Fund Designations

The cap for contributions to the tax credit scholarship program for low-income children is \$62.4 million for the 2016-17 fiscal year.

The Process to Enroll is Simple

Arizona School Choice Trust can handle all the paperwork for your S-corp. Information on eligibility is available on the Arizona Department of Revenue (ADOR) website: <https://www.azdor.gov/portals/0/brochure/707.pdf>

1. To take advantage of this tax credit, the corporation contacts Shawna L.M. Bolick from ASCT at 602-418-2469 or email at

Your S-Corporation's contribution and identity are not public record unless you disclose it.

Contributions may not be designated for any specific student or students.

Arizona School Choice Trust, Inc. (ASCT) is a "school tuition organization" as defined by A.R.S. Section 43-1089, and as such, must allocate at least 90 percent of its annual revenue for educational scholarships or tuition grants to children to allow them to attend any qualified school of their parents' choice. Up to 10 percent of all revenues can be used for administration. ASCT cannot award, restrict or reserve scholarships solely on the basis of donor recommendation. Additionally, a taxpayer may not claim a tax credit if the taxpayer agrees to swap donations with another

sbolick@asct.org and pledges to make a contribution in \$X amount.

2. ASCT then completes the application for the corporation and submits it to the Arizona Department of Revenue (ADOR).

3. If the program cap has not been met, ADOR approves the request within 20 days. The corporation has 20 days from the date of approval by ADOR to make the contribution.

4. The S-corp takes the tax credit on its tax return, but **may carry any unused credit forward for up to five years after the contribution was made.**

5. To claim the credit, an individual shareholder of an S corporation uses Form 335-I (low-income corporate donations) and/or 341-I (disabled/displaced corporate donations) to claim the private school tuition tax credit(s), which an S corporation passed through to its individual shareholders. The corporation may take *either* the federal deduction or the Arizona state credit, but not both.

**Please consult your tax advisor for advice on filing and using your credit. This is only a guide; it does not constitute tax advice. **

S-Corporation Donor Information

PLEASE PRINT THE FOLLOWING INFORMATION:

Name of Parent S-Corporation: _____

Business Address of S-Corporation: _____

City: _____

State: _____ Zip: _____

Parent S-Corporation EIN: _____

S-Corp Donation Amount: _____

Primary Contact: _____

Title: _____

Phone: _____

Email: _____

Signature: _____

Dated: _____

Designated school(s) (if any): _____

Date to submit the pre-approval form to AZDOR if different from above date:

____ / ____ / ____

The Arizona Department of Revenue (ADOR) is *not* required to release any of your identifying information for making a corporate contribution to Arizona School Choice Trust (ASCT).

Since this information is *not* public record, ASCT allows each contributor to determine whether or not they would like to remain confidential or authorize ASCT to disclose to the public your identity as a contributor and/or the dollar amount.

Name of S-Corporation: _____

Address of S-Corporation: _____

City: _____

State: _____ Zip: _____

Primary Contact: _____

Title: _____

Signature: _____

Dated: _____

Please initial the appropriate line below:

_____ Remain confidential (i.e., no identity or scholarship amount released)

_____ Release only some information (i.e., only your identity)

_____ Release information (i.e., both your identity and the scholarship amount)

Your S-Corporation's contribution and identity are not public record unless you disclose it.

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