



HELPING THE WORKING POOR FUND NOW IT'S EVEN EASIER THAN EVER TO RECEIVE A TAX CREDIT

Valley of the Sun United Way's *Helping the Working Poor Fund* helps provide job-skill training, affordable childcare, educational opportunities, and more to the working poor in our community. Contributions to the *Helping the Working Poor Fund* may qualify for an Arizona Charitable Tax Credit as "Contributions to Qualifying Charitable Organizations."

The working poor includes individuals and families with low wage jobs who struggle to make ends meet. By investing a portion of your United Way contribution in the *Helping the Working Poor Fund*, you provide the means to increase self-sufficiency, and you may receive an Arizona Charitable Tax Credit of up to \$800.*

To take advantage of the Arizona Charitable Tax Credit for Contributions to Qualifying Charitable Organizations, you simply need to:

- Direct up to \$800* to United Way's Helping the Working Poor Fund
- Provide your name, home address, and phone number on your pledge card in order to receive an acknowledgement for your tax records

For more information about the Helping the Working Poor Fund and the tax credit for "Contributions to Qualifying Charitable Organizations", call 602.631.4800.

*Arizona Charitable Tax Credits may be available based on your income tax filing status. Valley of the Sun United Way is not a tax advisor; please contact a qualified tax professional for advice on your specific tax situation.

HELPING THE WORKING POOR IN OUR COMMUNITY

According to the 2011 U.S. Census Bureau Current Population Survey, more than one-fifth of Arizonans live in poverty, which ties Arizona with New Mexico for 5th highest poverty rate in the nation. Children here are particularly hard-hit, as the U.S. Census Bureau reports that 1 in 4 Arizona children age 18 and under are living in poverty. Children who live in poverty are more likely to repeat a grade in school and more likely to drop out before completing high school.

SEEING RESULTS

Last year, United Way and partners assisted 4,000 individuals in completing job training and obtaining employment, and provided financial education to nearly 1,600 adults through the support of the Helping the Working Poor Fund.

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IMPORTANT NOTE TO DONORS:

United Way is not a tax advisor. Please contact a qualified tax advisor for advice on your specific tax situation.

Q. What's the difference between a tax credit and a tax deduction?

A. Tax credits provide a dollar-for-dollar reduction of your income tax liability. Tax deductions lower your taxable income and are equal to a percentage of your marginal tax bracket. You cannot claim both a deduction and a credit for the same charitable contribution on your Arizona return.

Q. Do I have to itemize deductions on my tax return to take advantage of this tax benefit?

A. Starting with the 2013 tax year, taxpayers do not have to itemize deductions to claim a credit for contributions to Qualifying Charitable Organization (QCOs).

Q. How does my gift to United Way qualify for the state tax credit?

A. Arizona law makes available an Arizona Charitable Tax Credit for cash contributions to a QCO or an Umbrella Charitable Organization (UCO), which is a charitable organization that may collect donations on behalf of member charities through a specific fund of the UCO when 100% of that fund is distributed to QCOs. Because 100% of the Helping the Working Poor Fund is distributed to QCOs, Valley of the Sun United Way's fund is a UCO for purposes of the Arizona Charitable Tax Credit for Contributions to QCOs. In order to take advantage of this benefit with your donation to Valley of the Sun United Way, you must direct a portion of your gift — up to \$800* — to the Helping the Working Poor Fund.

Q. How are Helping the Working Poor funds invested in our community?

A. Trained volunteers, knowledgeable about the needs in our community, carefully invest your contribution in programs that provide a comprehensive set of services to the working poor. Funded programs help families achieve a higher level of self-sufficiency by providing job-skills training, education, affordable childcare, transportation, food, clothing and shelter.

Q. What happens if I don't owe taxes at the end of the year?

A. The Arizona Charitable Tax Credit for Contributions to QCOs may reduce your overall state tax liability and is not impacted by your tax withholdings during the course of the year. If you withheld more than what you owed, the credit may result in an increase in your state tax refund.

Q. How do I document my contribution?

A. Valley of the Sun United Way will send you a letter confirming your contribution to the Helping the Working Poor Fund which is eligible for the "Arizona Charitable Tax Credit for Contributions to QCOs". This letter documents your contribution and is necessary to support your tax credit. Payroll deductions also require a pay stub receipt. Please make sure you include your name and home address on your United Way Pledge Form.

Q. How do I file for the credit?

A. Although this is subject to change, currently there is a simple form (AZ Form 321) that is included with your state tax filing that you or your accountant will complete; please refer to a qualified tax advisor for more details and specific instructions. The form is included with materials provided by the State of Arizona to all state tax filers.

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