

WORDS FROM LOCAL HOMEOWNERS

“I’ve made a lot of improvements in my life for myself through Habitat for Humanity. A Habitat home is not just affordable housing, not just owning a home; it is a foundation that we can build our lives on. Just having your own home gives you a sense of pride and stability. I really feel proud. For the first time in my life I feel really good about myself. I have self-esteem for the first time - and Habitat played a part in that.”

-Nicole

“The house is so much bigger than our apartment; it is big enough for us. We are so happy. In our old apartment complex, I worried about my kids being exposed to drugs and violence. We had to keep our kids indoors. Now, we have nice neighbors and the kids have a playground and a backyard to play in. We appreciate what Habitat for Humanity and our sponsors have done for us.”

-Kibra

“God is surrounding us with angels here at Habitat for Humanity. They are building this house with love for us. It wouldn’t feel as wonderful to win the lottery as it has felt to build a house with Habitat.”

-Lupe



HABIFACTS

- We build over 30 homes a year.
- We are 100% locally funded.
- We have partnered with over 120 organizations this year to fund homes.
- We partner with volunteers to build Habitat homes.
- We serve over 88% of Maricopa County

**Habitat for Humanity
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ROC# 170255



YOUR TAXES CAN BUILD A HOME





A VALUABLE TAX CREDIT FOR YOU - ANOTHER HOME FOR A DESERVING FAMILY

THIS CREDIT IS ONLY AVAILABLE TO INDIVIDUALS WHO HAVE ITEMIZED DEDUCTIONS AND DEDUCTED CHARITABLE CONTRIBUTIONS ON A PRIOR YEAR'S ARIZONA RETURN AT LEAST ONCE. CORPORATIONS AND PARTNERSHIPS MAY NOT CLAIM THE CREDIT.

Who can use the tax credit?

A charitable tax credit is much more favorable to you as a taxpayer. A charitable tax credit reduces your Arizona tax liability dollar for dollar. A qualifying charitable organization can receive what you would otherwise give to the state. A charitable deduction is itemized and subtracted from gross income to determine the amount of the taxpayer's taxable income, thus reducing a taxpayer's tax liability a limited percentage.

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

Arizona tax law stipulates taxpayers can get a dollar for dollar tax credit of up to \$400 on a joint return and \$200 on a single return for charitable contributions made to a qualifying charitable organization. Habitat for Humanity Valley of the Sun is one of the few organizations that qualify for this credit. An Arizona charitable tax credit contribution has the effect of reducing your Arizona tax liability dollar for dollar up to \$400 that you contribute to Habitat for Humanity Valley of the Sun.

Must I have itemized to be eligible for the tax credit?

YES! A taxpayer must itemize deductions and deduct charitable contributions on the Arizona state income tax return once (1996 or later) in order to establish a base line year and amount. The credit is then figured on the amounts over and above the base line amount.



What if I didn't itemize in any of the years between 1996 and the present? Can I itemize now and still use the credit?

NO! You must first establish your base line year in a year prior to the year in which you claim the credit. For example, if you wish to use the credit and have not itemized in any of the years between 1996 and the present, then you must itemize this year. You will be eligible for a credit next year (assuming of course that your contribution is in excess of the base year.)

How does a taxpayer determine the base line year and amount?

If a taxpayer itemized deductions and deducted charitable contributions in 1996, that is by law the base line year. The base line amount is the total dollar amount of charitable contributions deducted on Schedule A. This amount includes the total contributions deducted pursuant to Section 170 of the Internal Revenue Code including cash amounts, property or mileage amounts.

Therefore, if a taxpayer deducted a total of \$500 in charitable contributions in 1996, that is the baseline amount. If a taxpayer did not itemize deductions and deduct charitable contributions in 1996, then the base line year is by law the first taxable year after 1996 that the taxpayer itemized deductions and deducts charitable contributions.

How is the credit amount figured once a taxpayer has established a base line?

Credit dollars are allowed on the amounts above the base line dollar amount. For instance, if a taxpayer has a base line of \$500, the taxpayer must give \$900 in contributions. That includes a \$400 total donation to a qualifying charitable organization to receive a \$400 tax credit. A taxpayer that gave \$600 in total contributions this year, can receive a \$100 tax credit.

Where can I obtain more information about this program?

Call the Arizona Department of Revenue at 602-255-3381. Request a copy of Arizona Form 321 and publication 708, "Welfare Reform Tax Credits." Form 321 can assist you in figuring your tax credit and Publication 708 provides much more information on this tax credit. For more information on tax credits, please view the official Arizona State Revenue Department at <http://www.revenue.state.az.us/welflist.htm>

An accountant or CPA can also provide you with more information. Please consult your tax advisor.

What steps are necessary to make a donation?

If you would like to make donation, your check or money order should be made out to Habitat for Humanity Valley of the Sun. If you would like your gift to be designated to a specific build (as part of a church or company fund-raising effort) please note the name of the organization to which you belong in the memo line of the check itself. Checks should be received by December 31st. Please mail checks to: PO Box 20186, Phoenix, AZ 85036. You will be mailed a receipt for your donation from Habitat for Humanity, which you will need when completing your tax return.

Can I qualify for the charitable tax credit if I also recognize other Arizona tax credits?

YES! You may take advantage of the charitable tax credit in addition to other Arizona tax credits such as conservation, energy and parochial schools tuition credits. Tax credits can reduce your Arizona taxes to \$0. You can take tax credits up to the amount of line 26 on the AZ Form 140.