
SCHOOL TUITION ASSOCIATION OF YUMA, INC. (STAY)
P.O. Box 515 ♦ Yuma, Arizona 85364 ♦ Tel:(928)782-5786 ♦ FAX (928)783-8251

FREQUENTLY ASKED QUESTIONS AND ANSWERS ABOUT THE ARIZONA CORPORATE SCHOLARSHIP TAX CREDIT

DOES THE CORPORATE SCHOLARSHIP TAX CREDIT RUN THE SAME WAY AS THE INDIVIDUAL ONE?

No. The law itself reads very differently. It has more restrictions. One difference to note is that there is a statewide cap \$61,917,365 for the period of July 1, 2016 through June 30, 2017, etc. making it necessary for donations to be preapproved.

There are also limitations as to which private schools are eligible, which students are eligible, and how much those students may receive. And, there are more requirements placed on the School Tuition Organizations that wish to operate under this law.

WHO CAN DONATE?

“C” Corporations and “S” Corporations are the only businesses that are effectively able to take advantage of this tax credit.

HOW MUCH CAN THEY DONATE?

The limitation on the amount a corporation may donate is the amount approved by the Arizona Department of Revenue (ADOR). The credit is limited to the state income tax liability for a given tax year. Any unused credit may be carried forward for five tax years

WHEN AND HOW DOES A CORPORATION MAKE A DONATION?

Since all donations must be pre-approved by the Arizona Department of Revenue (ADOR), and since these are approved on a first come, first served basis, the corporation should contact STAY before that tax cap has been met. STAY submits the pre-approval applications and waits for notification from ADOR of acceptance.

ADOR has 20 days after receiving the pre-approval application to send the approval notification. When STAY receives the approval notification from ADOR, the corporation has 20 days to get the donation to STAY, otherwise the approval expires and the process starts over again.

TO WHOM DOES THE CORPORATION MAKE THE DONATION PAYABLE?

Donations are made payable to School Tuition Association of Yuma, Inc. or STAY.

CAN THE CORPORATION RECOMMEND A STUDENT OR SCHOOL?

The corporation may recommend a private school, but cannot recommend a specific student. However, if no eligible students apply from the recommended school, or if the recommended school is not eligible per the tax credit law, the money will be awarded to other eligible students.

WHAT ARE THE REQUIREMENTS FOR THE STO?

A School Tuition Organization such as STAY, receiving corporate donations must be a 501(c)(3) charitable, non-profit organization. It must allocate 90% of its annual revenue for educational scholarships to children. It must make scholarships available to students of at least two schools. It must submit an annual report to the ADOR that includes verification that a CPA has done an independent review of its financial statements.

WHO RECEIVES THE GRANTS/SCHOLARSHIPS?

This grant/scholarship is specifically designed to aid parents of low to modest-income families by helping them afford to switch from a public school to a private school of their choice. It does this by limiting eligibility to those families whose incomes do not exceed 185% of the income limit required to qualify a child for reduced price lunches under the National School Lunch and Child Nutrition Acts. It also requires that the student is either switching from a public school to a qualified private school, children of military personnel stationed in Arizona or children entering kindergarten at a qualified private school.

WHEN IS THE MONEY AVAILABLE TO BE AWARDED?

Awards are made between July and February of each year and are used for the current school year.

ARE THERE ANY OTHER LIMITATIONS THAT A PARENT SHOULD KNOW ABOUT?

Yes, there is a limit to the amount that a child may receive each year. A child may be awarded up to \$5,200 for grades K-8 and up to \$6,600 for grades 9-12. By law, a child's awards may not exceed the maximum each year from any given STO.

WHICH SCHOOLS ARE ELIGIBLE?

An eligible school is one that is in Arizona and does not discriminate on the basis of race, color, handicap, familial status or national origin and that satisfies the requirements prescribed by law for private schools in this state on January 1, 2005. The school must annually administer and make available to the public the aggregate test scores of its students on a nationally standardized norm-referenced test. (For example: Iowa Basic Skills or the AIMS test) The school must also require all teaching staff and any personnel that have unsupervised contact with students to be fingerprinted.

HOW DO I KNOW IF MY CHILD IS ELIGIBLE?

Your child is eligible if they are starting into Kindergarten at a qualified private school – or – if they attended a public school as a full-time student for at least the first one hundred days of the prior year and are transferring to a qualified private school. The child must be planning to attend the qualified private school as a full-time student. The family's income must not exceed 185% of the income limit required to qualify for reduced price lunches under the National School Lunch and Child Nutrition Acts. *See the scholarship application for updated figures.*

Federal Reduced Lunch Guideline 08-09 School Year		ARIZONA CORPORATE TAX CREDIT GUIDELINE
Household Size	Annual Gross Income	Annual Gross Income (185% of column 2)
1	\$2,1978	\$40,659
2	\$29,637	\$54,828
3	\$37,296	\$68,998
4	\$44,955	\$83,168
5	\$52,614	\$97,336
6	\$60,273	\$111,505
7	\$67,951	\$458,709
Each Additional Person	\$7,696	\$14,238

THIS CHART REFLECTS THE AMOUNTS FOR THE 2016/2017 SCHOOL YEAR SINCE THE FEDERAL REDUCED LUNCH GUIDELINES ARE REVISED EACH YEAR.

ARE STUDENTS WHO ARE CURRENTLY BEING HOMESCHOOLED ELIGIBLE?

No, students who are being homeschooled are not eligible to receive an award. Those who are first entering kindergarten at a qualified private school may be eligible.

HOW CAN I APPLY FOR A SCHOLARSHIP?

Contact STAY about the application process at (928) 782-5786. This application is also available from <http://www.azstay.org/uploads/ScholarshipApplication.pdf>.

WHERE CAN I FIND OUT MORE INFORMATION?

You may call STAY at (928) 782 – 5786, or visit our website at www.azstay.org for more information.