

Dear Arizona Taxpayer:

Make the Right Choice at "ZERO" Cost

- Pay your state taxes to Al-Huda School
- Your contribution to Al-Huda School (made through BSF) is a TAX Credit (Zero Cost to you)
- Get extra deduction from federal taxes (depending upon your tax bracket)
- Dedicated teachers, hardworking volunteers, and very supportive community
- Drugs-free, guns-free, & healthy environment
- Bright future - Can the kids count on you?

How to Pay?

1. For couples filing jointly write a check up to \$1,000 to BSF (Best Student Fund). For a single or head of household write a check up to \$500 to BSF. You can also donate using a credit card.
2. Fill out BSF form and sign it (Form attached).
3. You can drop off your check and filled out form to one of the school representatives in the Masjid *or* mail it to BSF address on the form *or* fax the credit card & donor forms *or* donate online (at <http://site.alhudatucson.org/bsf.html>).

How to file State Taxes?

1. BSF will mail you a receipt to your home address. Keep it for your record.
2. Fill out Arizona Form 323 and Arizona Form 301.
3. File your Arizona income tax return - Form 140 (it is not required to itemize deductions), and include all above forms with your tax return.
4. Your tax credit check will be mailed to you by the State of Arizona. (NO COST to you !!!).

But wait, there is more benefit to you if you itemize your Federal tax return!

Arizona school/tuition tax credits can be deducted on your Federal income tax return (IRS Form 1040) as a "charitable donations" (you must itemize your deductions to get this benefit).

Please get involved - Kids count on you!!!
MAY ALLAH REWARD YOU FOR YOUR EFFORT.

Turn over the page →

Frequently Asked Questions

Q1. What is the difference between a Tax Credit and Tax Deduction?

A1. A Tax Credit is by definition a refund of the full amount of money claimed. This means that the taxpayer will be refunded his or her full money back. A Tax Deduction is a process of allowing taxpayer to deduct the amount from the taxable income that he or she claims in the filing. This means that the total amount of money that the taxpayer can get back depends on the tax bracket; i.e. if you are in the 28% bracket, you will be refunded back 28% of the total amount you claim as a tax deduction.

Q2. I heard you could even make money if you give this school credit and itemize in your Federal tax. Please explain?

A2. The amount that you paid to the Best Student Fund (BSF) can be used as a Credit in your Arizona State Taxes. Therefore, you will be refunded this full amount by the state of Arizona. In addition, if you itemize your federal tax return then this money can be deducted as a charitable donation and you will get back some of the money as a Tax Deduction (see A1. for explanation of Tax Deduction). This means that you not only get the full refund of your money (from your AZ State taxes) but also make extra money since it was used as a deduction in your federal taxes.

Q3. I donated the maximum amount of \$1,000. I owe less than that to the state tax since I moved during this year and need to pay partial state tax. Do I lose the difference between what I owe and what I donated to the school?

A3. No. You will still be able to claim the difference (as a rollover) in your next tax year and get the full refund. Note that you can get back from the state 100% of your state tax liability. Tax liability does not mean how much you owe or get back at the end of the year. It means how much total tax you are required to pay based on your taxable income during the year.

Q4. Is a receipt required to file along with the Tax Forms?

A4. No, a receipt is not required to file along with your Tax forms, however, a receipt will be mailed to you by January 31, 2011 for your record.

Q5. How can I contact the Tax Credit Organization in case I need help?

A5. You can email them at beststudentfund@yahoo.com or call Al-Huda School at (520) 624-8182.

Q6. If I need Tax help to file the Tax Credit form, whom shall I contact?

A6. Send your request to the above email and someone will contact you.