

# Arizona's four tax credit scholarship programs

## **INDIVIDUAL SCHOOL TUITION ORGANIZATION TAX CREDIT**

Year Enacted: 1997

Scholarships Awarded: 52,554

Tax Credit Cap: \$1,087 for an individual, or \$2,173 for a married couple

About the tax credit:

This original program allows individual taxpayers to receive dollar-for-dollar tax credits for up to \$546 (or \$1,092 for married couples filing jointly). The credit cap increases each year with inflation. Students must be in grades K–12 or be a preschool enrollee identified by the school district as having a disability under the Individuals with Disabilities Education Act or Section 504 of the Rehabilitation Act.

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## **“SWITCHER” INDIVIDUAL INCOME TAX CREDIT SCHOLARSHIP PROGRAM**

Year Enacted: 2012

Scholarships Awarded: 20,976

Tax Credit Cap: \$543 for an individual, or \$1,085 for a married couple

About the tax credit:

Arizona's "switcher" tax-credit scholarship program supplements its original individual tax-credit scholarship program. To be eligible to receive scholarships, students must be in grades K–12 and have previously attended a public school for at least a full semester or 90 days or be a preschool enrollee identified by the school district as having a disability under the Individuals with Disabilities Education Act or Section 504 of the Rehabilitation Act. Additionally, students who are in kindergarten, children of active military members stationed in Arizona and previous recipients of a Low-Income Corporate Income Tax Credit Scholarship or "Switcher" Individual Income Tax Credit Scholarship who have remained in private school are eligible.

## **CORPORATE SCHOOL TUITION ORGANIZATION TAX CREDIT**

Year Enacted: 2006

Scholarships Awarded: 20,076

Tax Credit Cap: No caps on the individual corporations, but there is a \$89.1 million statewide cap on the program. The statewide cap increases by 20 percent annually.

About the tax credit:

This corporate tax-credit supports low-income students. Students are eligible if they come from families whose household incomes are at or below 185 percent of the federal free and reduced-price lunch program guidelines. Additionally, students must either be enrolled in private school kindergarten, enrolled in a private preschool program for students with disabilities, a public school enrollee for at least 90 days in the previous year or one full semester of the current school year, a dependent of an active-duty member of the military stationed in Arizona or a prior scholarship recipient under this program or the individual tax-credit scholarship program.

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## **LEXIE'S LAW**

Year Enacted: 2009

Scholarships Awarded: 936

Tax Credit Cap: No caps on the individual corporations, but there is a \$5 million statewide cap on the program.

About the tax credit:

Lexie's Law for disabled and displaced students is another tax credit available to corporate donors. Students with special needs who have a disability under Section 504 of the Rehabilitation Act, identified by a school district as a student with a disability or identified as eligible to receive disability services from a school district, as well as students that currently are or have been in the Arizona foster care system.