



## **Corporate & Individual Tax Credit Programs**

Corporate STOs are funded by **corporate** taxpayers (businesses, stockholders, etc.) and provide private school scholarships for eligible students. Corporate STOs offer tax credits to corporations. Corporations with Arizona tax liability can redirect up to 100% of their tax liability to a state-approved STO and receive dollar-for-dollar tax credits. In contrast, individual STOs are funded by **individual** taxpayers and provide scholarships for private school students. Similar to corporate STOs, they offer tax credits to individual taxpayers who donate to approved STOs. Individual taxpayers can claim a tax credit equal to their contribution to an STO.

Here are some examples of corporate and individual tax credit scholarship programs!

### **1. Original Individual Income Tax Credit Scholarship Program**

This enables **individuals** to support STOs. Participants receive tax credits for donations made to these organizations, which provide scholarships to K–12 students to attend private school. Any child who attends private school grades K-12 (or a preschooler with disabilities) in Arizona qualifies!

### **2. “Switcher” Individual Income Tax Credit Scholarship Program**

The “Switcher” program allows **individuals** to claim tax credits for supporting STOs that provide private school scholarships to students. To be eligible for this tax credit scholarship, your child (1) attends an Arizona public or charter school as a full-time student for at least 90 days and transfers to a qualified private school, (2) is enrolled in a qualified private school kindergarten, (3) is a dependent of a member of the U.S. Armed Forces stationed in Arizona under military orders, OR (4) previously received a Switcher or Corporate scholarship and has attended private School continuously since. Your child only needs to meet ONE of the conditions listed.

### **3. Low-Income Corporate Income Tax Credit Scholarship Program**

This provides tax credits to **corporations** financially supporting STOs that offer private school scholarships to low-income students. To qualify, your household income must be 185% or less of the income level set by the USDA’s Federal Reduced Lunch guideline. According to [House Bill 2095 § 43-1504\(a\)](#), your child qualifies if they meet one of the following criteria: (1) qualifies for the “Switcher” Individual Income Tax Credit Scholarship Program, (2) is entering kindergarten or is a preschooler with a disability, (3) is a dependent of a member of the U.S. Armed Forces stationed in Arizona under military orders, OR (4) has continued in private school since receiving a scholarship from any of the tax credit scholarship programs in the prior school year.

### **4. Lexie’s Law for Disabled and Displaced Students Tax Credit Scholarship Program**

This program offers tax credits to **corporations** supporting STOs that provide scholarships for special needs or foster care students to attend private schools. To qualify, your child either has a documented disability or has been placed in the Arizona foster care system. The scholarship amount depends on the student's eligibility and the services their disability requires.

**More Resources:**

[Original Individual Income Tax Credit Scholarship Program](#)

[“Switcher” Individual Income Tax Credit Scholarship Program - EdChoice.Com](#)

[Low-Income Corporate Income Tax Credit Scholarship Program - EdChoice.Com](#)

[Lexie’s Law for Disabled and Displaced Students Tax Credit Scholarship Program - EdChoice.Com](#)

[Program Eligibility & Restrictions - APSTO](#)

[Tax Credit Guide - YES Fund for Kids](#)