



In Case You Missed It:

Updated Guidance for Arizona Individual Income Taxpayers

The Arizona Department of Revenue issued the following guidance for individual income taxpayers now that the Arizona legislature has determined the matter of conforming to the Internal Revenue Code (IRC).

Tax year 2018

- For tax year 2018 Arizona conforms to the IRC. This includes 2018 tax forms, which assumed conformity.
- **No action is required of taxpayers who have already filed; for taxpayers who have filed an extension, returns are still due on October 15, 2019.**

Tax year 2019

Beginning in 2020, Arizona individual income tax returns for tax year 2019 will include the following adjustments:

- Match the federal standard deduction amount (\$12,200 single/married filing separate, \$18,350 head of household, \$24,400 married filing joint).
- Remove Arizona personal and dependent exemption amounts.
- Provide \$100 child tax credit per dependent under 17 years of age and \$25 for dependents 17 and older. The Credit is phased out for federal adjusted gross income (FAGI) greater than \$200,000 single/married filing separate and head of household, \$400,000 married filed joint.
- Allow taxpayers to increase standard deduction by 25 percent of the charitable donations that would have been claimed as an itemized deduction.

The changes also establish four tax brackets from the previous five tax brackets:

Tax Rate Schedule for Tax Year 2018

Single	Rate	Married	Rate
\$0 - \$10,602	2.59%	\$0 – \$21,202	2.59%
\$10,602 - \$26,501	2.88%	\$21,202 - \$53,000	2.88%
\$26,501 - \$53,000	3.36%	\$53,000 - \$105,998	3.36%
\$53,000 - \$158,996	4.24%	\$105,998 - \$317,990	4.24%
\$158,996 and over	4.54%	\$317,990 and over	4.54%

Tax Rate Schedule for Tax Year 2019 and going forward

Single	Rate	Married	Rate
\$0 - \$26,500	2.59%	\$0 - \$53,000	2.59%
\$26,501 - \$53,000	3.34%	\$53,001 - \$106,000	3.34%
\$53,001 - \$159,000	4.17%	\$106,001 - \$318,000	4.17%
\$159,001 and over	4.50%	\$318,001 and over	4.50%