

O'NEIL & STEINER, PLLC AZ FAMILIES TAX REBATE (2023)

The Arizona Department of Revenue began sending rebates to taxpayers who meet all the following requirements:

1. Filed as full-year AZ residents in 2021, and
2. Claimed dependents for tax year 2021, and
3. Had at least \$1 of state income tax liability (*see below) in 2019, 2020 or 2021 under the same filing status.

The tax rebate is calculated at \$250 for each dependent under the age of 17 and \$100 for each dependent over age 17 as claimed on your 2021 tax return.

The rebate calculations are capped at three dependents, regardless of age. So, if you have four dependents under 17, you should receive \$750 (\$250 each times a maximum of three dependents). If you have four dependents over 17 you should receive \$300 (\$100 times maximum of three dependents).

*State income tax liability means that your income was enough to exceed your standard deduction and cause you to have taxable income for the year. This is calculated before considering withholding or estimated payments made. Tax liability is different than owing taxes at the end of the year. The example below may help:

Let's assume your income generates \$8,000 of state income tax and you had \$10,000 prepaid through state withholding and/or estimated payments you would be eligible for a \$2,000 refund.

State Tax Liability = \$ 8,000 *This is the only line that is needed for the rebate*
Prepayments = - \$ 10,000
Refund = \$ 2,000

These rebates should be issued the same way your most recent state refund was issued. If you received a refund by direct deposit the rebate should be direct deposited to the same bank account. If you received your refund by check through the mail, or were not due a refund, you should receive your rebate by mail.

You can read more about the political process, frequently asked questions, etc. online at <https://azdor.gov/individuals/arizona-families-tax-rebate>.