

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

payments received last year.

Jan. 23, 2024



By Kelley R. Taylor, Kiplinger Consumer News Service (TNS)

If you received an Arizona child tax rebate last year, you will have to report that amount on your federal income tax return. The IRS has classified the rebate payments as taxable income, meaning some Arizona families might have to pay taxes on the money they received.

The Arizona Department of Revenue recently confirmed this news about the Arizona Families Tax Rebate. However, the tax status of the payments could surprise the

hundreds of thousands of families who believed the assistance was tax-free.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

As Kiplinger reported, Arizona faced a significant budget surplus of over \$2 billion. During state budget negotiations, lawmakers allocated approximately \$260 million to create the Arizona Families Tax Rebate. Arizona Gov. Katie Hobbs approved the state's \$17.8 billion budget last summer.

- Qualifying taxpayers received the child tax rebate for up to three dependents. So, in some cases, families with multiple dependents received up to \$750.
- The state distributed most of the rebates by Nov. 15 of last year.

The one-time child tax rebates were supposed to provide relief to Arizonans dealing with the challenges of high inflation. According to state estimates, around 740,000 Arizona taxpayers were eligible to receive the payments. The recent IRS announcement about the payments being taxable income has raised concern, and Arizona lawmakers are facing an estimated \$400 million state budget shortfall for the current fiscal year.

What to do?

If you received an Arizona child tax rebate last year, state officials say you'll need a 1099-MISC form. The 1099 is used to report income to the IRS. Usually, a 1099 form is sent automatically. However, officials have said that Arizonans should retrieve their 1099-MISCs from the Arizona Department of Revenue website.

- According to state officials, the 1099-MISC forms will be available at www.AZTaxes.gov around Jan. 31.
- Once you have the 1099, you'll want to verify that the information is correct before filing your 2023 federal income tax return.
- The IRS begins accepting tax returns on Jan. 29.

This situation serves as a reminder to stay informed of federal and [state tax changes](#).

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

until 2024.

However, the lower rate became effective early due to higher-than-expected tax revenues. Now, state lawmakers are facing estimated revenue shortfalls as they craft a new budget.

All contents copyright 2024 The Kiplinger Washington Editors Inc. Distributed by Tribune Content Agency LLC.

[Income Tax](#) • [IRS](#) • [State and Local Taxes](#) • [Taxes](#)

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved