

Procedure for Obtaining Educational Improvement Tax Credits

1. Offer a prayer to the North American Martyrs and the Holy Spirit to assist you in successfully attaining your goal of getting Educational Improvement Tax Credits (EITC) from at least one company or business.
2. Make an appointment with the CEO, President, Vice-President or accountant from a company that you have a relationship with that is either a bank, insurance company, title insurance company, "C" Corporation, "S" Corporation, or Partnerships (limited or general) Note that sole proprietorships are not eligible. If a company is profitable, then they're writing checks to the state. These are the companies we are going after. If the company doesn't owe the state any tax money, there is no point in pursuing them.
3. Explain to them that you only need ten minutes of their time as you want to share with them a win-win situation for their company and our school. It's called Educational Improvement Tax Credits. In lieu of paying state taxes, the company can **re-direct** its money to our school. If a company provides a **written two-year commitment of equal funding to our K-6 program**, the tax credit becomes 90%.

eg. A \$10,000 contribution would earn \$9,000 in tax credits. If a company provides a **written two-year commitment of equal funding to our pre-K program**, the tax credit becomes 100% for the first year and 90% for the second year. A company may contribute up to \$300,000 in one year for this program. In addition, a company's contribution on the state level can be claimed as a federal tax deduction.
4. The important point to stress here is that it develops the **relationship** with our school in building up our local community. Eg. Fish fry. Remind them that while we are a Catholic school, **our enrollment is open to children of any race, color or creed**.
5. Tell them that you have a simple **one page application form** for them to complete while reminding them to contribute their amount in the category of a **scholarship organization**. (Note that the educational improvement organization category is our competition eg. Junior Achievement). Remind them of the benefit of making a two-year commitment and to check the appropriate box on the app.
6. Give them the fax # of 717-772-3581 **on a post-it note** for the Dept. of Community and Economic Development in Harrisburg which is very important! They are to fax their application on **July 1, 2010** so that their request will be given the highest priority knowing that tax credits will be given on a **first come, first-served basis** and once the state pool of money of 60 million dollars for EITC is gone, then it's too late. Follow up with a call to this company on June 30 to remind them to fax their application on July 1.
7. The Dept of Community and Economic Development will notify Dr. Ron Bowes of the Diocese of Pittsburgh, Education Office of any tax credit designated to NAM.
8. Dr. Bowes will send a thank you to the business that donated the amount for the Educational Improvement Tax Credit. He will notify the parish that the EITC was given.
9. Fr. Euisi, Joe Cepec and Mrs. Fleet will dance for joy with the good news!
10. **This money will be distributed to any family that completed and submitted the Private School Aid Service application for Financial Aid.** The result will mean a net tuition reduction for as many tax credits as we receive.
11. Parents who receive a tuition reduction will dance for joy!
12. Thank the North American Martyrs and the Holy Spirit for assisting you to obtain the Educational Improvement Tax Credits.



DEPARTMENT FOR CATHOLIC SCHOOLS

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Pennsylvania's
The Educational Improvement Tax Credit
Good for Pennsylvania's Children – Good for Pennsylvania's Business Community

Frequently Asked Questions – A Guide for the Business Community

What are Educational Improvement Tax Credits?

A tax credit for businesses that make a donation to pre-school - 12th grade scholarship organization(s). Scholarship organizations will award scholarships to children across Pennsylvania to assist them in attending the schools of their choice.

What businesses qualify?

Businesses in Pennsylvania that pay any of the following taxes: Corporate Net Income Tax; Capital Stock and Franchise Tax; Bank and Trust Company Shares Tax; Title Insurance Company Shares Tax; Insurance Premiums Tax; and the Mutual Thrift Institutions Tax.

How much of a tax credit can I get for my business?

For the K-12 program, the tax credit is 75% credit (against taxes owed). However, if a company provides a written two-year commitment of equal funding, the credit becomes 90% (existing charitable deductions still apply with this credit, increasing the value of the tax credit). Eligible companies may take up to now \$200,000 in tax credits per year.

The pre-school program is separate state funding, and again, allows a business to give up to \$100,000. This means that a company can potentially give \$300,000 total to a scholarship organization. The state budget allows for \$26 million a year for this EITC program.

The state cap on pre-k EITC is \$5 million. A company will receive a 100% tax credit for the first \$10,000. The remainder of the donation is a 90% tax credit. Unlike the EITC, a two-year commitment is not required. Guidelines for this program should be released by DCED sometime before July 1, 2004.

A scholarship organization does not have to start a new organization to qualify as a pre-k scholarship organization. After getting on DCED's list, the organization just needs to keep separate records and bank accounts.

What scholarship organizations can businesses contribute to in order to receive the credit?

Organizations eligible to receive EITC contributions must be a recognized 501(c)(3) and distribute at least 80% of their annual receipts to eligible students. Additionally, they must register with the Department of Community and Economic Development (DCED) and be listed (put on a list of eligible organizations).

How do businesses know which scholarship organizations are listed?

They can call the REACH Alliance at (877) REACH-24 or check REACH's web site (www.paschoolchoice.org). It is also available on DCED's web site (www.inventpa.com).

Can businesses contribute to more than one scholarship organization?

Yes. Businesses can donate to as many scholarship organizations as they choose.

What is the process for businesses to receive the tax credit?

Businesses will apply to DCED for the tax credit. If the scholarship organization is listed with the department and there is money available in the program, tax credits will be awarded on a first-come, first-served basis.

After approval, businesses must make their contribution within 60 days.

For more information about the Educational Improvement tax Credit, please feel free to contact the REACH Alliance at (877) REACH-24.

For local information, please contact Dr. Ronald T. Bowes at 412-456-3090.

Appendix I

Application for Educational Improvement Tax Credits (K-12)

Business Name:		FEIN:	
CEO:		CEO Title:	
Address:		City:	
County:		State:	
Zip Code:		Contact Name:	
Contact e-mail:		Contact Title:	
Contact Phone Number:		Fax Number:	
Business NAICS Code:		Description of Business Activity:	
Corporate File Box Number:		Business Tax Year End:	

Amount to be donated per year to a scholarship organization(s): \$ _____
 Amount to be donated per year to an educational improvement organization(s): \$ _____
 Calculated amount of tax credits requested per year: \$ _____

If the contribution will be personal property or services, please attach a separate page describing the property or service and appropriate information establishing the value of the contribution.

Please check the taxes to which the business is subject (check all that apply).

- | | |
|--|---|
| <input type="checkbox"/> Corporate Net Income Tax | <input type="checkbox"/> Capital Stock Franchise Tax |
| <input type="checkbox"/> Bank & Trust Company Shares Tax | <input type="checkbox"/> Title Insurance Company Shares Tax |
| <input type="checkbox"/> Insurance Premiums Tax | <input type="checkbox"/> Mutual Thrift Institutions Tax |

Is this an Initial Application for tax credits? Yes No

If yes, will the same contribution be made for two consecutive years? Yes No

Is this an application for the second year of a 2-year commitment? Yes No

I hereby certify that all information contained herein is true and correct to the best of my knowledge. I also acknowledge that tax credits will be awarded only for contributions made to organizations listed by the Department and that contributions must be made within 60 days of the date on the notification letter from the Department. Furthermore, I acknowledge that if I knowingly make a false statement to obtain tax credits, I (company, entity and signer) may be subject to criminal prosecution.

Signature: _____

Date: _____

Print Name: _____

Title: _____