



## Education Improvement Tax Credit

You have the opportunity to impact the lives of students. Your business can designate a portion of your corporate tax dollars to help fund scholarships at quality private educational schools like Mount Calvary Christian School? Instead of sending your tax payment to the state government, you can send the payment to a specific scholarship organization and know that your money was spent to help students with financial difficulties afford an education they otherwise would be unable to attain.

The Educational Improvement Tax Credit (EITC) law allows businesses subject to (1) corporate net income tax, (2) capital stock franchise tax, (3) bank & trust company shares tax, (4) title insurance company shares tax taxes, (5) insurance premiums tax, (6) mutual thrift institutions tax, (7) Business Entities that pay their state business taxes under the personal income tax on PA business income; to have that money go directly to fund scholarships for private education. We hope that over \$100 million dollars from the state budget this year will be dedicated to scholarship organizations through tax credits.

To get started:

1. Read the enclosed EITC FAQ sheet.
2. Review the state's EITC program description by visiting [www.newpa.com](http://www.newpa.com) and searching EITC .
3. Talk with your accountant about taking advantage of your tax credit. Call my direct line at 717-367-1649 x102 or our preferred Scholarship Organization, Penngift, at 610.286.1936 if you have any questions.
4. Begin the application process. The EITC program is timeline sensitive and the tax credits are given to businesses on a first-come, first-served basis beginning each July 1.

I look forward to speaking further with your about your participation. Thank you for your willingness to consider this opportunity.

Sincerely,  
Jared Griest  
Mount Calvary Christian School  
Director of Advancement



## EITC Frequently Asked Questions

### 1. What is the EITC program?

A. The EITC (Education Improvement Tax Credit) program authorizes the award of tax credits to businesses that make a contribution to Scholarship Organizations. These scholarship organizations then provide funds to private schools to be distributed as scholarships for qualifying families.

### 2. What type of business may participate in the EITC Program?

#### A. Types of Entities:

- Corporations (Inc., Corp.)
- Partnerships
- S-Corporations
- LLC's – Multi member
- LLP's
- Business Entities that pay their State business taxes under the personal income tax on PA business income

#### B. The Entity must:

- Be authorized to do business in Pennsylvania
- Pay one of the following PA Taxes:
  - Corporate Net Income Tax
  - Capital Stock & Franchise Tax
  - Personal Income Tax on S-Corp PA Business Income
  - Bank and Trust Company Shares Tax
  - Title Insurance Companies Shares Tax
  - Insurance Premiums Tax
  - Mutual Thrift Institutions Tax

### 3. How much of a PA Tax Credit may a business receive?

- 100% tax credit up to \$10,000.00 and 90% thereafter if the business chooses the Pre-K Program. Not to exceed \$150,000.00.
- 75% tax credit up to \$300,000.00, if the business chooses the K-12 (SO) Program.
- 90% tax credit up to \$300,000.00 if the business elects a two year commitment for the K-12 (SO) Program.

### 4. How does the business participate?

- Completes a simple one page application
- Fax the application to the state
- Receives a letter from the state approving or denying the tax credit
- Writes the check to Penngift Scholarship Organization within 60 days from the date of the approved state letter and indicates in a letter that funds should be directed to Mount Calvary Christian School of Elizabethtown, PA.
- Receives a receipt letter from Penngift Scholarship Organization and faxes the letter to the state.

### 5. Does the business continue to pay in their state tax estimates if they expect to receive a PA Tax Credit?

- The business could reduce the amount of estimates they pay in by the amount of tax credit they expect to receive from the EITC tax credit. Contact your tax accountant to verify what your adjusted estimated tax payment should be.

### 6. In what year does the Tax Credit apply to the PA Taxes of the business?

- The year the business sends the check to Penngift Scholarship Organization is the tax year in which the PA Tax Credit will be applied.

**If you have any additional questions regarding the EITC program please contact Jared Griest at 717-367-1649x102 or by e-mailing [jgriest@mcchristianschool.com](mailto:jgriest@mcchristianschool.com)**