**INDIVIDUAL**
(Business owners or employees of a business join special purpose entity)

**SPECIAL PURPOSE ENTITY**
(Selected special purpose entity is a business)

**BUSINESSES**
(C Corporations, S Corporations, Single or Multiple Owner LLC’s)

Business applies to Pennsylvania for tax credits

Approval of tax credits to all businesses

Individuals give to special purpose entity
Businesses give to scholarship organization

How are tax credits applied for individuals?

How are tax credits applied for businesses?

**SPECIAL PURPOSE ENTITY**
Tax credits (90%) pass-through to individual members of the special purpose entity toward personal tax liability (K-1)

**S CORPORATIONS AND LLC’S**
Businesses may apply tax credits to business tax liability or pass-through some or all of the tax credits to the owner’s tax liabilities (Rev1123)

**C CORPORATIONS**
Tax credits (90%) are applied to business tax liability
PA EDUCATIONAL TAX CREDITS FOR INDIVIDUALS

Overview

Are you an individual who owns or works for a business and has a Pennsylvania tax liability?

You can join a Special Purpose Entity (SPE) to take full advantage of the PA Educational Improvement Tax Credit (EITC) programs. These pass-through entities are created to direct EITC/PKTC (Early Education or Pre-K) funds to families of private schools.

By joining an SPE, qualified individuals can contribute through the EITC or Pre-K programs and designate the school(s) of their choice to receive their funds.

Participating individuals will:

- Receive credits towards their individual PA Tax liability
- Receive 90% of their contribution in Tax Credits for a 2-Year Commitment
- Help the school of your choice to succeed even more
- Become enthusiastic recruiters of other participants

If an individual gives $1,000 they would receive a tax credit of $900. This does not guarantee a refund (in this or any particular amount). Refunds are always dependent on an individual’s personal tax information/liability. Example: An individual has a tax liability with the state of $1,200. They give a contribution of $1,000 to their designated school through an approved SPE. $900 is applied as a tax credit to the $1,200 owed to the state. Therefore, the amount sent to the state would now be $300. This is a win for you and your designated school! You receive a tax credit, while helping students and the school of your choice.

Individual Member Eligibility

- Work for a business or own a business
- Does not work for a non-profit or a government entity (possible exceptions)
- Commits to participate and contribute for 2 years
- Has a minimum tax liability of $1,000 each year and agrees to a minimum commitment level of $1,000 per year

YEAR 1

1. Determine your Personal Tax Liability (PA-40)
2. Review and Sign the Operating Agreement/Joinder
3. E-mail the signed Operating Agreement to Catherine_Long@acsi.org and wait for confirmation from SPE that your joinder has been accepted
4. Submit contribution - Contribution is Due when the state approves the SPE application
5. Receive a K-1 Tax Form from your SPE and give to your tax preparer or accountant.

YEAR 2

1. Review and Sign Contribution Agreement
2. Email Agreement to Catherine_Long@acsi.org
3. Submit contribution - Contribution is Due when the state approves the SPE application
4. Receive a K-1 Tax Form from SPE and give to your tax preparer or accountant

For more information contact:
Catherine Long, Program Specialist - Children’s Tuition Fund
717.285.3022 | catherine_long@acsi.org
childrenstuitionfund.org
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