



# Champion Christian School SPE, LLC

## You can direct your personal state income tax.

*Have you heard of Pennsylvania's Educational Improvement Tax Credits?*

In the past, only corporations could take advantage of these tax credits. But recently, the Pennsylvania legislature passed a bill that included a new means of employing this policy: Special Purpose Entities (SPE).



A SPE is a corporate vehicle in which donors come together to fund what's important to them. For instance, if a company is owned by three individuals, the company as a whole may decide against donating the amount of its state tax liability to private schools. However, utilizing a SPE, one or two of the owners could donate their share of the company's state tax liability. The same would be true of partners in a law firm, accounting firm, etc.

Individuals that do not work for a non-profit, school, or the government may also participate in a SPE.

To help as many people as possible take advantage of these credits, the Center's Tuition Grant Program has partnered with The Children's Tuition Fund of Pennsylvania, which has started a number of these SPEs. To take part, visit [www.champion.org/development/EITC](http://www.champion.org/development/EITC) to read the articles of incorporation and sign the joinder agreement, stating your donation amount. Donations may range from a minimum of \$1,000 to a maximum of your state income tax liability.

We hope you'll consider this opportunity to allow more families to choose Champion Christian School.

### CHRISTIAN FAMILY & CHILDREN'S CENTER

2166 Indian Head Rd. Champion, PA 15622 • 1076 King's Way Donegal, PA 15628  
[www.champion.org/development/EITC](http://www.champion.org/development/EITC)

Questions? Please call or email Barb Skinner  
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## Special Purpose Entities (SPE) Process:

**Step One:** Become a member of the Champion Christian School Special Purpose Entity, LLC (which is operated by the ACSI Children's Tuition Fund). You can participate if you work for a business, are NOT a sole proprietor, and you do NOT work for a school, non-profit, or the government. A joinder agreement must be signed, the amount that you wish to give of your PA tax liability identified, and if you are entering into a two-year commitment (90% tax credit) or a one-year commitment (75% tax credit).

**Step Two:** The CCS SPE will apply for tax credits on July 1. Once the credits are received (typically September) you will be contacted and you will have 60 days to give your check (for your tax liability) to our CCS SPE. The LLC will issue a check to the ICV Christian Family & Children's Center Tuition Grant Program (minus a 5% admin fee) to go toward CCS scholarships.

**Step Three:** You will be issued a RK-1 (PA Resident K-1) with the amount of the either 90% or 75% tax credit for you to enter on your state tax form (PA-40) for your refund.

### SPE Examples:

Income:	PA tax liability:	Tax Credit:	CCS Scholarship fund gets:	Total out of pocket:
\$27,000	\$1,000	\$900	\$950	\$100
\$81,000	\$3,000	\$2,700	\$2,850	\$300
\$130,000	\$5,000	\$4,500	\$4,750	\$500

Note: full donation can be used on Federal tax as contribution but will no longer have state tax liability.