

Wouldn't you like to CHOOSE where YOUR business tax dollars go?

The Pennsylvania Legislature offers a PA state tax credit (plus a federal deduction) to businesses like you - large and small - called the Educational Improvement Tax Credit (EITC).

Enacted in May 2001, the EITC provides Pennsylvania companies with a tax credit (up to 100%) for contributions to non-profit scholarship organizations. It also allows you to utilize this contribution as a charitable gift on your federal taxes! A "win-win" situation for businesses and schools, it is simply reallocating your tax dollars to the local community.

Corporations who qualify are those who pay one or all of the following taxes:

- Subchapter S Partnerships
- Limited Partnerships
- All pass through corporations
- Corporate net income tax
- Capital stock franchise tax
- Bank & trust company shares tax
- Title insurance company shares tax
- Insurance premiums tax
- Mutual thrift institutions

Start applying July 1st.

Credits run out fast!

Won't you get more information today?

Contact Merle Skinner:

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www.champion.org/development/eitc

"Please allow me to share how simple the process was. I registered online and filled out the application. It was relatively simple and after completing it, I printed off the signature page and mailed it to the state. After receiving the approval in the mail I sent a check to Champion for my donation. I mailed a copy of my cancelled check to my CPA and that was that. I was able to exercise my choice as to how my funds were used. I know how far the folks at Champion stretch a dollar and I know it was the right choice. Take a few minutes and consider doing the same."

- Roy Laux
Synergy Group

Tax Credits: More Attractive - Plus a Standard Charitable Donation?

The goal is to allow families to choose the right school for their child without letting economics become the deciding factor.



YES! Tax credits reduce your actual tax bill, dollar-for-dollar. There are three credits available. The K-12 credit allows a business 75% credit against taxes owed for a one year commitment and 90% credit if giving for two consecutive years. The Pre-K program allows for a 100% credit for the first \$10,000 given and 90% thereafter. There are still funds available in the Opportunity Scholarship Tax Credit (OSTC) as well.

The process to receive tax credit is simple:

- Step 1** - Businesses register, log in, and apply on the Department of Community and Economic Development (DCED) website. A link is available at www.champion.org/development/eitc.
- Step 2** - If there are funds available and the company does not owe back taxes, DCED will send an approval letter to the applicant.
- Step 3** - The company then has 60 days to make its donation(s) to the Center and
- Step 4** - 90 days to send proof of the donation(s) to DCED.
- Step 5** - Finally, file the credit with your income tax.

A business must complete and submit an EITC application annually with the DCED. Tax credits cannot exceed the tax liability of a business for a given taxable year

"Any business that is paying Pennsylvania Corporate Taxes would be foolish not to take advantage of the Educational Improvement Tax Credit (Act 4 of 2001) which allows a business to help local schools directly rather than sending their money to Harrisburg. It helps the local community, and a business can see their tax dollars going to their school of choice."

- Eric Bononi
CPA

Indian Creek Valley Christian Family & Children's Center Children's Tuition Fund is a Non-Profit Scholarship Organization and we are available to help you.

"We have donated through the EITC tax credit for years and even though we were skeptical at first we have found this extremely easy to apply and to get your tax credits. I enjoy being able to see my tax dollars work so close to home."

- Fred Wright
CEO, Ohiopyle Prints

"In recognition of Champion Christian School's outstanding record of academic and community involvement - close to 98% of graduates go on to college or trade school - First National Bank has made several contributions to the Indian Creek Valley Christian Family & Children's Center Scholarship Organization."

- Judie Miller
First National Bank
Former Regional Market Manager



CPA tip: "Corporations all file an RCT 101, no matter whether they are a "C", "S" or LLC. The front page of the RCT 101 will determine if they have a CNI tax liability. That is the first tax that will be used for the EITC or OSTC credit. If they are individuals with business income or "flow-through" shareholders from an "S" corp or an LLC these taxpayer need to look on their PA 40 page 2, line 12. This would be the PA tax liability. Any dollar amount on that line would be eligible for the tax credit. These are the major taxes that are eligible for the credit. There are others that are not as common."