

WHO LIKES PAYING TAXES?!

**Yea...
neither do I**



If I told you that you can send your state income taxes to a school instead of Harrisburg...**would you do it?**

If there was a way to turn a \$100 donation into \$1,000 of scholarship money for families seeking alternative education... **would you be interested?**



THERE IS A WAY!



The Pennsylvania **Educational Improvement Tax Credit** program allows businesses and individuals the opportunity to redirect their PA state income taxes to a non-public school for the purposes of funding scholarship dollars at the school. Continue reading to learn more.

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EITC Special Purpose Entities (SPE)

Quick Reference Sheet

(Revised 09/09/2022)

What is a SPE? (hint: a way to divert the PA taxes you pay to LCA instead!)

A Special Purpose Entity is a new class of partnership that enables qualifying individuals and businesses to participate in the PA EITC (Educational Improvement Tax Credit) program without the need to “win the application lottery” on the July 1 deadline. The SPE has already successfully applied for EITC tax credits, which are then passed on to qualifying individuals or businesses that donate to Lehigh Christian Academy via the SPE.

Eligibility for Individuals:

- Must be employed by a for-profit business or own a for-profit business OR have a spouse who is employed by or owns a for-profit business and file tax returns with status of Married Filing Jointly.
- Must earn a minimum of \$32,574 in Pennsylvania state taxable income on his/her own, or together with spouse if filing status is Married Filing Jointly.
- Minimum contribution amount is \$1,000 per year with a 2 year commitment.

Please consult your tax advisor for questions regarding your specific tax status.

Eligibility for Businesses:

Remains similar to regular EITC program participation but adds a few requirements as follows:

- Businesses eligible to participate: S Corps, C Corps, General Partnerships, Limited Partnerships, Limited Liability Companies (LLCs).
- Businesses must pay one or more of the following Pennsylvania taxes annually:
 - Personal Income Tax
 - Capital Stock/Foreign Franchise Tax
 - Corporate Net Income Tax
 - And others detailed at: <https://dced.pa.gov/programs/educational-improvement-tax-creditprogram-eitc/>
- A minimum contribution of \$1,000 per year with a 2-year commitment (must also have qualifying PA tax liability of at least \$1,000).

What are the Benefits?

- **When you make a 2 year commitment, you will receive 90% of your contribution back as a PA state tax credit, and the remaining 10% will be considered a charitable contribution (which you may deduct on your federal tax return if you itemize).**
- Every dollar paid to the SPE will be passed on to Lehigh Christian Academy as an EITC donation (minus 5% that ACSI holds for administrating this scholarship program).
- Becoming a member of the SPE and making a donation is easy -- Just complete a one-page form!

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