

EDUCATIONAL IMPROVEMENT TAX CREDITS

@ SALEM CHRISTIAN SCHOOL

If given a choice of whether sending a check to Harrisburg to pay for state taxes on your business earnings OR making a donation to Salem Christian School to help students receive an excellent education, which would you choose?

It's a simple process to participate in the EITC program. Follow these directions or contact the school for more information.

1. Complete and submit the online application found at www.esa.dced.state.pa.us
2. Upon approval from the DCED, make the contribution designated for Salem Christian School.

Salem Christian School

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EDUCATIONAL IMPROVEMENT TAX CREDITS



WHAT IS EITC?

Educational Improvement Tax Credits is a program that designates Pennsylvania tax credits that are awarded by the Commonwealth to companies and business owners contributing to qualified organizations, such as Salem Christian School, that award scholarships to low and moderate income families.

HOW MUCH TAX CREDIT CAN I RECEIVE?

For K-12 tax credits equal 75% of the donation for a one-year commitment or a 90% credit for a two-year commitment of equal contributions. Pre-K tax credits are calculated as 100% credit for the first \$10,000. Existing federal charitable deductions also apply, so *there may be no net cost to the donor*.

WHY ARE TAX CREDITS MORE ATTRACTIVE THAN A STANDARD CHARITABLE DEDUCTION?

While deductions reduce your amount of taxable income, tax credits *reduce your actual tax bill*, dollar-for-dollar. Tax credits are utilized AFTER your tax liability is established.

WHO CAN PARTICIPATE?

Any corporation, including LLC, that is chartered in the Commonwealth of Pennsylvania. Various Bank and Insurance taxes also qualify.

PA TAX TYPES			
ENTITY TYPES	Capital Stock & Franchise	Corp. Net Income (CNI)	Personal Income Tax
C-Corporation	X	X	
S-Corporation	X		X
Limited Liability Corp. (LLC)	X		X
Partnerships			X
Sole Proprietor			X

WHO BENEFITS?

Simply put, contributing companies, students of low or modest income, and Salem Christian School's mission all benefit from those corporations who participate.

The monies designated for Salem Christian school is directly awarded to families of modest or low income so that their children can have access to an excellent educational experience, such as Salem Christian School, where their children can flourish. Companies are able to designate their tax obligation directly to a worthy cause. And, Salem Christian school is able to serve students with a robust program.

HOW DO I PARTICIPATE?

It's a simple process to participate. Follow these directions or contact the school for more information.

1. Go to www.esa.dced.state.pa.us and
 - submit your application electronically using the state's "Single application for assistance."
 - Print a hard copy signature page from the application, sign and submit to the Department of Community & Economic Development
2. DCED will send an approval letter to the applicant. (*Based on available funding and presuming the company does not owe back taxes.*)
3. Upon approval, the company has 60 days to make its donation designated for Salem Christian School.
4. Acknowledgement will be provided to the business, which then has 90 days to send proof of its donation to DCEP. The tax credit is effective the first day of the taxable year in which the contribution is made.

