

# Your Tax Dollars Can Support Regina Academy Students

Pennsylvania's *Educational Improvement Tax Credit* (EITC) program allows businesses and individuals to receive a tax credit of up to 90% toward taxes owed when the money is designated to go to an approved Scholarship Organization.

YOUR PA TAX CREDIT CAN HELP PROVIDE A CATHOLIC CLASSICAL EDUCATION FOR A FUTURE LEADER

## BUSINESSES

EITC

Tax credits for *businesses* who designate funds to eligible RA families

OSTC

Tax credits for *businesses* who designate funds to eligible RA families from low-achieving school zones

**What is EITC/OSTC?** It is a program that created a means for the *business community* to be involved with education, that allows the business community to support students of non-public schools by routing their tax payments through local non-profits as tuition assistance subsidies.

Six easy steps:

1. Donor obtains a one-page PA tax credit application form from:  
<http://www.esa.dced.state.pa.us/Login.aspx>
2. Submit the *Electronic Single Application* for both EITC and OSTC tax credits.
3. Donor will receive letter from PA with tax credit approval.
4. Donor, once approved, sends the check to a state approved Scholarship Organization and designates a Regina Academy as the recipient.
5. The Scholarship Organization will send a receipt to the Donor.
6. Donor applies EITC tax credit to PA tax return and takes the tax deduction on the federal tax return.

NOTE: S-Corps, LLCs and other pass through tax entities can pass the donation directly to the personal income tax of the business partners.

## INDIVIDUALS

Special Purpose Entity (SPE)

Tax credits for qualified *individuals* who designate funds to a Regina Academy

**What is SPE?** Pennsylvania law allows individual taxpayers to participate in Pennsylvania's EITC program. Pennsylvania has expanded the definition of a business to include a Special Purpose Entity (SPE). The only purpose for an SPE to exist is for individual's PA personal tax liabilities to flow through it so these individuals can support a non-public school of their choice with their PA state tax dollars.

Six easy steps:

1. Determine your tax liability that you pay to the state of PA.
2. Commit to an amount of your tax liability and complete a *Commitment to Contribute* form available at [www.foundationforcatholiceducation.org/eitcostc](http://www.foundationforcatholiceducation.org/eitcostc)
3. Email form to [Jneeld@foundationforcatholiceducation.org](mailto:Jneeld@foundationforcatholiceducation.org).
4. Foundation applies to the state on July 1 on behalf of the SPE.
5. Once approved in late fall, write check to the SPE before December 31st.
6. In March, you will receive a K-1 for 90% of your donation. This will be used when you file taxes to claim your tax credit.

NOTE: Be certain to consult your tax advisor to maximize your benefits.



Questions?

Mark Bradford, Executive Director. 610-726-1856

[MBradford@ReginaAcademies.org](mailto:MBradford@ReginaAcademies.org)