

EITC (Educational Improvement Tax Credit) and **OSTC** (Opportunity Scholarship Tax Credit) are state programs that allow your business to redirect tax dollars to the Prep in support of academic scholarships for underserved students. **Please note: The Prep's Scholarship Organization title for EITC is PJHS Scholarship Organization (Pennsylvania Jesuit High Schools)**

Eligibility

Any C-Corporations or pass-through entities such as S-Corporations, Partnerships, LLCs, etc., that pay the following Pennsylvania state taxes are eligible to apply for both the EITC and OSTC programs:

- Personal Income Tax
- Capital Stock/Foreign Franchise Tax
- Corporate Net Income Tax
- Bank Shares Tax
- Title Insurance & Trust Company Shares Tax
- Insurance Premium Tax (excluding surplus lines, unauthorized, domestic/foreign marine)
- Mutual Thrift Tax
- Malt Beverage Tax
- Retaliatory Fees under section 212 of the Insurance Company Law of 1921

The Benefit to You

If approved, 90% of your contribution to the Prep will post as a tax credit for your business if you agree to a two year commitment to the program (if committed for one year, the credit is 75%). Furthermore, the 10% (or 25% with one year commitment) that is not included in the tax credit may be claimed as a charitable donation on your federal tax return.

How to Apply:

New EITC/OSTC applications may be filed online beginning July 3, 2017. Please complete the enclosed one page application questionnaire, and the Prep development team will enter your company's application on your behalf on July 3rd. For companies renewing a current EITC contribution, please complete the questionnaire and the Prep will submit the renewal application on your behalf when the renewal application period opens on May 15, 2017.

Pennsylvania EITC informational webpage: www.newpa.com/eitc

For more information, contact:

Linda Rooney

Director of Development Operations

St. Joseph's Preparatory School 215-978-1016 lrooney@sjprep.org

SCHOLARSHIP NEED AT THE PREP
THE NUMBERS...

How do EITC and OSTC help?

- 53% of Prep students receive some form of financial aid
- 130 Prep families live in areas with underperforming schools and could qualify for OSTC scholarships
- The Prep's demonstrated need among enrolled students receiving financial aid is \$5.1 million
- Last year the Prep was only able to distribute \$3.6 million in financial aid
- Your participation in the EITC and OSTC programs could help bridge the gap of nearly \$1.5 million in scholarships and financial aid
- The Prep's is the most ethnically, socio-economically and geographically diverse private high school in the Philadelphia area. Our Jesuit mission is to continue to create opportunities for this diverse group of students and depends on your support of programs
 - 20% students of color
 - 23% of students reside in Philadelphia
 - 52% of Prep families have earned income under the PA EITC/OSTC threshold (the State average is 53%).

We believe that the EITC and OSTC programs will help eliminate the gap in need and funds at the Prep, and ensure that no worthy student misses out on a Prep education for reasons of affordability. We need your support to accomplish this goal. Thanks in advance for your participation.

For more information, contact: **Linda Rooney**, Director of Development Operations
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Overview

The EITC and OSTC program provides tax credits to eligible businesses contributing to an Opportunity Scholarship Organization or an Educational Improvement Organization. Business contributions are then used by Opportunity Scholarship Organizations and/or Educational Improvement Organizations to provide tuition assistance in the form of scholarships to eligible students residing within the boundaries of a low-achieving school (OSTC) or whose income qualifies them (EITC) to attend another public school outside of their district or a nonpublic school. A low-achieving school is defined as a public elementary or secondary school ranking in the bottom 15 percent of their designation as an elementary or secondary school based upon combined math and reading Pennsylvania System of School Assessment (PSSA) scores.

Business Application Timeline

Tax credits to eligible businesses contributing to a Scholarship Organization, an Educational Improvement Organization, and/or a Pre-Kindergarten Scholarship Organization.

- **May 15** – Business applicants who have fulfilled their 2-year commitment and wish to reapply in FY 16/17 to renew their 2-year commitment.
- **May 15** – Businesses who are in the middle of their 2-year commitment.
- **July 3** – All other businesses including initial applicants.

Pass-through entities, such as S-Corporations, Partnerships, LLCs, etc., can now apply the same day as C-Corporations. Applications must be submitted electronically using DCED's (Department of Community and Economic Development) Single Application for Assistance. St. Joseph's Prep can provide assistance with the online application as needed.

Uses

Tax credits may be applied against the tax liability of a business for the tax year in which the contribution was made.

Funding

Tax credits equal to 75 percent of its contribution up to a maximum of \$750,000 per taxable year; can be increased to 90 percent of the contribution, if a business agrees to provide same amount for two consecutive tax years. Total program funding for Fiscal Year 2015-2016 is \$50 million.

How to Apply

Pennsylvania businesses can begin applying for Opportunity Scholarship Tax Credits through DCED's electronic single application system. DCED will no longer require applicants to mail the signed signature page. Tax credit applications will be processed on a first-come, first-served basis by day submitted. All applications received on a specific day will be processed on a random basis before moving on to the next day's applications. Applications will be approved until the amount of available tax credits is exhausted.

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1. Company Entity Type:

- Limited Liability Partnership Sole Proprietorship S Corporation
 Partnership Limited Liability Corporation C Corporation

2. Federal Employers Identification Number (FEIN) or SSN: _____

3. NAICS* Code _____

4. Company Entity Name: _____

5. Business Address: _____

6. CEO: _____ CEO Title: _____

7. Application Contact Name: _____ Title: _____

Phone: _____ Email: _____

8. Are you applying for:

- EITC OSTC Both Either

8a. EITC amount to be donated per year to St. Joseph's Prep (PJHS)* \$ _____

8b. OSTC amount to be donated per year to St. Joseph's Prep (PJHS)* \$ _____

9. Enterprise type: _____

10. Business Tax Year End: _____ (mm/dd)

11. State: _____ County: _____ Municipality: _____

12. PA corporate Tax Account ID Number: _____

(If your company does not have one write "0000-000")

13. This application is for the following commitment

- Year 1 of a 1 Year Commitment (75% Tax Credit)
 Year 1 of a 2 Year Commitment (90% Tax Credit) Year 2 of a 2 Year Commitment (90% Tax Credit)

14. Who is your local State Representative? _____

*I hereby certify that all information contained herein is true and correct to the best of my knowledge. I acknowledge that tax credits will be awarded only for approved contributions made to Scholarship Organizations (*Pennsylvania Jesuit High Schools Scholarship Organization) listed by the Department (DCED) at www.newpa.com. I am aware that contributions must be made within 60 days of the date on the approval letter and receipts must be forwarded to DCED by the business within 90 days of approval. Furthermore, I acknowledge that if I knowingly make false statement to obtain tax credits, I (company, entity and signer) may be subject to criminal prosecution.*

Signature: _____ Date: _____

Print Name: _____ Title: _____

[APPLICATIONS CAN BE FAXED TO ST. JOSEPH'S PREP AT 267.515.6000]