



DIRECT YOUR TAX DOLLARS TO LOCAL PUBLIC EDUCATION

HOW CAN A BUSINESS PARTICIPATE IN THE EITC PROGRAM?

- The Department of Community and Economic Development (DCED) awards tax credits on a first come, first served basis.
- Complete the one-page, online application, which may be found at www.newpa.com/programs/educational-improvement-tax-credit-program-EITC on July 1st. PEF can assist with questions regarding this application.
- DCED sends approval letters in August or September.
- Once approved, please make your contribution to PEF within 60 days.
- PEF will issue a receipt for your contribution.
- Forward your receipt to DCED, and your tax credit will be awarded.

Plan early to take full advantage of this tax credit, and let your tax dollars support local public education.



**PENNSBURY EDUCATION
FOUNDATION**

www.PennsburyEducationFoundation.org

215-428-4115

*This brochure was published by the
Pennsbury School District on behalf of the
Pennsbury Education Foundation.*



E.I.T.C.

Educational Improvement Tax Credit

**SUPPORTING
PUBLIC EDUCATION
WITH CORPORATE
TAX DOLLARS**

PENNSBURY EDUCATION FOUNDATION



THE PENNSYLVANIA EITC PROGRAM BENEFITS EVERYONE!

DIRECT YOUR TAX DOLLARS TO LOCAL EDUCATION

HB 996: The Educational Improvement Tax Credit (EITC) provides companies with a 75% tax credit for donations to an educational improvement organization. The tax credit increases to 90% if the company commits to making the same donations for two consecutive years. A business paying taxes in Pennsylvania can receive tax credits annually based upon the size of the donation and available credits allowed by the state. More importantly, the EITC program will enhance the educational experience of children in the Pennsbury School District.

AND IT COULD INCREASE YOUR BOTTOM LINE!

Not only does your firm receive a Pennsylvania state tax credit for your contribution to an Educational Improvement Organization, but your contribution is also eligible as a charitable donation on your federal tax returns. Consult your tax professional for specific rules, but consider this example:

A Pennsylvania corporation with \$1,000,000 in taxable income will have a PA corporate tax liability of almost \$100,000. A \$100,000 contribution to Pennsbury Education Foundation (with a two-year commitment) will result in a 90% tax credit, and a \$100,000 deduction on federal taxes.

TAKE ADVANTAGE OF A POPULAR TAX CREDIT

Every year there is a cap on the tax credits available for the EITC program. Applications for the tax credits are received beginning on July 1st, and every year all credits are usually exhausted on the same day. In order to apply, refer to the one-page application found on www.newpa.com/programs/educational-improvement-tax-credit-program-EITC. Staff from the Pennsbury Education Foundation can assist with questions regarding the one-page application.

WHAT TAXES ARE ELIGIBLE FOR EDUCATIONAL IMPROVEMENT TAX CREDITS?

Entities eligible to apply for EITC are companies authorized to do business in the Commonwealth of Pennsylvania that are subject to the following taxes:

- Personal Income Tax Derived From Pass-Through Entities (i.e., LLC, S-Corp.)
- Corporate Net Income Tax
- Capital Stock Franchise Tax
- Bank and Trust Company Shares Tax
- Title Insurance Companies Shares Tax
- Insurance Premiums Tax
- Mutual Thrift Institutions Tax

Taxes paid under the EITC program must be from the current year's taxes. The Department of Community and Economic Development will send approval letters by August or September, and corporations must then make their contributions to the Pennsbury Education Foundation within 60 days, and notify the DCED within 90 days.



WHAT PROGRAMS WILL BENEFIT FROM EITC FUNDS?

The Pennsbury Education Foundation uses EITC funds in the following areas:

STEM INITIATIVE

Course work in Science, Technology, Engineering, and Mathematics (STEM) has been given a special emphasis in Pennsbury as students are preparing for college and careers in the 21st century.

EARLY CHILDHOOD LITERACY

Funds support several measures that increase reading proficiency in grades K through 3.

EDUCATIONAL INTERVENTION FOR AT-RISK YOUTH

Pennsbury provides support and special education for students who experience difficulties with achieving proficient performance levels.

MIDDLE SCHOOL AND HIGH SCHOOL ALTERNATIVE EDUCATION

The middle school and high school alternative programs provide supportive learning environments for students for whom the structure of regular classes does not fit.

COMMUNITY CENTERED EDUCATION

PEF supports the administration of initiatives that bring qualified community business partners into our schools to enhance student education.