



# THE HAVERFORD SCHOOL

## Pennsylvania Tax Credit Programs

### APPLYING FOR BUSINESS TAX CREDITS

The Pennsylvania Educational Improvement Tax Credit (EITC) and the Pennsylvania Opportunity Scholarship Tax Credit (OSTC) programs allow businesses in the Commonwealth to earn tax credits up to 90% of certain Pennsylvania taxes when they make a charitable donation to The Haverford School. Funds under these programs provide direct support for need-based tuition assistance at Haverford.

#### STEP 1: IS MY BUSINESS ELIGIBLE?

Businesses (including pass-through entities and special purpose pass-through entities) authorized to do business in Pennsylvania who are subject to one or more of the following taxes may apply for credits through the EITC and/or OSTC programs:

- Capital Stock/Foreign Franchise Tax
- Corporate Net Income Tax, Bank Shares Tax
- Title Insurance & Trust Company Shares Tax
- Insurance Premiums Tax (excluding unauthorized, domestic/foreign marine)
- Mutual Thrift Tax
- Malt Beverage Tax or Surplus Lines Tax. Such business firms include pass-through entities and special purpose pass-through entities.

#### STEP 2: HOW DO I APPLY?

There are two ways to apply for credits for your business: online through the Department of Community and Economic Development (DCED), or your business may be able to join as a member of a special purpose entity (SPE) LLC that directly supports the boys and young men at Haverford.

#### OPTION #1: APPLY WITH THE DCED

To apply directly with the DCED, visit [www.newpa.com/eitc](http://www.newpa.com/eitc) to create an online profile for your business, and submit an application. Any business applying for credits for the first time needs to submit the application on **July 1** to be considered. Early applications will not be accepted.

- Approvals will be handled randomly, and the DCED will send a notification to all businesses that were approved (likely in the fall).
- From the time the letter is received from DCED, the business has 60 days to send its charitable contribution to Haverford. The School will send a receipt, which the business must provide to the DCED within 90 days of the original approval letter. Once the receipt has been shown to the DCED, the business will receive the amount of tax credits outlined in the original approval letter.

## OPTION #2: ENROLL YOUR BUSINESS WITH HAVERFORD'S LLC

If your business meets one of the following criteria, it is eligible to join the SPE LLC that has been created to support Haverford students. The benefit is the same as applying with the DCED, but there is no need to apply specifically on July 1, AND the waiting period could be much shorter or possibly none at all.

Businesses that are eligible to join The Haverford School LLC are:

- A bank as defined in Section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity.
- A broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended.
- An insurance company as defined in the Securities Act.
- A private business development company as defined in the Investment Advisors Act of 1940.
- A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or 301(d) of the Small Business Investment Act of 1958.
- A corporation or partnership, not formed for the specific purpose of joining and becoming a Member of the Company, with total assets in excess of \$5,000,000.
- A Massachusetts or similar business trust, not formed for the specific purpose of joining and becoming a Member of the Company, with total assets in excess of \$5,000,000.
- A trust with total assets in excess of \$5,000,000, not formed for the specific purpose of joining and becoming a Member of the Company, whose purchase is directed by a “sophisticated” person.
- An entity in which all of the equity owners are Accredited Investors. (NOTE: If this option is selected, each equity owner of the entity must individually complete and submit to the LLC its own copy of the Joinder.)

**INTERESTED IN TAKING THE NEXT STEP?**

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