



EITC & OSTC STATE TAX CREDIT PROGRAMS

Participation Options

1

Participate as a Business

WHO CAN PARTICIPATE

Businesses based in PA (LLCs, C and S-Corps, etc.)

HOW IT WORKS

July 1: Business completes application with the state by visiting dced.pa.gov and clicking on *Apply*

Fall: If approved, Business makes donation to Agnes Irwin

Tax season: Claim on prior year's tax return and Business receives tax credit from State

Year 2: Renew Commitment

2

Participate as an Individual via a Special Purpose Entity (SPE)

HOW IT WORKS

Spring/Summer: Contact Emily Rauch to be included in Agnes Irwin's SPE named *672 Conestoga #1 LLC* ("*672 Conestoga*")

Fall: 672 Conestoga submits application to state and receives approval

Within 60 days of approval: Individuals send their check contribution to Emily Rauch and 672 Conestoga then makes a lump sum donation to Agnes Irwin

Tax season: Individuals receive Schedule K-1 from 672 Conestoga for their tax return

3

Participate as an Individual or Business via Third Party

There are organizations in Pennsylvania established to support EITC and OSTC programs at scholarship organizations such as Agnes Irwin. The most well known include BLOCS, Central PA Scholarship Fund and Children First America Delaware County. Individuals send their donation to the third party, earmarking it for the school(s) of their choosing. The third party organization then accumulates the funds and sends each school a lump sum check. In return for facilitating the paperwork and the check processing, they take a fee from the contribution.

HOW IT WORKS

Spring: Individual contacts the third party of their choosing

Fall: Third party receives approval, Individual sends contribution to the third party designating Agnes Irwin as the ultimate recipient

Tax season: Individual receives Schedule K-1 from the third party

Spring: Agnes Irwin receives the donations from the third parties



To learn more, contact Emily Rauch,
Director of Annual Giving
erauch@agnesirwin.org 610.801.1260



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Earn State Tax Credits While Changing Lives

Through participation in the Pennsylvania Educational Improvement Tax Credit (EITC) and Opportunity Scholarship Tax Credit (OSTC) programs, you can earn significant state tax credits while changing the lives of our girls.

By making a donation to Agnes Irwin through the EITC & OSTC program, you can earn up to a 90% state tax credit. The gifts that Agnes Irwin receives through these programs bolster our financial aid budget, allowing us to extend aid to students with the greatest financial need.



Participation as an Individual via a Special Purpose Entity (SPE)

Individuals are able to participate in Pennsylvania's EITC and OSTC programs by joining an SPE such as Agnes Irwin's 672 Conestoga #1 LLC. The individuals who comprise the LLC make one combined donation to Agnes Irwin. Each member of 672 Conestoga #1 LLC then receives a Schedule K-1 to utilize when filing their individual taxes.

When an individual commits to participate for two consecutive years, they are eligible for a tax credit equal to 90% of their total contribution.

Interested individuals should first speak with their accountant or a tax specialist about the program. If you or your tax professional have any questions, Emily Rauch, Director of Annual Giving, would be happy to join the conversation.



**To learn more, contact Emily Rauch,
Director of Annual Giving**

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Participation Timeline

Steps for Participation for Individuals and Businesses who wish to join *672 Conestoga #1 LLC*

1

Agree to Participate

For those who would like to participate, let us know your desired commitment amount. Agnes Irwin will place you on a waiting list until the program approval is confirmed.

2

SPE Submits Application

672 Conestoga #1 LLC will submit its application to the state in May. The State will notify Agnes Irwin if the application is approved, typically by mid-fall.

3

Join 672 Conestoga #1 LLC

If 672 Conestoga #1 LLC's application is approved, Agnes Irwin will notify you and verify the amount you would like to join the LLC. We will send you a copy of the joinder agreement. The documents, along with your contribution to the LLC, will be processed mid- to late- fall.

PA State Contribution Example

\$10K Liability / \$10K Gift

	NO CONTRIBUTION	CONTRIBUTION
PA Taxable Income	\$326,000	\$326,000
PA Tax Liability 3.07%	\$10,008	\$10,008
Total Payments and Credits	\$ -	\$ -
EITC/OSTC Credit	\$ -	\$9,007
Estimate PA Tax Due	\$10,008	\$1,001

4

File for Tax Credit

By March you will receive a Schedule K-1 that indicates your contribution.



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