



SCRANTON PREP
1000 Wyoming Avenue
Scranton, PA 18509



YOUR PA TAX LIABILITY CAN PROVIDE SCHOLARSHIPS TO DESERVING STUDENTS.



EDUCATIONAL IMPROVEMENT TAX CREDIT PROGRAM



SUPPORT SCRANTON PREP THROUGH THE EDUCATIONAL IMPROVEMENT TAX CREDIT PROGRAM (EITC)

CONVERT YOUR TAX DOLLARS INTO SCHOLARSHIPS FOR THE DESERVING AND HARD-WORKING STUDENTS OF SCRANTON PREP.

If you pay taxes in Pennsylvania, you may be eligible to take advantage of the Educational Improvement Tax Credit (EITC). This program allows eligible INDIVIDUALS and BUSINESSES to receive up to a 90% tax credit against their state tax liability with a two-year commitment. The EITC program directly funds the financial aid program at Prep, accounting for nearly half of all scholarship dollars.

Scranton Prep has established a Scholarship LLC – a special purpose entity – to allow individuals or businesses to benefit from this state program.

ELIGIBILITY:

Individuals who are deemed accredited investors – income limits apply. Businesses including C-Corporations, S-Corporations, partnerships, LLC's and most other pass-through companies. Consult with your tax advisor to confirm eligibility.

For more information, or to be guided through the process, please contact **Christian Davis** at 570-941-7743, cdavis@scrantonprep.org

KEEP YOUR STATE TAX DOLLARS LOCAL. CREATE OPPORTUNITIES FOR DESERVING STUDENTS THROUGHOUT OUR REGION.

HOW DOES IT WORK?

- Sign a joinder agreement to become a member of Prep's Scholarship LLC.
- Make your Year 1 contribution within 60 days of the LLC's tax credit approval (typically mid-November).
- Receive a K-1 from Scranton Prep with your 90% tax credit for submission with your tax return.
- Make your Year 2 contribution (same amount as Year 1) the following year - likely around the same time.
- Receive your Year 2 K-1.

FOR EXAMPLE:

DONOR CONTRIBUTES \$10,000 TO PREP'S SCHOLARSHIP LLC

- Donor receives \$9,000 back as a PA tax credit
- Donor uses the other \$1,000 as a federal charitable deduction and receives \$350 back in the 35% tax bracket

TOTAL COST TO DONOR - \$650 TO CONTRIBUTE \$10,000!!

