



You have to pay taxes...

why not decide how they should be spent?

Most individuals are familiar with the Pennsylvania Educational Improvement Tax Credit (EITC) program that re-directs business taxes to provide funding to organizations that provide and promote learning throughout the state. Many may not be familiar with the EITC—Special Purpose Entity (SPE) program which allows individual donors to redirect their *personal* Pennsylvania taxes to an SPE and gain full access to the EITC/OSTC Tax Credits. These individuals would be able to designate part of their Pennsylvania state tax liability for use by St. Anne School to increase the financial assistance we can offer to our families.

In 2014, the Commonwealth of Pennsylvania passed legislation that expanded the definition of a “business firm” to include SPE’s formed specifically to participate in the EITC or OSTC program. Typically, these SPEs are formed as a pass through Limited Liability Company (LLC), the sole purpose of which is the making of contributions to qualifying scholarship or educational programs and whose members are comprised of owners or employees of other business firms.

Individuals are able to participate in the SPE Program if you:

- Earn a yearly income of at least \$115,000 & owe at least \$3,500 in state income taxes.
- Receive W-2 wages from a for-profit business or own a for-profit business.

The benefit to the individual includes:

- 90% state tax credit for a 2 year commitment (renew annually)
- 75% state tax credit for a 1 year commitment (renew annually)
- Federal charitable tax deduction of at least 10% (possibly more) on Federal itemized deductions (Schedule A)
(Confirm amount with your accountant)

In order to participate, a simple Joinder Agreement must be submitted to an SPE which includes the individual’s contribution (tax liability) and designation of the school to receive the contribution. The Joinder Agreement may be submitted anytime from now through the end of summer, but funds are available on a first-come, first-served basis.

There are numerous SPE’s but St. Anne School works with the Central Pennsylvania Scholarship Fund (CPSF) located in Tyrone, PA. To obtain a Joinder Agreement, please contact the CPSF directly. For accounting questions, please contact the CPA’s listed below:

Central Pennsylvania Scholarship Fund
Tami Clark, Executive Director
814-942-4406
CentralPAScholarshipFund@gmail.com

CPSF Board President
Randy Tarpey
Sickler, Tarpey & Assoc.
814-684-4640
randytarpey@hksickler.com

Trout, Ebersole & Groff
Todd L. Harrington, Partner
717-358-9137
tharrington@troutcpa.com

The opportunity to re-direct your Pennsylvania taxes to provide scholarships for local students to attend St. Anne School, benefits our school, our parish and our community. We thank you for your commitment to Catholic Education and providing needed financial assistance to current and prospective families.

More information can be found on our website at www.stannelancaster.org