

Educational Improvement Tax Credit (EITC): How to Support BLOCS

Step #1: Submit your one-page application to the Commonwealth of Pennsylvania

A blank copy of this application is attached as Appendix A. This application must be received by the state as a scanned e-mail (preferred method), fax, or overnight delivery by the following deadlines:

First Year Applicants: Must be received *on July 1, 2011*.

Second Year of a Two Year Commitment: May 17-June 30, 2011

S Corporations or Partnerships Passing Credits Through to Personal Income Tax Returns of Company Principals: Must be received *on July 8, 2011*.

Step #2: The commonwealth will send you a letter approving your application for the tax credit

A sample of this letter is attached as Appendix B.

Step #3: Your company then makes a its donation to BLOCS

This contribution must be made within 60 days of the date on the approval letter you received in Step #2.

Step #4: BLOCS will send your company a receipt showing that the contribution was made within the 60 day window.

A sample of this letter is attached as Appendix C.

Step #5: Your company then sends this receipt back to the Commonwealth.

This receipt must be submitted to the Commonwealth within 90 days of the date on the approval letter you received in Step #2

Step #6: The Commonwealth then provides you with a letter completing the EITC process, which your company will include with the tax return on which you apply the credit.

A sample of this letter is attached as Appendix D.

Appendix A:
Blank EITC One-Page Application

Appendix I - SO

Application for Educational Improvement Tax Credits (Scholarship Org)

Business Name:		FEIN:	
Address:			
City:		State:	
Zip Code:		County:	
Business Description:		NAICS Code*:	
CEO Name:		CEO Title:	
Contact Name:		Contact Title:	
Contact Phone #:		Contact Fax #:	
Contact E-mail Address:			
Business Tax Year End (MM/DD):		PA Corporate Tax Account ID #:	_____

Please check if the information in the above selection differs from previous applications.

Amount to be donated per year to a scholarship organization(s): \$ _____

Based on the contribution stated above, this application is for the following commitment:

- Year 1 of a 1 Year Commitment (75% Tax Credit)
 Year 1 of a 2 Year Commitment (90% Tax Credit)
 Year 2 of a 2 Year Commitment (90% Tax Credit)

Calculated amount of tax credits requested per year: \$ _____

If the contribution will be personal property or services, please check here and attach a separate typed page describing the property or service and appropriate information establishing the value of the contribution.

The EITC may be used against the following business taxes: Corporate Net Income Tax, Capital Stock Franchise Tax, Bank & Trust Company Shares Tax, Title Insurance Company Shares Tax, Insurance Premiums Tax and Mutual Thrift Institutions Tax.

S Corporations, General Partnerships or Limited Partnerships Only: In addition to earning credits for any of the six corporate taxes listed above, any 2 of a 2 year commitment submitted between May 16 and June 30 or year 1 application submitted on or after July 8 may request to pass credits through to the personal income tax of the shareholders or partners, per Section II of these guidelines. If the option is requested, the business may not submit this application between July 1 and July 7.

Does the applicant desire the option to pass the credits through to personal income tax?

- Yes No (If neither option is selected, the pass through option will not be available)

I hereby certify that all information contained herein is true and correct to the best of my knowledge. I acknowledge that tax credits will be awarded only for approved contributions made to Scholarship Organizations listed by the Department (DCED) at www.newPA.com/EITC. I am aware that contributions must be made within 60 days of the date on the approval letter and receipts must be forwarded to DCED by the business within 90 days of approval. Furthermore, I acknowledge that if I knowingly make false statement to obtain tax credits, I (company, entity and signer) may be subject to criminal prosecution.

Signature: _____ Date: _____

Print Name: _____ Title: _____

* A NAICS code search can be done at www.NAICS.com

Appendix B:
**Sample Letter from Commonwealth Approving a
Company's EITC Application**



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
HARRISBURG, PA 17120

OFFICE OF SECRETARY

November 10, 2009

Dear

I am pleased to inform you that your request for tax credits under the Educational Improvement Tax Credit Program has been approved. On behalf of the Commonwealth of Pennsylvania, acting through the Department of Community and Economic Development, I hereby transmit to (the 'Business') an offer for Educational Improvement Tax Credits in an amount not to exceed \$8,010 from the Fiscal Year 2009-2010 Educational Improvement Tax Credit allocation and \$8,010 from the Fiscal Year 2010-2011 Educational Improvement Tax Credit allocation based on the Business commitment to make the same amount of contribution for two consecutive years.

The tax credit offer is contingent upon receipt by the Department of proof that a contribution in the amount has been made by the Business to a scholarship organization that is on the Department's list of scholarship organizations, which can be found on its web site at www.NewPA.com/eitc. If the organization you wish to donate to is not yet listed, please contact them immediately to submit their application. In the case of monetary contributions, the proof of contribution must be a written acknowledgement from the organization, signed by an appropriate officer of the organization, specifying the amount of the contribution, date of the check and the date on which the contribution was received by the organization. In the case of contributions involving personal property or services, the Business must provide a letter to the Department, signed by an appropriate officer of the Business, setting forth the value of the personal property or services, and must provide a written acknowledgment from the organization, signed by an appropriate officer of the organization, acknowledging receipt of the contribution of personal property and/or services and the date on which such was received. For services donated to an organization that will not be performed until after the 60-day period, the Business must submit a copy of a letter sent by the Business to the recipient organization, dated within 60 days of the date of this letter, committing the Business to donate the services described. In either case, the contribution must be made by the Business within 60 days of the date of this letter, and proof of the contribution must be provided to the Department within 90 days of the date of this letter.

If the Business does not make its contribution within 60 days of the date of this letter, this offer of tax credits will be rescinded.

To access the second year of Educational Improvement Tax Credits, the Business must submit an application to the Department between May 15, 2010 and June 30, 2010. Following the approval by the Department of the second year tax credit application, the Business should follow the same proof of contribution procedure outlined above to verify that the same amount of contribution was made in year two. Applications received after June 30, 2010 will be considered with all other Educational

Page Two
November 10, 2009

Improvement Tax Credit applications for the Fiscal Year 2010-2011 allocation, which will be approved on a first-come-first-served basis. The Department cannot guarantee that second year of tax credits will be available to the Business if the second year application is submitted after June 30, 2010

Send proof of contribution to the following address:

DCED Center for Business Financing, Tax Credit Division
Attention: James O'Donnell
4th Floor, Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Upon receipt of proof of contribution, the Department will notify the Department of Revenue to apply the tax credits against the following taxes: 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 and the personal income tax of principals of a "pass through entity." The application of tax credits approved may not exceed the tax liability of the Business for the tax year in which the contribution was made. Additionally, a tax credit not used in the tax year the contribution was made may not be carried forward or carried back and is not transferable or refundable.

I would like to thank you on behalf of the Rendell Administration for participating in the Educational Improvement Tax Credit Program. If you should have any questions regarding this letter, contact

Sincerely



Dorothy Kaplan
Deputy Secretary for Business Assistance

**Appendix C:
Sample Receipt from BLOCS**



Business Leadership Organized for Catholic Schools

1001 E. Hector Street, Suite 100
Conshohocken, PA 19428

484.684.1212 Fax: 484.684.1296
www.blocs.org

March 2, 2010

Mr. Joe Smith
President
Main Street Bank
100 W. Main Street
Anytown, PA 19111

Dear Mr. Smith

Thank you for Main Street Bank's generous contribution made recently to Business Leadership Organized for Catholic Schools (BLOCS). Main Street Bank's contribution will be used for our approved innovative K-12 scholarship programs in the Educational Improvement Tax Credit Program.

Please forward a copy of this receipt to the Department of Community and Economic Development within 90 days from the date of your approval letter so that your company may have its tax credits properly posted.

Again, many thanks for your support.

Amount of Cash Contribution: \$89,900.00 **Check No.** 123456

Date of Check: 02/16/2010 **Contribution Received:** 03/02/2010

Valuation of Property/Services: 0

Sincerely,

Matthew Hunt

No goods or services were provided in exchange for this donation.
Please make a note of our new address for future correspondence.

Appendix D:
Sample Receipt from Commonwealth for
Inclusion with Company Tax Return



April 13, 2009

Dear

I am writing to acknowledge the Department of Community and Economic Development's receipt of _____'s proof of contribution under the Educational Improvement Tax Credit Program. By copy of this letter, we are notifying the Department of Revenue to apply \$54,000 in Educational Improvement Tax Credits to the following taxes identified in _____'s Educational Improvement Tax Credit application:

~~Capital Stock/Franchise Tax~~
~~Personal Income Tax~~

The Department of Revenue will consider tax credits awarded under this program to be effective on the first day of the taxable year in which the contribution was made. The credit will then be used to offset (in full or in part) the quarterly prepayment requirements and the remainder of the tax due for that taxable year. You may speak to a representative in the Department of Revenue concerning the usage of the Educational Improvement Tax Credits, by calling (717) 705-6225.

As a reminder, applications for the second year of Educational Improvement Tax Credits must be received by the Department of Community and Economic Development between May 15, 2009 and June 30, 2009 to insure the availability of tax credits for your business.

Thank you for your participation in the Educational Improvement Tax Credit Program.

Sincerely,

Theodore P. Knorr
Director



Center
for Business
Financing,
Tax Credit Division

Commonwealth
Keystone
Building
400 North Street

Harrisburg
Pennsylvania
17120-0225

tel: 717.720.1420
fax: 717.772.3581

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