

ST. ANNIES

HOME AND SCHOOL

EITC PROGRAM

(EDUCATION IMPROVEMENT TAX CREDIT PROGRAM)

HANDBOOK

2015 -2016

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*** HOME & SCHOOL PARENTS/FRIENDS WITH BUSINESSES ***

The Pennsylvania Educational Improvement Tax Credit (EITC) gives businesses the chance to support Saint Anastasia School and receive up to a 90% tax credit in return

The EITC Program:

The Educational Improvement Tax Credit (EITC) Program allows businesses to make contributions to BLOCS and provide **life-changing scholarships** to students that enable them to attend Saint Anastasia School. These scholarships are 100% need-based, and have allowed thousands of students throughout the Archdiocese to receive a quality, values-based education.

Donations to BLOCS, through the EITC Program can literally **change the lives of children** who otherwise wouldn't have access to a quality education. Please consider helping Saint Anastasia School by applying for *your* tax credit this year, and by designating BLOCS as the recipient of your generosity. Bob Howe at the Rectory Office at 610.356.1613 can assist you with filling out and filing the one page application - it's easy, fast, and effective. **Do you, or others you know, have companies that can help our school?**

HOME & SCHOOL ASSOCIATION

These companies currently support St Annie's EITC program

B&E SPORTSWEAR

C&V LANDSCAPING

CAVAN CONSTRUCTION

D'ANJOLELL FUNERAL HOME

GOLDHORN ELECTRIC CONSTRUCTION

GOSHEN MECHANICAL, INC

PACIFICO MARPLE, LLC

ACCURATE TOOL COMPANY, INC.

FILE-X DOCUMENT IMAGING SERVICES, INC.

WM. HENDERSON PLUMBING, HEATING, COOLING SERVICES



Find Out More About Participating in Saint Annie's EITC Program

Donating to BLOCS through the EITC program is easy. All it takes is a simple, one page application specifying the donation you would like to make. Your credits are approved before you make a donation, and 100% of your donation will go directly to scholarships. BLOCS does not take any administrative fees or overhead costs out of your donation. To learn more about this program please contact a Board member of the Home and School Association for more information or call Bob Howe at the Rectory Business Office at 610.356.1613 for assistance with applying and filing.

WHAT IS EITC AND WHO IS BLOCS?

The **Educational Improvement Tax Credit (EITC)** PA state program is administered by the PA Department of Community & Economic Development (DCED) which authorizes the award of tax credits to businesses that make a contribution to Scholarship Organizations such as **BLOCS**. These scholarship organizations then provide funds to private schools to be distributed as scholarships for qualifying families.

Businesses that may participate in the EITC Program are: **Corporations, Partnerships, S-Corporations, LLC's (Multi member), and LLP's**. These must:

- Be authorized to do business in Pennsylvania
- Pay one of the following PA Taxes:
 - Corporate Net Income Tax
 - Capital Stock & Franchise Tax
 - Personal Income Tax on S-Corp PA Business Income
 - Bank and trust Company Shares Tax
 - Title Insurance Companies Shares Tax
 - Insurance Premiums Tax
 - Mutual Thrift Institutions Tax

Businesses that make a one-year donation to BLOCS may receive a 75% tax credit; businesses that make a two-year commitment may increase their tax credit to 90%. Companies can request up to \$750,000 in tax credits. Tax credits are issued on a first come, first served basis.

The **Business Leaders Organized for Catholic Schools (BLOCS)** is one of hundreds of Scholarship Organizations in Pennsylvania. It is an independent charitable organization supported by companies, firms and foundations of all sizes in the five county Philadelphia region. Since 1980, BLOCS has invested in the lives of tens of thousands of children throughout the Archdiocese of Philadelphia, including some of the poorest neighborhoods in the City.

BLOCS is an independent 501c3 organization governed by a dedicated, engaged board. Comprised of leaders representing business, law, real estate and finance from the five county Philadelphia region, the full BLOCS board meets quarterly while the Executive Committee and sub committees meet more frequently. BLOCS' staff works closely with the Board of Directors to support Catholic Education throughout the Philadelphia region. With the support of its Board, friends, and donors, BLOCS endeavors to increase the number of scholarships distributed each year and help strengthen the schools for future generations and for the good of our region.

To participate contact a Board member of the Home and School Association for more information or **Bob Howe (rhowe@saintannies.org or at 610.356.1613) for answers to questions, filling out an application, or assistance throughout the application submittal and approval process.**

WHY EITC/OSTC? – THE BOTTOM LINE

The story that sticks out for those who have donated to EITC/OSTC is the realization that the cost to them for donating each \$1000 increment to EITC/OSTC to their school for 2 years after a 90% tax credit of that donation to their PA State Income Tax along with a typically 3.5 –5.5% Federal Tax Reduction or \$35 to \$55 for donating each \$1000 increment to their school – in this case St. Annie's is \$45 - \$65.

Looking at the numbers:

\$1000	Donation
(\$900)	- PA State Tax Credit
<u>(\$55 – \$35)</u>	<u>- Federal Tax Reduction</u>
\$45 – \$65	Cost to the Business

Benefit of donating \$1000 to St. Annie's is a typical cost from \$45 to \$65 per \$1000 donated. We know of no other program that, in essence, offers an approximate 15X or 20X multiplier for their out of pocket cost to donate. Our typical donations have ranged from approximately \$3000 to \$10,000 from 10 donors and additional supplemental assistance from BLOCS that for this school year amounted to \$75,000.

The opportunity for ensuring St. Annie's can attract students and keep them in school is immense. Making this known to parishioners in the parish from contacts they know and trust is where CYO parents/friends with Businesses can help. Bob Howe can further assist those interested by answering or getting answers to any questions, by making it easy for them to get additional information, and by assisting them with their initial application and correspondence throughout the EITC process.

Please consider donating if you have a business. If you have any questions, contact:
Bob Howe (610) 356-1613 or Andy Semeister (610) 389-3898

HOW TO SUPPORT ST. ANNIES - STEP-BY-STEP

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

A blank copy of this application is shown on the next page. 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, 2015.**

Second Year of a Two Year Commitment: **May 17-June 30, 2015**

S Corporations or Partnerships: Passing Credits Through to Personal Income Tax Returns of Company Principals: Must be received **on July 8, 2015.**

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

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.

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.

SAMPLE EITC/OSTC APPLICATION

1. Have you registered on the DCED website, www.newPA.com?
 Yes What is your user name? _____ What is your password? _____
 No (*BLOCS will assign a user name and password for your business*)
2. Are you applying as: For Profit Non Profit Government Other
3. Company Entity Type: Limited Liability Partnership Sole Proprietorship
 S Corporation Partnership Limited Liability Corporation C Corporation
4. Federal Employers Identification Number (FEIN) or SSN: _____
5. NAICS* Code _____
6. Company Entity Name: _____
7. Business Address: _____
8. CEO: _____ CEO Title: _____
9. Application Contact Name: _____ Title: _____
Phone: _____ Email: _____
10. Are you applying for:
 EITC OSTC Both
10a. EITC amount to be donated per year to BLOCS \$ _____
10b. OSTC amount to be donated per year to BLOCS \$ _____
11. Enterprise type: _____
12. Business Tax Year End: _____ (mm/dd)
13. State: _____ County: _____ Municipality: _____
14. PA corporate Tax Account ID Number: _____ (If your company does not have one write "0000-000")
15. 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)

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. 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

THANK YOU FOR SUPPORTING ST. ANNIES