

## Pennsylvania Tax Credit Scholarship Program

### Can I Really Turn my PA State taxes into a Need-Based Scholarship that Helps Students?:

Yes. Businesses and individuals have the opportunity to control their PA State Taxes and to transform them into a need-based student scholarships. Yes, money an individual already has to pay can be directed to support a student. In return, the individual receives a 90% tax credit to offset their contribution. Participating in the Tax Credit Scholarship Program occurs through participation in a Special Purpose Entity (SPE).

### What is a Special Purpose Entity (SPE) and How Does it Work?

An SPE is a legal entity, for which individuals and business may participate, that is established to fulfill a narrow, specific, or temporary objective. Here is how the Tax Credit Scholarship Program SPEs work. The individual or business pays their state tax liability to one of our two Special Purpose Entities (SPE) in the Fall. In January the Schools receive either 95% or 100% of that tax contribution to the SPE depending on which or the two SPEs were used. That month, the tax contributor will receive a 90% tax credit (K-1) to file with their State Taxes. In cases, where individuals have made payroll withholdings or quarterly tax payments, they will receive a state tax refund in July or August. In time to pay the following year's taxes to the SPE. And the cycle repeats.



### What is the Differences Between the Two SPEs With Whom CSAGH Works:

The two SPE's we use are the Central PA Scholarship Fund (CPSF) and ACSI Children's Tuition Fund of PA (CTF). The difference centers (1) the minimum level of tax to participate (CPSF is \$3,500 and ACSI CTF is \$1,000) and (2) the amount of the tax contribution that the schools receives (CPSF awards 100% of the tax contribution while CTF awards 95% using 5% for their legal and legislative efforts). On the latter point, because there are less credits available with CTF and we receive the full contribution of taxes, we encourage those with \$3,500 or more tax liability to use CPSF.

## How Do I Participate in the SPE?

Participating with Central PA Scholarship Fund - \$3,500 or more: To participate with CPSF, you need to complete the attached joinder by mid- to late-September to reserve credits (contribution checks are due mid-to late-October). The joinder should be sent to Tami Clark, Executive Director of CPSF, at [tami@cpsfcharity.org](mailto:tami@cpsfcharity.org) or [t.clark@hksickler.com](mailto:t.clark@hksickler.com). (Note: For tracking and projecting purposes we ask that a copy be sent to [spe@csagh.org](mailto:spe@csagh.org)).

Participating with ACSI Children's Tuition Fund – between \$1,000 and \$3,499: If you are participating through ACSI CTF, you will need to complete the attached joinder by mid-to late-September to reserve credits (contribution checks are due mid-to late-October). The joinder should be sent to Tonia Harding, Coordinator of ACSI Children's Education Fund, at [tonia\\_harding@acsi.org](mailto:tonia_harding@acsi.org). (Note: For tracking and projecting purposes we ask that a copy be sent to [spe@csagh.org](mailto:spe@csagh.org)).

### Opportunity in 2020 is NOW!

Credits are quickly being claimed for 2020. Through September, individuals will want to complete their one-page joinder expressing their desire to participate. Contributions to the SPE will not be requested until mid- to late-October.

### Take Time to Learn More:

The process of taking control of your taxes to support a student in need, while simple in concept, can lead to a lot of questions. Please take a moment to learn more by contacting, Phil Puleo, Superintendent of the Christian School Association of Greater Harrisburg at 717-545-3728 or via email at [phil.puleo@csagh.org](mailto:phil.puleo@csagh.org).



Thank You for choosing to  
direct your PA State Taxes to  
**SUPPORT A STUDENT IN NEED**

