



It's not what to think.
It's how to think.

Pennsylvania Educational Improvement Tax Credit Program Applying for Individual Tax Credits

The Commonwealth of Pennsylvania recently changed the law to allow individual taxpayers to participate in the Educational Improvement Tax Credit (EITC) and Opportunity Scholarship Tax Credit (OSTC) programs. Individuals may now join a Special Purpose Entity (SPE) that allows personal tax liabilities to flow through it, allowing them to participate. Joining an SPE enables Pennsylvania taxpayers the ability to receive a credit up to 90% of the donation amount as well as a federal charitable tax deduction.

Step 1 You pay taxes in Pennsylvania

Step 2 You contribute to the Waldorf School of Philadelphia through the EITC/OSTC program

Step 3 The Waldorf School of Philadelphia receives 100% of your donation

Step 4 You receive a 90% tax credit on your Pennsylvania tax return

Step 5 On your tax return you may also qualify to claim a federal charitable deduction

What is a Special Purpose Entity? (SPE)

An SPE is a pass-through partnership that exists to allow individuals' Pennsylvania personal tax liability to flow through it - allowing them to participate in the EITC or OSTC programs.

Who Qualifies?

Those who have \$200,000 of annual income (single) or \$300,000 (joint) OR a net worth of at least \$1,000,000, excluding the market value of a primary residence, are eligible to join an SPE. Individuals who meet those criteria can join an SPE as an "accredited investor" and can participate in the PA State Tax Credit programs with their personal tax liability.

What are the Benefits?

Pennsylvania tax credit for up to 90% of the SPE commitment • A federal charitable tax deduction for the full commitment amount • Net out-of-pocket cost for the gift can be less than the commitment depending on the federal tax deduction claimed

Is there an SPE that the Waldorf School of Philadelphia recommends?

There are many SPEs however we encourage participation through the Waldorf School of Philadelphia, the Central Pennsylvania Scholarship Fund, or through the Business Leaders Organized for Catholic Schools.

How to Apply?

Once you have consulted with your tax advisor, making your application is very simple and the Waldorf School of Philadelphia's Advancement Office will support you every step of the way. We have an easy to follow protocol that makes it very easy for donors to participate.

Contact

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