

PA EITC PROGRAM

Funding Valuable Scholarships at BMS

DIRECT YOUR STATE TAXES TO REFLECT YOUR PRIORITIES

Participation in the Pennsylvania EITC program is possible by applying through the Department of Community and Economic Development (DCED) OR by applying to a scholarship organization designated as a Special Purpose Entity (SPE).

\$ Give What is Already Spent

SPEs allow taxpayers to give money they already spend on taxes toward a need-based scholarship.

\$ Control the Uncontrollable

SPEs allow taxpayers to control and designate where their tax money goes (students in need).

\$ Choose Your Priorities

SPEs allow taxpayers to contribute to that which they prioritize and value (students vs. the State House).

\$ Multiply Your Contribution

Giving to the school through an SPE multiplies one's contribution 10x. Instead of paying \$1,000 to the state and contributing \$100 to the school as a gift, you can pay \$100 to the state and give \$1,000 to the school as a tax credit!



QUESTIONS TO ASK

- Would I rather my state income taxes (money I already must pay) go to the Department of Revenue or to a child's Christian education?
- Can I calculate what my yearly, combined state income tax liability will be next year?
- Do I have the cash liquidity to make an upfront "tax payment" contribution to the SPE?

AFFORDABLE EDUCATION AT BMS

Why does BMS offer financial aid in the first place?

The majority of families cannot afford the full cost of a private education, but we desire to make BMS an option for everyone! We offset tuition with several major fundraisers each year, but have also greatly expanded our Affordable Education program to reach more families and impact more students.

Who can participate?

Practically anyone. Individuals, Partnerships, LLCs, C-Corporations and S-Corps can participate. There are also options for individuals who are retirees or work for non-profits.

What if my child doesn't receive financial assistance?

Every child benefits from the better student programs and enhanced facilities that are a result of the school having more resources.

If I receive financial aid, can I still participate?

Yes, you can be both a recipient of a tax credit scholarship as well as a participant! Students are eligible to receive a scholarship if their household's annual income is not greater than \$108,444 plus \$19,088 for each dependent member of the household.

Does participating in the EITC program cost me something?

Yes. Because 90% is not 100%, it will cost you 10% of your state income tax liability. For example, your contribution of \$10,000 to an SPE will result in a 90% (\$9,000) tax credit for the following year, with 10% (\$1,000) still owed to the state this year. So your total cost would be \$11,000, with \$1,000 in tax payment to the state and \$10,000 impacting BMS families!

Why does the State make this complex?

It is established this way by the state to protect our school's religious liberty and mission. At no point is the school receiving money from the state, rather from a scholarship organization like Faith Builders.

THE IMPORTANT ROLE OF SCHOLARSHIPS AT BMS



More students who qualify for need-based scholarships have access to a Christian education.



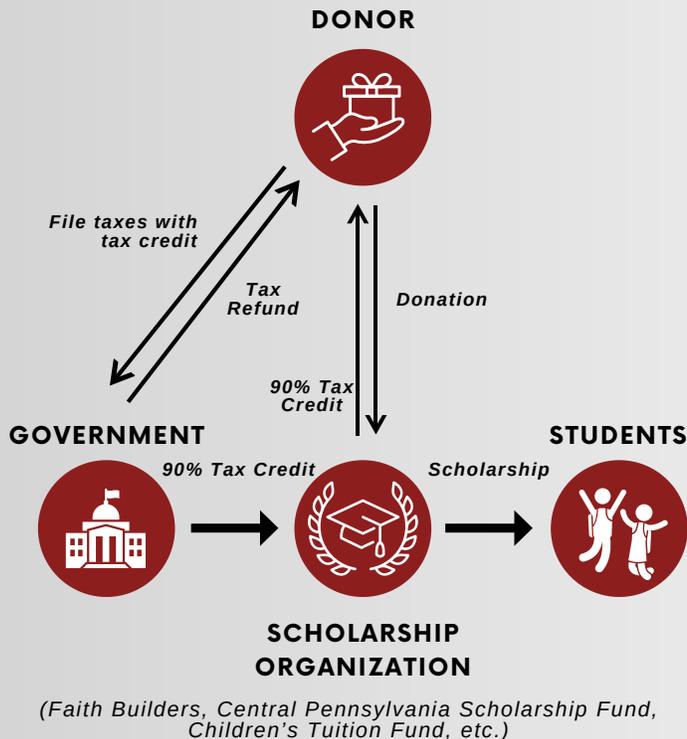
Other monies are available to advance student programs, support staff salaries, and enhance campus facilities.

Approximately 40% of BMS families currently receive financial scholarships.

In 2023-24, more than \$120,000 provided by our EITC business partners was available for awards, directly impacting the educational experience of more than 65 students!



HOW IT WORKS



RESERVE YOUR CREDITS

Complete and submit to a scholarship organization a one-page, non-binding reservation form including the amount of your state tax liability you desire to contribute and the school you are designating (BMS).

CONTRIBUTE YOUR TAXES

When credits become available, the scholarship organization will ask you to make a contribution to the scholarship's Special Purpose Entity (SPE).

RECEIVE A 90% TAX CREDIT

In February, you will receive a K-1 Tax Form containing a 90% tax credit of the amount contributed to the scholarship organization. This credit is applied to your state taxes using PA Schedule OC.

The Pennsylvania Educational Improvement Tax Credit (EITC) Program was established in 2001 and expanded in 2014 to include individuals, LLCs, and S-Corporations through Special Purpose Entities. Each year, more than \$650M in tax credits is reallocated to educational institutions across the state for financial scholarships!

We are deeply grateful to the following businesses who currently partner with us each year through the EITC program:

**Beiler Campbell Realtors • Centre Herd Health Services • Community State Bank
Custom Concrete Pumping • FOXPRO • Hamilton Farms • Juniata Valley Bank
Kish Bank • Kish Valley Construction • Kish Valley Electric • MCS Bank
Penn State Construction • Sharp Shopper • ShowEase Inc
Stone Valley Container • Zook's Masonry • Bridge Foundation**

Consider this creative opportunity to align your tax dollars with your priorities. Join others in directing your state tax funds to an SPE and increase BMS scholarship dollars to make Christian education affordable for more students. Consult with your tax advisor or contact Gwen Renno, rennogk@bmsprek12.org, with any questions!

SPECIAL PURPOSE ENTITIES (SPE)

*BMS currently works with and recommends the following scholarship organizations:
Each scholarship organization has slightly different minimum contribution requirements and management fees.
The management fees are taken **after** a contribution is made, not in addition to any amount designated. Although
this means that BMS receives slightly less than the full contribution, our business partners have reported that
a Special Purpose Entity's application is a much easier process than applying through the state lottery and that's
incredibly valuable to us!*



Faith Builders
Education Programs



FAITH BUILDERS

Manages \$1.51M
\$3,000 Minimum contribution
5% Mgmt. Fee
Lucy Miller or Justin Kauffman
spe@fbep.org



CENTRAL PENNSYLVANIA SCHOLARSHIP FUND

Manages \$34M
\$3,500 Minimum contribution
No Mgmt. Fee
Tami Clark
tami@cpsfcharity.org



**Children's
Tuition Fund**



CHILDREN'S TUITION FUND

Manages \$8.3M
\$1,000 Minimum contribution
10% Mgmt. Fee up to \$3,000
5% Mgmt. Fee over \$3,000
CTF_SPE@acsi.org

