

Educational Improvement Tax Credit Program (EITC)

Overview

Tax credits to eligible businesses contributing to a Scholarship Organization, an Educational Improvement Organization, and/or a Pre-Kindergarten Scholarship Organization.

In fiscal year 2014-15 applicants will be required to submit applications electronically. New guidelines will be available in the coming months.

Uses

Tax credits may be applied against the tax liability of a business for the tax year in which the contribution was made.

Funding

Tax credits equal to 75 percent of its contribution up to a maximum of \$400,000 per taxable year. Can be increased to 90 percent of the contribution, if business agrees to provide same amount for two consecutive tax years. For contributions to Pre-Kindergarten Scholarship Organizations, a business may receive a tax credit equal to 100 percent of the first \$10,000 contributed and up to 90 percent of the remaining amount contributed up to a maximum credit of \$200,000 annually.

Eligibility

Businesses authorized to do business in Pennsylvania who are subject to one or more of 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 Institution Tax
- Personal Income Tax of S corporation shareholders or Partnership partners

Terms

An approved company must provide proof to DCED within 90 days of the notification letter that the contribution was made within 60 days of the notification letter. Tax credits not used in the tax year the contribution was made may not be carried forward or carried back and are not refundable or transferable.