



## PA SPECIAL PURPOSE ENTITY PROGRAM

The Pennsylvania EITC/OSTC Special Purpose Entity (SPE) Program allows individuals with a PA state income tax liability in excess of \$3,500 to donate to St. John the Baptist Catholic School and receive a PA state tax credit for 90% of their donation each year. The remaining 10% of their donation is a deductible charitable contribution for federal tax purposes. These tax credit contributions will allow St. John the Baptist Catholic School to provide scholarships for those students and families most in need.

Visit our website at [www.sjbnf.org](http://www.sjbnf.org) to download the SPE Form.

# SPE

## TRANSFORM YOUR TAXES INTO TUITION SCHOLARSHIPS.

A Special Purpose Entity allows individuals to gain PA tax credits by donating tuition scholarships to schools! You are eligible if your PA state tax amounts to \$3,500+.

Your tax dollars will directly support the tuition of our students!

**THREE STEPS...  
AS EASY AS S.P.E.!**

# SEND

in your joinder application ASAP.

# PAY

your tuition scholarship donation once your tax credit is approved by PA state.

# ENTER

your contribution on your PA tax return for a 90% tax credit.



## FAQs on Special Purpose Entity (SPE)

**Can these credits be used on both individual and joint income tax returns?**

- Yes, you qualify if your individual or combined PA tax liability is \$3,500 or more.

**If I participate in these tax credits, how much will it cost me?**

- Upon acceptance, you will be asked to make an out-of-pocket donation, up to the amount of your annual state taxes. Early the following year, you will receive a K-1 statement to be used when you file your taxes in the spring. The K-1 will qualify you to receive a refund of 90% of your donation from your PA state income tax liability and a federal tax deduction for the remaining 10% of your donation.

**What percentage of my contribution goes to the school of my choice?**

- 100% of your contribution goes to St. John the Baptist Catholic School to be distributed as tuition assistance for students and families who qualify for financial aid. No portion of your donation is used for administrative purposes – every dollar goes directly to help those who most need your support.

**How do I indicate the school or tuition scholarship fund that is to receive my contribution?**

- On your Joinder Form, please note St. John the Baptist Catholic School in the space designated for "Name of School" and indicate the tax credit amount for which you are applying in the place designated "Amount \$."

**Do I need to reapply to the SPE each year?**

- Yes. Each year you are contacted and asked to reinvest. If you choose not to continue in the program, simply do not complete the form, and the tax credits will be available to another donor applicant.

### Help St. John the Baptist Catholic School Through Tuition Scholarship Tax Credit Programs

The following is an example based on \$10,000 of state income tax liability. Households may start to participate at \$3,500.

Patrick is in the 37% tax bracket and itemizes his deductions. He donates a \$10,000 tuition scholarship to St. John the Baptist Catholic School, a private Catholic school that participates in the PA EITC/SPE program.

For his donation, Patrick receives a 90% PA tax credit, and a \$370 charitable gift deduction on his federal taxes.

With the EITC/SPE tax credits, Patrick's net out of pocket is \$630.

Tuition Scholarship Donation	\$10,000
PA Tax Credit	(\$9,000)*
Federal Tax Charitable Gift Deduction	\$370
Net Out of Pocket	\$630

\*Important to make sure your expected PA tax is greater than this; excess credit money is lost. Note: PA tax rate is 3.07%.



**10 MIN.**

Average amount of time it takes to complete the application



**36%**

Students at St. John the Baptist Catholic School who currently receive financial assistance