



PROVIDENCE CATHOLIC HIGH SCHOOL



**Announcing the
NEW Illinois Tax Credit
Scholarship Program!**

Tax Benefits for Donors and Scholarship Dollars Providence Catholic Students! SEE INSIDE FOR MORE INFORMATION >



Providence Catholic High School
1800 W. Lincoln Highway
New Lenox, IL 60451

NONPROFIT ORG
US POSTAGE
PAID
AURORA IL
PERMIT 437

Tax Benefits for Donors and Scholarship Dollars Providence Catholic Students!



What is the NEW Illinois Tax Credit Scholarship Program?

This is new legislation that allows individuals and corporations to donate to scholarship granting organizations (SGO) and receive a credit on their state taxes in return. The SGO then uses this money to grant scholarships to qualifying students.

Benefactors of Providence Catholic may want to consider this giving option because of the tax advantage.

What does this mean for Providence Catholic benefactors?

The new legislation allows for individuals to designate a donation to the approved SGO for scholarship programs and receive a state tax credit of 75% (not just a deduction, like other charitable contributions). Providence Catholic will receive scholarship dollars directly from the SGO to provide tuition assistance to students whose families meet the income requirements. Individual donors can designate a school or group of schools to receive the scholarship money, but NOT an individual student or group of students.

Corporations and foundations cannot designate particular schools thus cannot designate Providence Catholic specifically.

How much is the credit worth?

An individual or corporate donor will receive a 75% credit on their donation. Thus if a benefactor donates \$10,000, they will receive a state tax credit of \$7,500. Donations by both individual and corporate donors are capped at \$1 million.

The credit is non-refundable (meaning it cannot take a taxpayer's liability below zero), but can be carried forward for five years.

Can a donor receive a federal tax deduction in addition to a state tax credit for the same donation?

No. The legislation specifically prohibits this.

Is there program cap? If so, what is it?

Yes, there is a cap. It is \$75 million tax credit cap per year in the State of Illinois.

How does the donation process work?

Beginning on January 2, 2018, individual and corporate donors will be able to reserve tax credits by following these steps:

1. Set up an account at www.mytax.illinois.gov.

The activation process may take 10 days. **We recommend donors act immediately.**

2. Apply for and reserve a tax credit on www.mytax.illinois.gov. Donors will need to provide at least the following information:

- Social Security Number
- Personal (or company) name and contact information
- Name of SGO to which he/she plans to donate

The SGO of choice for Providence Catholic is Empower Illinois www.empowerillinois.org

- Amount he/she plans to donate
 - Region to which he/she plans to donate
3. Donate to Empower Illinois (SGO) within 60 days of application being approved and designate the donation to Providence Catholic.
 4. Provide certificate from the SGO to use tax credit when filing a 2018 return in 2019.

Strong interest may cause the cap to be reached quickly, as has happened in other states offering similar programs. Donations can begin on January 2, 2018. We recommend benefactors setup and activate an account immediately. Visit providencecatholic.org for up to date information.



Please contact Jane Lagger, Director of Annual Giving, at JLagger@providencecatholic.org to be placed on our mailing list of interested donors.