



Turn Your PA Personal Tax Liability into Central Catholic Tuition Assistance

PENNSYLVANIA'S EITC/OSTC PROGRAMS

EITC/OSTC Programs

- ▶ Administered by the PA Department of Community and Economic Development (DCED)
- ▶ Original program, aimed exclusively at corporations, was established in 2001, making PA the first state to pass an education tax credit
- ▶ Law change in 2014 opened the program up to qualified individuals through membership in Special Purpose Entities (SPEs)
- ▶ Allows qualified Pennsylvania businesses and individuals to direct *MOST* of their state tax liability to approved schools and organizations
- ▶ The Diocese of Pittsburgh's "SOS Fund" is the approved organization through which Central Catholic receives donations



How does EITC/OSTC benefit Central Catholic students?

- ▶ Central Catholic raised over \$700k in for the 20-21 school year through the EITC/OSTC programs
- ▶ Funding is restricted for use as need-based scholarships
- ▶ Students must meet the state income eligibility guidelines
- ▶ Nearly 40 CORPORATIONS AND INDIVIDUALS are currently participating
- ▶ Over 200 STUDENTS receive tuition assistance through these programs



Your participation can help even more students

- ▶ Central Catholic has had tremendous corporate participation
- ▶ Due to the popularity of the program, it has become very difficult for new corporations to be approved

(all the corporate tax credits are accounted for each year)

- ▶ CENTRAL'S FUTURE GROWTH IN THIS PROGRAM WILL RELY ON PARTICIPATION BY INDIVIDUAL TAXPAYERS



How can an individual participate?

1. Join a Special Purpose Entity (SPE) established by the Diocese of Pittsburgh

To join, you must meet the following eligibility requirements:

- ▶ You must have an individual income of \$200k/yr. or joint income with spouse of \$300k/yr. in each of the last two years **OR** have a net worth of \$1 million exclusive of residence
- ▶ You must have a PA personal state tax liability of at least \$3,000 and be a PA resident
- ▶ You must be an individual who is a shareholder*, partner, member or employee of business firm that pays PA taxes

*any individual who owns a share of stock subject to PA taxes

- ▶ Must make a two-year commitment to participation (amounts can differ from year to year)

2. Talk with your accountant and/or tax advisor to determine an appropriate contribution that will not exceed your tax liability



3. The DCED notifies the Diocese when the application has been approved; SPE will notify donor when contribution is due

(for the time sensitive distribution of the credits currently available, the contribution is due with the SPE joinder)

4. Donor submits contribution directly to SPE and designates it for Central Catholic

5. SPE sends contributions to Pennsylvania's DCED

6. SPE provides a K-1 Tax Form to donor to provide to his/her tax advisor

7. Donor's tax advisor takes the state tax credit
 - ▶ The credit will be for 90% of your contribution. For example, a \$1,000 contribution results in a \$900 tax credit.



Sound too good to be true?

It's not! A handful of our supporters have completed the process and were surprised by how easy it was!

Complete this process and send the tax dollars you would OTHERWISE SEND TO THE STATE to Central Catholic students instead.

Questions? Contact:

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