



EDUCATIONAL IMPROVEMENT

TAX CREDIT PROGRAM OVERVIEW

Our Mission

We believe every school-aged child regardless of race or religion deserves a future filled with **promise + hope**.

For over forty years, BLOCS has been committed to providing eligible families access to high-quality, values-based education and to giving students a positive and successful pathway forward.

YOU CAN CHANGE A CHILD'S LIFE **FOR GOOD**



Through the Educational Improvement Tax Credit (EITC) and Opportunity Scholarship Tax Credit (OSTC) programs, donors can receive up to a 90% tax credit against their personal PA state tax liability by making their gift through BLOCS.

An individual or company who wish to take advantage of this tax credit program may become a member of a BLOCS Scholarship LLC ("LLC"). These special purpose entities (or SPE's), are the only financial vehicle available for individuals to be able to realize tax credits in return for scholarship donations.

To join, an individual or company makes a 2-year commitment, (minimum of \$3,000 per year), to fund the LLC. Once approved by the state, BLOCS has 60 days to fund the LLC, meaning your first payment of two will be required within that time period. Your second (or Year 2) contribution will be made approximately one year following the first payment date.

The LLC will then receive tax credits equal to 90% of the donation amount. These credits will be distributed to each member via K-1 and are then applied to your PA tax liability for the tax year in which the donation is made.



Pennsylvania Educational Improvement Tax Credit Program

What types of taxes can be offset by this credit?

Individuals who pay Pennsylvania income taxes and businesses that are authorized to do business in Pennsylvania who are subject to one or more of the following taxes:

1. Personal Income Tax - Sub-chapter S-corporations and other "pass-through" entities will be able to use the credit against the shareholders', members', or partners' PA personal income taxes
2. Corporate Net Income Tax
3. Malt Beverage Tax
4. Bank and Trust Company Shares Tax
5. Insurance Premiums Tax (excluding surplus lines, unauthorized, domestic/foreign marine)
6. Mutual Thrift Institutions Tax
7. Title Insurance Companies Shares Tax
8. Retaliatory Fees under section 212 of the insurance company Law of 1921

Sample Tax Calculations

Can I see an example of how the credit works?

Sample Calculation for Individual, LLC, Partnership or S-Corporation (2 year commitment):

| | |
|--|-----------|
| Cash to BLOCS/Holy Family Regional Catholic | \$10,000 |
| PA Tax Credit Reduction (90% of contribution) | (\$9,000) |
| Net Federal Tax Reduction for contribution (37% tax rate) | (\$370) |
| Out of Pocket | \$630 |

BLOCS IMPACT

This year, more than 33,000 students across Pennsylvania will receive need-based scholarships through BLOCS. These scholarships are made possible through the generosity of people like you. Learn more today about how you can redirect your tax dollars to create educational opportunities for children in your area.



CONTACT

JIM DOWNEY

jdowney@BLOCS.org

(484) 704-2304



blocs.org/taxcredit