

## Georgia Private School Charitable Tax Credit – 2011 Update

This time last year we told you about a wonderful charitable opportunity that allows individuals and C Corporations to make donations to approved Georgia Student Scholarship Organizations which can then be used as a 100% tax credit on a Georgia income tax return. We received so much interest and positive feedback that we felt obligated to remind everyone that this opportunity is still available for tax year 2011. As of October 7, 2011, there is \$16,400,000.00 in tax credits still available.

Back on May 14, 2008, Governor Perdue signed Georgia's Tuition Tax Credit Scholarship Program into law. This program allows individuals and C Corporations to make donations to approved Georgia Student Scholarship Organizations which can then be used as a 100% tax credit on a Georgia income tax return. This allows the donor to claim a charitable contribution deduction on their federal return and a tax credit on their Georgia state return. This is truly a win-win situation. The approved Student Scholarship Organizations (SSOs) are tasked with providing these student scholarships to parents to assist with the tuition costs related to private education. As a safe guard, Georgia law requires these SSOs to use 90 percent of their annual revenue for tuition grants and scholarships to local private schools.

### Tax Credit Limits:

The available tax credits are as follows:

**Single or head of household:** Up to a \$1,000 credit.

**Married couple filing joint:** Up to a \$2,500 credit.

**C Corporations:** Up to 75% of the corporation's income tax liability.

The state of Georgia sets aside \$50 million annually for these tax credits and they are available on a first-come first-serve basis. The application deadline for 2011 is December 1, 2011.

### Contribution Process:

- 1) The donor must contact an [approved Georgia SSO](#) and express their desire to make a contribution.
- 2) The SSO will then request pre-approval for your tax credit from the Georgia Department of Revenue. Within 30 days the Department of Revenue will approve, deny or change the amount of your desired contribution.
- 3) Once your donation is approved, you then have 30 days to contribute to the SSO that you have selected.
- 4) After your contribution is received, the SSO will issue you a letter of confirmation. This should be attached to a paper copy of your tax return to substantiate the credit. Please

note that individuals cannot claim this credit if filing electronically. However, corporate filers may still claim the credit when filing electronically.

For more information, contact Joseph C. Skalski, CPA, JD at 770-671-1533, ext. 219, [jskalski@largeandgilbert.com](mailto:jskalski@largeandgilbert.com) or Matthew S. Kaynard, JD at 770-671-1533, ext. 209, [mkaynard@largeandgilbert.com](mailto:mkaynard@largeandgilbert.com)