



Georgia Private School Charitable Tax Credit

You may or may not be aware of a wonderful charitable opportunity in Georgia. 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 2010 is December 10, 2010.

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

Can I amend my 2009 returns to retroactively take advantage of this credit?

Unfortunately, you cannot amend to retroactively take advantage of this tax credit. You can only make a contribution in 2010 to obtain a credit against your 2010 tax liability. This is because Georgia sets aside \$50 million for these tax credits for each fiscal year. The 2009 funds were earmarked for use in 2009 only and are no longer available. However, you still have approximately 2 months before the December 10, 2010 application deadline. In speaking to a contact at the Georgia Student Scholarship Organization, we have confirmed that approximately \$30 million in tax credits are still available for use in 2010.

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