GEORGIA PRIVATE SCHOOL TAX CREDIT
TAX IMPLICATIONS FOR C CORPORATIONS

- Divert up to 75% of your GA tax liability
- Established a convenient and consistent mechanism and incentive for your business to contribute directly to educating Georgia's children
- Targets educational expenditures directly to families and children in local communities rather than institutions that may reduce the amount of resources going directly to students
- Provides a cost effective method of maintaining philanthropic goals in a much more tax beneficial manner.
- In general, businesses are rewarded by owners, shareholders, equity analysts and financial institutions for minimizing the percentage of income going to taxes because a lower tax burden is associated with sound financial management (even though contributions to Georgia tax credit scholarships would be equivalent to the amount being paid in taxes)
- Under the new IRS adopted ruling, C Corporations are now able to claim the amount expended on the tax credit as a Business Expense instead of a charitable deduction as in previous years
- Two favorable scenarios result from this change:
  - C Corporations no longer have to add the amount of the credit back to income for state tax purposes as that add-back rule only applies to charitable deductions – this results in a positive tax benefit on the State return in the amount of 6%
  - By treating the contribution as a business expense, a C Corporation will not be subject to the federal limitations on charitable contribution deductions, which generally cap deductions at 10% of income.

CONTRIBUTION PROCESS

1. Go to www.apogee123.org and select the “Go Paperless” link.
2. Select New or Repeat Donor (If repeat, enter your Donor ID or your email address and verify your info) and choose your filing status.
3. Complete the required fields and hit Submit.
4. Your application will be received immediately and will be ready to be submitted to the DOR for approval (which starts Jan 1).
5. The DOR has up to 30 days to approve a tax credit request. Upon approval, you will have 60 days to fund your credit before it expires.
6. You will receive an email from Apogee with your approval due date and payment options. With the cap likely to be met in early January, the 60 day time limitation will likely expire in March.