

Pennsylvania Opportunity Scholarship Tax Credit Program



AAA Scholarship Foundation (AAA) is a 501 (c)(3) nonprofit organization and state approved Opportunity Scholarship Organization (OSO) that exclusively serves eligible low-income children through the Opportunity Scholarship Tax Credit Program which allows any company that pays Pennsylvania corporate net income tax, bank and trust company shares tax, title insurance companies share tax, insurance premiums tax, mutual thrift institution tax or malt beverage tax to annually redirect up to \$750,000^a of those tax payments to AAA in order to fund K-12 education scholarships for eligible, low-income children.

Your company will receive a tax credit of 75 percent of its redirection for a one year commitment to AAA or it can increase that tax credit to 90 percent for a two year commitment.^b

The process to enroll is very simple.

Reserving your state tax credit

- 1) Complete the application through the Department of Community and Economic Development's Single Application for Assistance website: <http://dc.ed.pa.gov/programs/opportunity-scholarship-tax-credit-program-ostc/>.
- 2) Type in "AAA Scholarships" as the Project Name then click the Yellow Button "Create a New Application" on the bottom of the page.
- 3) Scroll toward the bottom of Page 3 until you see "Opportunity Scholarship Tax Credit" and click "Apply".
- 4) Complete the application with your company information, select "Statewide" as the County on the second page of the application then click "Submit Application" on the third page.

You may apply more than once for credits during the year for a maximum of \$750,000. It's important to remember that the approval process does not oblige you to remit the funds to AAA-it is merely a way for the DOR to ensure that the annual maximum (\$50 million for 2017) in tax credits is not over-subscribed.

Remitting your payment to AAA

The PA DOR will send you an approval letter. Once approved, remit your payment directly to AAA via check, wire or ACH within 60 days of the date of the approval letter.

The official acknowledgement for your remittance

Once the remittance is received, AAA will promptly return an acknowledgement for each remittance (known as a Certificate of Contribution) to your company. It will list the name of the company remitting the funds, the company's tax ID number, the amount of the remittance and the date of the remittance (please remember that the payment must be made within 60 days from the date of approval by the PA DOR). Submit a copy of the Certificate of Contribution to the PA DOR within 90 days of the date of the approval letter.

Taking the credit on your state income tax return

For state tax purposes the 75 or 90 percent credit should be reported as an "Educational Improvement Tax Credit" on the respective state corporate tax form.

Please note that any state tax liability remaining after the credit is netted should be paid as normal estimated tax payments to the Pennsylvania DOR.

^a The \$750,000 cap will be lifted from October 1 through November 30 if credits have gone unclaimed. The per-business cap goes back in place after November 30

^b After January 1st of each fiscal year, the state will be permitted to transfer unused credits from one tax credit program to another. Applicants receiving approval due to credit transfers after January 1st will receive a 75% credit for a one-year commitment only.



AAA Scholarship Foundation Inc (AAA Scholarships) is a GuideStar Exchange Platinum Participant

This organization has earned the GuideStar Exchange Seal, demonstrating its commitment to transparency.

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