



THE WORSHIP ACADEMY

School of The Arts

Can I give my tax dollars to a private school of my choice instead of sending them to the state of Pennsylvania? The answer is **Yes!**

EITC

Many in the Pennsylvania state legislature have called the Educational Improvement Tax Credit (EITC) program the best educational initiative passed in Pennsylvania in the past 15 years. Funds for the program come from businesses that make contributions to non-profit scholarship or educational improvement organizations. Since the program's inception in 2001, more than 30,000 companies have pledged in excess \$812 million to EITC organizations. The program benefits both public and private schools in Pennsylvania, and actually saves the state money – each student attending private schools saves the state approximately \$12,000 in education costs. If all 44,000 students receiving EITC scholarships would re-enter the public school system, it would cost Pennsylvania taxpayers an additional \$531.6 million per year. The EITC program has received bipartisan support since its inception. To apply for EITC, download the [Pennsylvania EITC Business Guidelines.](#)

OSTC

Additionally, in 2012, the Pennsylvania General Assembly passed a measure that allows parents of students in a failing school to choose something better for their children. The Opportunity Scholarship Tax Credit (OSTC) allows your business to redirect your business tax dollars to approved schools, like The Worship Academy School of the Arts. Your business's redirected tax dollars are used to fund scholarship programs for students who live in areas served by the lowest achieving 15% of Pennsylvania's public schools and who meet specific income criteria. These tax credit programs for Pennsylvania businesses redirect tax dollars to an approved scholarship organization. The DCA Scholarship Organization will then award scholarships to families at our school and across Pennsylvania to assist their children in attending the school of their choice. To apply for OSTC, download this helpful [OSTC Informational Document.](#)

SPE

A Special Purpose Entity or SPE is a new class of pass-through partnership that exists solely for the purpose of earning Educational Tax Credits (EITC) or Opportunity Scholarship Tax Credits (OSTC). It is easy to get tax credits by simply joining an SPE by signing a joinder agreement, which reserves your tax credits for the year. You complete the process by investing with the SPE after the SPE receives their award letter from the State. These contributions need to be made within a relatively short window of time (generally 60 days) from the SPE notice. View our 2020 [Special Purpose Entity \(SPE\) Explanation for more details.](#)

SPE's allow a new group of individual donors to participate and receive EITC/OSTC tax credits along with an alternative way for business owners to receive individual EITC/OSTC tax credits. These EITC/OSTC tax credits can offset an individual's joint or single PA tax liability allowing the individual to redirect their personal PA taxes to The Worship Academy School of the Arts as tuition scholarships.

FOR EXAMPLE

JOE TAXPAYER ESTIMATED HIS PA TAX LIABILITY FOR 2017 TO BE \$10,000. HE SIGNS THE JOINDER AGREEMENT TO JOIN THE SPE AND SENDS A CHECK FOR \$10K TO THE SPE BEFORE DECEMBER 31. HE WILL RECEIVE A \$9K TAX CREDIT FOR HIS PA TAXES AND A \$1000 REDUCTION IN HIS FEDERAL TAXABLE INCOME FOR 2018.

EITC-SPECIAL PURPOSE UNIT	YEAR 1	YEAR 2	YEAR 3
Investment in SPE (which will be distributed to school of his choice.)	\$10,000	\$10,000	\$20,000
PA Tax Credit	(\$9,000)	(\$9,000)	
Reduction in federal tax for charitable contribution. Scenario assumes taxpayer itemizes the deduction on Schedule A and is in the 24% tax bracket.	(\$240)	(\$240)	
Net cash out-of-pocket for individual contributor.	\$760	\$760	\$1,520