

## Next Steps

1

Speak with your tax advisor to determine whether you are eligible to participate.

2

Notify the charity to whom you wish to donate.

3

Request and return a joinder agreement from [info@pataxcredits.org](mailto:info@pataxcredits.org)

4

Make your donation to the SPE designated in the joinder agreement.

5

Claim your tax credit and federal deduction on your 2024 tax return.

Donors will receive a Form K-1 in February 2025 which will enable the donor to report the tax credit on their 2024 Pennsylvania state tax return.

Together, we can support education and help make a brighter future for Pennsylvania children. Friends of Education provides a platform for individuals to redirect a portion of their tax dollars from Harrisburg to an EIO of their choice. Our special purpose entities make it easy for you to support education in a way that aligns with your values and interests.

Don't miss out on this opportunity to make a positive impact on education in Pennsylvania.

### Friends of Education LLC

101 Greenwood Avenue, Suite 380  
Jenkintown, PA 19046  
215-315-4210  
[info@pataxcredits.org](mailto:info@pataxcredits.org)



**girls  
inc.**

of Greater Philadelphia  
& Southern New Jersey

**Friends of Education  
can help donors  
redirect their  
Pennsylvania tax  
dollars to Girls Inc. of  
Greater Philadelphia &  
Southern New Jersey**



## Are you looking to support Girls Inc. of Greater Philadelphia & Southern New Jersey?

Pennsylvania's Educational Improvement Tax Credit ("EITC") program permits donors to claim a 90% state income tax credit for any gift to an approved Educational Improvement Organization ("EIO"). An EIO is a not-for-profit organization registered with the Pennsylvania Department of Community and Economic Development which provides educational programs, services, and initiatives that improve student achievement in Pennsylvania. **It costs a dime to give a dollar to the charity of your choice.**

### Benefits for PA Businesses and Individuals who enroll will:

- Receive a state tax credit of up to 90% of their contribution.
- Receive a 10% itemized charitable deduction on their federal return.
- Directly support education through a charity of the donor's choice.
- Support educational opportunities for children in need.

### Eligibility Requirements:

- Donors must have Pennsylvania-source income.
- Donors must be employed by, a shareholder of, a partner in or member of (i.e., owning an interest in an LLC) a business that pays taxes in Pennsylvania.
- Donors must be current on all state and federal tax obligations.

Friends of Education provides a simple and convenient way for individuals and businesses to participate in supporting education through special purpose entities. By enrolling, donors can redirect a portion of their tax dollars from Harrisburg to the charity of their choice. EITC dollars support programs and initiatives that make a real difference in the lives of children living in Pennsylvania.

### FAQs:

#### Q: How does redirecting my taxes benefit education in Pennsylvania?

By redirecting your tax dollars to an EIO, donors help financially challenged children in Pennsylvania access quality education, offering them a brighter future.

#### Q: What are the tax benefits to making an EITC-qualified gift?

By utilizing the EITC program, it costs very little to donate a lot. The following chart illustrates the highly-leveraged tax benefits:

	Standard gift	EITC gift
Contribution	(\$10,000)	(\$10,000)
PA state tax credit	\$0	\$9,000
Federal deduction (assumes 25% rate)	\$2,500	\$250
Out of pocket	(\$7,500)	(\$750)

#### Q: How does this program differ from the private school tax credit program?

The EIO program provides the same tax benefits—the only difference is that the beneficiary is a charity that provides education programming to local school districts, not private schools.

#### Q: How do I enroll?

Donors join a special purpose entity ("SPE"), which is a partnership. Donors join this SPE by executing a joinder agreement. Once enrolled, donors remit a payment to the designated SPE. Friends of Education will give 100% of the gift to the approved charity of the donor's choice.

#### Q: What if I am married?

Only one spouse should enroll. The enrolling spouse must meet the eligibility requirements. The tax credit may be applied against the couple's joint Pennsylvania tax liability.

#### Q: Does Friends of Education have a minimum contribution?

Donors must make a gift of at least \$5,000 in 2024 and \$5,000 in 2025.

#### Q: What is the appropriate level of participation?

To maximize the leveraged nature of the program, individuals and businesses should participate in an amount equal to about 110% of their state tax liability. This program is based on the applicant's Pennsylvania tax liability (or joint tax liability), not income; therefore, each taxpayer's situation will differ. Pennsylvania tax liability is reported on Form PA-40 Line 12. These credits are not refundable. That means if someone gives more than 110% of their state tax liability, they will not receive a tax benefit for any amount that exceeds the 110% threshold. **Individuals should consult a tax professional.**

