



Give kids the credit!

Frequently Asked Questions

What is the history and purpose of the new tuition tax credit legislation that gave rise to the Georgia GOAL Scholarship Program?

In 2008, the Georgia General Assembly passed House Bill 1133 and Governor Sonny Perdue signed it into law. The new law provides for the creation of student scholarship organizations (“SSOs”) that use Georgia income tax credit-eligible contributions to provide public school or kindergarten-entry students with the opportunity to attend private schools. Georgia GOAL Scholarship Program, Inc. is one of the SSOs created to implement the new law.

How does it the tax credit work?

Taxpayers in Georgia can “redirect” part of their Georgia income tax to a student scholarship organization (SSO) to provide scholarships for students to attend private schools and receive an income tax CREDIT against their Georgia income taxes for the amount of their contribution.

How much can I donate?

- A single taxpayer can “redirect” up to \$1,000
- A married couple filing jointly can “redirect” up to \$2,500
- A “C” corporation can “redirect” up to 75% of their Georgia tax liability
- Since partnerships, S corporations, and LLCs pay no Georgia income tax directly, these contributors are subject to the same limits as an individual

What if I make a tax credit eligible contribution but do not owe that much in Georgia taxes?

If your Georgia income tax liability is less than the tax credit available to you, you may carry the excess forward for five years. If the amount of your tax credit, income tax withholdings, and estimated income tax payments exceed your Georgia income tax liability, the state of Georgia will refund the excess to you.

Can I specify that my donation be used for scholarships at a specific private school?

Yes. Monsignor Donovan Catholic High School has a contractual agreement with Georgia GOAL allowing donors to designate MDCHS as the recipient of your gift. After a 7% administration fee, 93% of each contribution is kept in a designated account for awarding scholarships at MDCHS.

How do these scholarships help Monsignor Donovan Catholic High School? Who qualifies?

GOAL scholarships are restricted by law to students entering private school from public school. Also, MDCHS requires tuition assistance/scholarship recipients to demonstrate financial need. Generally, low to middle income families will qualify. All families are allowed to request aid during the application process and are evaluated based on tax documents submitted to FACTS, our independent financial aid service. Depending on the student’s previous enrollment, aid may come from either Georgia GOAL or our internally-funded tuition assistance program. The GOAL program, therefore, increases the total dollars available to all students with demonstrated financial need.

What is the deadline for making contributions that qualify for the tax credit? How is the contribution made?

In order to ensure approval of an intended contribution in time to secure a Georgia income tax credit, an individual or corporation must complete and file with the Georgia Department of Revenue a Form IT-QEE-TP1 pre-approval form. The Form must be postmarked for delivery to the DOR on or before November 1. Until an individual or corporation receives approval from the Georgia Department of Revenue (“DOR”), no payment is required. Within 30 days after receiving the DOR approval, the contribution to GOAL must be made. All contributions to GOAL must be made within the 30-day period and prior to the end of the applicable calendar year.

Thank you for helping provide tuition assistance to deserving families!

TAX CREDIT PROCESS- FOUR STEP OVERVIEW

1. Complete form IT-QEE-TP1 and give to Laura Lowery, Director of School Advancement at MDCHS. She will mail to the Georgia Department of Revenue on your behalf and remind you to be expecting the approval in the mail. The deadline for filing is November 1, 2009 for a 2009 tax credit.
2. Receive approved TP1 form in the mail. Within 30 days, give your approval form and donation to Laura Lowery. Make check payable to "Georgia GOAL Scholarship Program" and put "MDCHS" in the memo field. She will mail to Georgia GOAL on your behalf.
3. Receive a completed acknowledgement form from GOAL to include with your 2009 Georgia income tax return. Also, you will receive a thank you letter from MDCHS, although the GOAL acknowledgement form is your official receipt for tax purposes.
4. Give your GOAL tax receipt form to your tax preparer and apply the credit against your 2009 Georgia income tax.

Georgia Education Expense Credit - What is the "TRUE COST" (donation less tax savings of the credit)?

INDIVIDUALS, S-CORP, PARTNERSHIPS, LLCs

Taxpayers receive a tax benefit equal to 94 – 129% of the donation. This is because the law does not allow a deduction for the scholarship contribution when taking the Georgia tax credit. These taxpayers have the following "true cost":

Single taxpayer - \$ 1,000 maximum donation

Standard deduction	\$ 0 maximum cost
Itemized deduction	\$ 60 maximum cost
Alternative minimum tax	\$ 290 <u>POSSIBLE TAX SAVINGS</u>



Married filing jointly - \$ 2,500 maximum donation

Standard deduction	\$ 0 maximum cost
Itemized deduction	\$150 maximum cost
Alternative minimum tax	\$ 725 <u>POSSIBLE TAX SAVINGS</u>

More questions? Please contact:
Laura Lowery, Director of School Advancement
Monsignor Donovan Catholic High School
llowery@mdchs.org

706-433-0223 ext. 229

Forms available at www.mdchs.org under the "Giving" link.