



## Applying for SPE Tax Credits from Penngift Q & A 2023

Q. Who can give?

A. Any individual or couple who pay **PA Personal Income Tax; you do not have to own a business. Businesses can donate also.** There are several additional taxes that businesses pay that qualify (like corporate net income, bank shares, etc.). A complete list of eligible taxes that qualify is available from Penngift on request.

Q. How much?

A. As much as you or you and your spouse will pay in PA Personal Income Tax in 2023 or as much as your business pays to PA. You can donate less than that amount, but not more, to qualify for the 90% credit rate. The minimum donation is \$500. Your commitment is for this year, 2023, only.

Q. How do I find out how much I will be paying this year?

A. 1. ask your accountant or, 2. check your pay stub if you are on a salary and project what you will have paid by the end of the year or, 3. estimate what your gross income will be for the year and multiply it by 3.07% (the tax rate) or, 4. Look at your last year's PA 40 return and make an estimate based on that figure. If you and a spouse file jointly, you can add the 2 together. 5. Take into account any tax forgiveness you may have gotten.

Q. Do spouses have to each sign the Joinder and list Social Security number if applying as individuals?

A. Yes, if they file jointly and want their tax refund to include taxes paid by both. No, if the spouse had no taxable income; no if applying as an entity, another name for a business.

Q. How will I get the tax credit?

A. When you or your accountant file your PA 40 in 2024, you must include the PA K1 form that Penngift's CPA firm (RKL) will have sent you in Feb. 2024. You must also file a PA Schedule OC (Other Credits). You will then get a tax credit that will reduce what you owe, or if you don't owe anything, you will get a refund from the PA Dept. of Revenue equal to the amount of the tax credit. This process may take several months.

**You must apply for the credit/refund, it does not come to you automatically! Email Penngift for details.**

Q. What will this cost me?

A. The tax credit is 90%. If you donate \$2000, the credit will be \$1800. Cost to you: \$200. Penngift charges a 10% processing fee to recipient schools, with discounts for donation totals over \$50,000.

Q. Is it difficult to donate?

A. No. You will fill out a one-page Joinder form with essential information and mail that form with your check (made out to the correct SPE listed on the Joinder) to Penngift at the address listed on the Joinder. If a representative from the school you are donating to gave you the Joinder, please return to him/her w/check.

Q. When do I have to do this?

A. You will be notified when, either by Penngift or the school you are supporting. Notification is generally in Sept/Oct. You will have 30 days to return the Joinder and check after being notified.

Q. If I donate through Penngift in 2023, will I be a preferred donor in 2024?

A. Yes. You will be given the opportunity to re-donate next year before newcomers are approved.

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