



## Applying for SPE Tax Credits from Penngift Q & A 2024

### 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 also donate. 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 Foundation upon request.

### Q. How much?

A. As much as you or you and your spouse will pay in PA Personal Income Tax in 2024 or as much as your business will pay 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 one year only.

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

A. First, ask your accountant or you can check your pay stub if you are on a salary and project what you will have paid by the end of the year. You could also estimate what your gross income will be for the year and multiply it by 3.07% (the tax rate) or, look at last year's PA 40 tax return and make an estimate based on that figure. If you and a spouse file jointly, you can add the two estimates together. Make sure to take into account any tax forgiveness you may have gotten from the state.

### Q. Do spouses BOTH have to sign the Joinder and list Social Security numbers if applying as individuals?

A. Yes, if they file jointly and want their tax refund to include taxes paid by both. If one spouse had no taxable income, then only the individual with taxable income should sign.

### Q. How will I get the tax credit?

A. When you or your accountant file your PA 40 in 2025, you must include the PA K-1 form that Penngift's CPA firm (RKL) will send you in Feb. 2025. 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 will take several months.

You must apply for the credit/refund, it does not come to you automatically.

### Q. What will this cost me?

A. The tax credit is 90%. If you donate \$2,000, the credit will be \$1,800. Cost to you: \$200. Penngift charges a 5% administrative fee to recipient schools to help cover our operating costs.

### Q. Is it difficult to donate?

A. No. You will fill out a 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 it to him/her with your check.

### Q. When do I have to do this?

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