

# Pennsylvania Educational Improvement Tax Credit Program (EITC)

Pennsylvania offers a tax credit program that makes it possible for businesses to redirect their state tax dollars to Mercersburg for financial aid. Approved businesses receive a 75 or 90 percent tax credit to offset their state taxes (see sidebar for qualifying taxes), and qualified Pennsylvania students are able to attend Mercersburg.

## What is EITC?

Enacted by the legislature in 2001 by an overwhelming bi-partisan majority, Pennsylvania made history by becoming the first state to pass an education tax credit aimed at corporations. The EITC program provides generous tax credit to businesses for contributions made to organizations that give private-school scholarships to eligible students. **Simply put, you contribute money for scholarships, and the tax credits lower your tax liability.**

## Benefits to Pennsylvania Businesses

EITC provides companies with a 75 percent tax credit for gifts to nonprofit organizations such as Mercersburg Academy and its scholarship program. This tax credit increases to 90 percent if a company commits to making the same donation for two consecutive years.

## Benefits to Mercersburg Students

Financial aid is directly linked to Mercersburg's overall mission to provide an outstanding college preparatory education to a culturally and economically diverse student body. **Your EITC contribution changes lives, impacting students whose families might not otherwise be able to afford the Mercersburg experience.**

## How to Apply

Simply visit [dced.pa.gov/programs/educational-improvement-tax-credit-program-eitc](http://dced.pa.gov/programs/educational-improvement-tax-credit-program-eitc) for guidelines and the application. Tax credit applications are processed on a first-come, first-served basis by day submitted. All applications received on a specific day are processed on a random basis before moving on to the next day's applications. Qualified applications will be approved until the amount of available tax credits is exhausted.

If you have further questions, please contact:

*James Jenkins*

Director of Annual Giving

717-328-6324 or [jenkinsj@mercersburg.edu](mailto:jenkinsj@mercersburg.edu)

## Determine if you qualify:

Businesses or corporations subject to one or more of the following taxes are eligible:

- Corporate Net Income Tax
- Personal Income Tax of S Corporation Shareholders or Partnership Partners
- Capital Stock Franchise Tax
- Bank and Trust Company Shares Tax
- Title Insurance Companies Shares Tax
- Insurance Premiums Tax
- Mutual Thrift Institution Tax
- Insurance Company Law of 1921

## Apply:

Pennsylvania businesses can apply for EITC credits at [dced.pa.gov/programs/educational-improvement-tax-credit-program-eitc](http://dced.pa.gov/programs/educational-improvement-tax-credit-program-eitc).

## Timeline:

**May 15** - Business applicants that have fulfilled their two-year commitment and wish to reapply to renew their two-year commitment or businesses that are in the middle of their two-year commitment.

**July 3** - All other businesses including initial applicants.

**Make your gift to Mercersburg:** Once approved by the Department of Community and Economic Development (DCED), your business must contribute to a qualified organization such as Mercersburg within 60 days. You need to send proof of the contribution to DCED within 90 days of the approval. Mercersburg will send a letter of acknowledgement as proof of your contribution, and you are required to send a copy of this letter to DCED.



MERCERSBURG ACADEMY