



# EDUCATIONAL IMPROVEMENT

TAX CREDIT  
PROGRAM OVERVIEW

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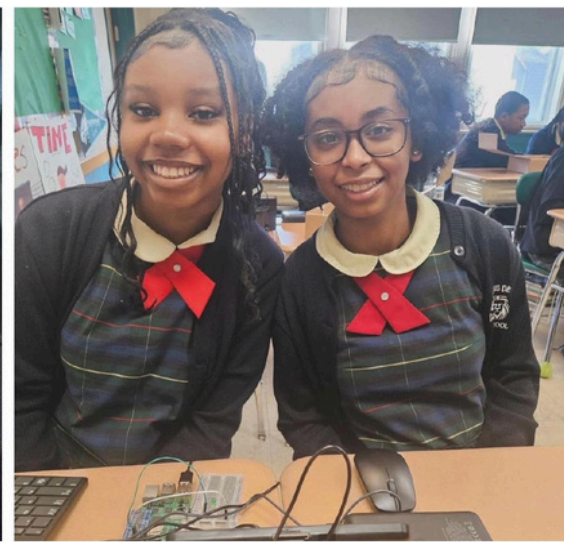
YOU CAN CHANGE A  
CHILD'S LIFE **FOR GOOD**

# Our Mission

We believe every school-aged child in the Philadelphia region – regardless of race or religion deserves a future filled with **promise + hope**

For over forty years, Business Leadership Organized for Catholic Schools (“BLOCS”), has been committed to providing eligible\* families access to high-quality, values-based private and faith-based education, and giving students a positive and successful pathway forward.





Through the establishment of Educational Improvement Tax Credit (EITC) and Opportunity Scholarship Tax Credit (OSTC) programs, donors can receive up to a 90% tax credit against their personal PA state tax liability by making their gift through BLOCS.

An individual or company who wish to take advantage of this tax credit program may become a member of a BLOCS Scholarship LLC ("LLC"). These special purpose entities (or SPE's), are **the only financial vehicle** available for individuals (or companies who do not have direct tax credit approval) to be able to realize tax credits in return for scholarship donations.

To join, an individual or company makes a 2-year commitment, (minimum of \$3,000 per year), to fund the LLC. Once approved by the state, BLOCS has 60 days to fund the LLC, meaning your first payment of two will be required within that time period. Your second (or Year 2) contribution will be made approximately one year following the first payment date.

The LLC will then receive tax credits equal to 90% of the donation amount. These credits will be distributed to each member via K-1 and are then applied to your PA tax liability for the tax year in which the donation is made.

## Scholarship Allocation

Once your tax credit donation has been received by BLOCS, it is then disbursed to St. Francis De Sales School to provide tuition assistance to those students and families who qualify. Donors can be assured that their tax credit donation will only be used to fund need-based scholarships, thereby providing access to life-saving educational opportunity.

\*Eligibility is based on income and geographic guidelines established by the state.

# Pennsylvania Educational Improvement Tax Credit Program

## *What types of taxes can be offset by this credit?*

Individuals who pay Pennsylvania income taxes and businesses that are authorized to do business in Pennsylvania who are subject to one or more of the following taxes:

1. Personal Income Tax --- Sub-chapter S-corporations and other “pass-through” entities will be able to use the credit against the shareholders’, members’, or partners’ PA personal income taxes
2. Corporate Net Income Tax
3. Malt Beverage Tax
4. Bank and Trust Company Shares Tax
5. Insurance Premiums Tax (excluding surplus lines, unauthorized, domestic/foreign marine)
6. Mutual Thrift Institutions Tax
7. Title Insurance Companies Shares Tax
8. Retaliatory Fees under section 212 of the insurance company Law of 1921

## Sample Tax Calculations

### *Can I see an example of how the credit works?*

Sample Calculation for Individual, LLC, Partnership or S-Corporation (2 year commitment):

Cash to St. Francis De Sales School	\$10,000
PA Tax Credit Reduction (90% of contribution)	(\$9,000)
Net Federal Tax Reduction for contribution (37% tax rate)	(\$370)
Out of Pocket	\$ 630