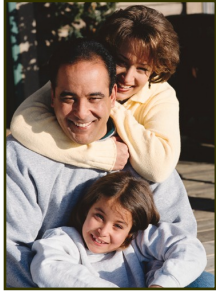


Program History



Georgia's Tuition Tax Credit Scholarship program (also known as House Bill 1133) was passed by the Georgia General Assembly in 2008 and was signed into law by Governor Sonny Perdue

on May 14, 2008. The legislation was sponsored by Rep. David Casas (R-Lilburn) and carried in the Senate by President Pro Tempore Eric Johnson (R-Savannah).

The law allows for the creation of private, non-profit organizations called student scholarship organizations (SSOs). These SSOs can grant scholarships to children enrolled in a Georgia public school for use at a qualified private school that best suits their unique educational needs.

SSOs are funded through contributions from individual and corporate citizens. These donors may then claim a dollar-for-dollar tax credit against their state income tax liability.

Similar programs in Arizona, Florida, Iowa, Pennsylvania, and Rhode Island have benefited thousands of children. Tuition Tax Credit scholarships aim to do the same in Georgia.



CENTER FOR AN EDUCATED GEORGIA

at Georgia Family Council

Your source for school choice and education reform information

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Georgia's Tuition Tax Credit Scholarship

Information on
Becoming a Donor
to a Student
Scholarship
Organization

Program Details

The Tuition Tax Credit Scholarship program exists to help families send their children to the school that best fits their unique educational needs.



Scholarships are granted by student scholarship organizations (SSOs). SSOs are the backbone of the Tuition Tax Credit Scholarship program. With a Tuition Tax Credit Scholarship from a SSO, students may attend a qualified accredited private school in Georgia.

To be eligible for a scholarship, students must be a resident of Georgia and be enrolled in a Georgia public school or eligible for a public pre-K or kindergarten program. SSOs may have additional eligibility requirements such as income or geographical restrictions.

SSOs must allocate at least 90% of annual funds to student scholarships for students to attend any qualified private school of their parents' choice. Twenty-five percent (25%) of scholarship allocations may be carried forward to the next fiscal year if ungranted the year they are donated. SSOs may not exist to serve students of only one school.

Donating to a Student Scholarship Organization

Donating to an SSO is a simple four-step process:

1. Pick a SSO

SSOs must be registered with the Department of Education in order to receive contributions under the Tuition Tax Credit Scholarship Program. Select an SSO from the approved list and notify them of your intent to make a contribution. For a full list of registered SSOs, visit the Center for an Educated Georgia website at www.educatedgeorgia.org.

2. Have the donation pre-approved

The Georgia Department of Revenue must verify that the \$50 million cap has not been met before a donation is made to any SSO. Once you submit your application for pre-approval, the Department of Revenue has 30 days to approve, deny, or change the amount of the contribution.



3. Donate to the SSO

Once a donation has been pre-approved, a donor has 30 days to contribute to the SSO. All donations must be made in the same calendar year during which they were approved.

4. Claim Your Tax Credit

Donors will be issued a letter of confirmation by the SSO after a contribution is received. This form should be attached to the donor's annual return in order to claim the credit. Individuals and joint filers will not be able to claim the credit if they file their taxes electronically. Corporate donors may still claim the credit if filing electronically.

While there is no limit as to how much one may donate, there are limitations on the amount of tax credit donors may receive. The law provides dollar-for-dollar state income tax credit of up to \$1,000 per year, per individual or \$2,500 for a married couple filing jointly. Donating companies may receive a tax credit of up to 75% of their state income tax liability. **Presently, there is legal ambiguity as to whether LLCs and S-Corps may also take advantage of the tax credit.**

Once a donation is made, the SSO will then decide which students receive scholarships and in what amounts. Donors cannot designate funds to benefit a dependent child and SSOs may not serve only one private school.

For more information, visit www.educatedgeorgia.org