



How EITC Works

Park Forest Preschool

Last Updated 4/5/25

What is EITC?

- Enacted by the Pennsylvania Legislature in 2001, **Pennsylvania's Educational Improvement Tax Credit (EITC)** offers businesses and individuals an opportunity to invest a portion of their tax dollars into innovative education programs that directly benefit students. The State Department of Community and Economic Development's Tax Credit Division oversee the EITC Program.
- There is no fee to participate in the program.
- The minimum EITC gift in any calendar year is \$3,500. You can make a gift up to the amount of your state taxes.

A Win-Win!

- ***Benefits For Park Forest Preschool*** - The funds we receive under the EITC program directly support tuition scholarships for low-income students, ages 3 and 4.
- ***Benefits For You*** - Your hard-earned tax dollars are directed to Park Forest Preschool to support scholarships. The EITC program allows you to get a 90% tax credit against your PA tax liability. For example, \$3,500 EITC gift will earn you a 90% tax credit of \$3,150 against your Pennsylvania taxes. The remaining 10% can be claimed as a charitable deduction on federal taxes.

Why Park Forest Preschool?

The first 5 years of a child's life is a critical time for learning.

This is why access to a quality licensed preschool is essential.

The majority of a child's brain development occurs within the first 5 years of their life. During this small window, quality early childhood education helps build the foundational skills they need to do well in school and in life.

Park Forest Preschool helps ensure that families have access to vital early learning opportunities.



Here's How it Works in 3 Easy Steps



3 EASY STEPS

1. Sign Up:

Sign a simple 1-page joinder to make your gift to Park Forest Preschool through the CPSF.



2. Make Your Gift:

Write your check to CPSF for the amount of your donation.



3. Receive a Tax Credit:

CPSF sends you a K-1 for your tax return.



You have just helped a child obtain a very valuable early childhood education!



Example Using a PA State Tax Liability of \$12,000

- **Option A: You Pay \$13,200**
 - **Owe \$1,200 Tax Liability** (compute: your tax liability times 1.1)
 - Pay \$12,000 to EITC special purpose entity CPSF (Central Pennsylvania Scholarship Fund) for Park Forest Preschool
 - Pay \$1,200 (10% of the amount of the tax liability) to the Commonwealth of PA for State Taxes Due
 - Park Forest Preschool Receives \$12,000
- **Option B: You Pay \$13,333**
 - **Owe \$0 Tax Liability** (compute: your tax liability divided by .9)
 - Pay \$13,333 to EITC special purpose entity CPSF (Central Pennsylvania Scholarship Fund) for Park Forest Preschool
 - Pay \$0 to the Commonwealth of PA for State Taxes Due
 - Park Forest Preschool Receives \$13,333

For an extra \$133 paid (Option B minus Option A), Park Forest Preschool receives \$1,333 more from your donation.

Educational Improvement Tax Credit Program (EITC) using the Central Pennsylvania Scholarship Fund (CPSF) for Supporting Park Forest Preschool

Helpful Links:

- <https://dced.pa.gov/programs/educational-improvement-tax-credit-program-eitc/>
- <https://www.pennsylvaniaeitc.org/pa-eitc-tax-credit-details.html>
- <https://www.linkedin.com/company/central-pennsylvania-scholarship-fund/?viewAsMember=true>
- <https://www.facebook.com/people/Central-Pennsylvania-Scholarship-Fund/100071954842931>

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Contact the Central Pennsylvania
Scholarship Fund today.

Investing in the future of young
children's lives significantly benefits
both our future and theirs.

Next Step:

- Please confer with your accountant on the next steps to participate in this amazing opportunity to direct your tax money to help Park Forest Preschool educate 3- and 4-year-olds.

Questions? Contact Tami (tami@cpsfcharity.org)

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