

# The Georgia Private School Tax Credit - FAQs

## **What is the Georgia Private School Tax Credit?**

The Georgia Private School Tax Credit is a law that allows people and companies paying Georgia Income Taxes to donate to private schools and receive dollar for dollar credit off of their Georgia Income Tax making the cost of the donation essentially zero. The donations can be made to a specific private school or to a specific student (as long as the student is not a dependant of the donor). The law allows up to \$50 million per year in tax credits for donations to private schools.

## **How can the Georgia Private School Tax Credit benefit my son or daughter in attending a Private School?**

Donors can designate a specific student to receive their scholarship donation (as long as the student is not a dependant). Therefore, if a student has relatives who pay Georgia Income Tax, the relatives can make a donation and specify the student to receive the scholarship. The donation cost is essentially zero to the relatives since they receive a dollar for dollar credit off their Georgia Income Tax and the student benefits by receiving a scholarship which can substantially reduce or eliminate the cost for tuition to the private school.

## **How do I make a donation to receive the dollar for dollar credit off my Georgia Income Taxes?**

Donors must work with a Georgia Department of Education (GADOE) approved Student Scholarship Organization (SSO). Each approved SSO is a nonprofit 501(c)(3) charitable organization that manages the donations and scholarships/tuition grants under the Georgia Private School tax Credit law.

1. Donors complete a "Pre-Approval" form from an approved SSO and mail the form to

Georgia Department of Revenue  
Qualified Education Expense Credit  
1800 Century Blvd NE  
Suite 8301  
Atlanta, GA 30345

2. The Georgia Department of Revenue will review and approved/deny the request for donation within 30 days of receipt of the "Pre-Approval" form. The "Pre-Approval" form will only be denied if the \$50 million for tax credits are completely used. The credits are on a first come first serve basis.
3. When the donor receives the approval from the Georgia Department of Revenue on the "Pre-Approval" form, they have 30 days to make the donation to the SSO. The donors send a copy of the "Pre-Approval" form and their donation to the SSO within 30 days of receiving approval and designate the donation for a private school or student (as long as the student is not a dependant of the donor).
4. The SSO receives the donation and a copy of the approved "Pre-Approval" form and sends the donor an "Acknowledgment" form.

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5. The donor files the "Acknowledgment" form with their Georgia Income Tax return and receives the dollar for dollar credit off the Georgia Income Taxes.
6. The process repeats annually starting January 1 and is available until the entire \$50 million in credits are used (on a first come first serve basis).

### **How much can I donate and still receive the dollar for dollar credit off my Georgia Income Taxes?**

An individual can donate up to \$1000.

A couple filing a joint return can donate up to \$2500.

A corporation paying GA Income Tax can donate up to 75% of it's GA tax liability.

### **If I over pay on my Georgia Income Tax and have made a donation, will I receive a refund including the donation?**

Yes as long as your Georgia tax liability is greater than the donation amount. Before considering a donation to any SSO, we advise you contact your professional tax advisor to review the tax laws surrounding the Georgia Private School Tax Credit.

### **Who is eligible to receive a scholarship or tuition grant?**

Eligible student means a student who is a Georgia resident enrolled in a Georgia secondary or primary public school or eligible to enroll in a qualified kindergarten program or pre-kindergarten program.

### **How do I apply for a scholarship or tuition grant?**

Scholarships are awarded upon recommendations from the participating private schools based on merit, need, and/or other criteria.

### **What is a Student Scholarship Organization (SSO)?**

SSO's are non profit 501(c)(3) charitable organizations and must allocate 90% of revenue for scholarships and tuition grants.

### **Links and web sites**

Georgia Student Scholarship Organization (SSO), Inc. - [www.gasholarships.org](http://www.gasholarships.org)

Georgia Department of Education - [http://www.doe.k12.ga.us/pea\\_policy.aspx?PageReq=PEAHB1133](http://www.doe.k12.ga.us/pea_policy.aspx?PageReq=PEAHB1133)

Georgia Department of Revenue - <http://www.dor.ga.gov/>