**Educational Incentive Tax Credit (EITC) Program**

**WHAT IS EITC?**

* The EITC program provides a Tax credit to “eligible Pennsylvania businesses”, who contribute to a Scholarship Organization, an Educational Improvement Organization, and/or a Pre-Kindergarten Scholarship Organization. The Southern Alleghenies Museum of Art (SAMA) is an approved Educational Improvement Organization.

**WHAT MAKES A PA BUSINESS ELIGIBLE TO PARTICIPATE IN THE EITC PROGRAM?**

* You are authorized to do business in the State of Pennsylvania, and you pay any one of the following:
* Corporate Net Income Tax
* Capital Stock/Foreign Franchise Tax
* Bank Shares Tax
* Title Insurance and Trust Companies Shares Tax
* Insurance Premiums Tax (some exclusions apply)
* Mutual Thrift Tax
* Tax under the Insurance Company Law of 1921
* Personal Income Tax

**HOW DOES IT WORK?**

You, as an eligible Pennsylvania business, decide that you want to participate in the EITC program. Specifically, you want to benefit SAMA’s Educational Improvement Program. Here’s how it works. You apply on to the PA Department of Revenue to be approved for tax credits. Once you receive your notification of approval, you can then make a contribution to SAMA for one, or two consecutive years. Let’s say you contribute $1000 for one year, then $750 (or 75%) of that amount would be credited towards your Pennsylvania tax liability. If you contribute $1,000 to SAMA for two consecutive years, then $900 (or 90%), would be credited for each of those two years towards your Pennsylvania tax liability.

**WHY PARTICIPATE?**

First of all, your contribution generates tax credits, possibly lowering your Pennsylvania tax rate. Secondly, your contribution through the EITC program allows you to control where your contribution is going and, as such, benefits your local community.

Also, we are advised that you can claim the entire contribution on your Federal tax returns. Talk to your accountant.

**HOW DOES SAMA UTILIZE THE FUNDS?**

* SAMA is approved as an Educational Improvement Organization
* SAMA uses EITC funds to deliver Arts Education Programs to students (K-12) at schools in our region (Blair, Bedford, Cambria, Fayette, Somerset & Westmoreland counties).
* EITC funds are also used to support SAMA’s “Artists of the 21st Century” Student Art Exhibition, and Arts in Education workshops.

**HOW DOES A BUSINESS APPLY?**

* Go to [Educational Improvement Tax Credit Program (EITC) - PA Dept. of Community & Economic Development](https://dced.pa.gov/programs/educational-improvement-tax-credit-program-eitc/) for more information about the EITC program and to apply online.

All applications for the Educational Improvement Tax Credit Program must be completed and submitted online using DCED’s Single Application for Assistance which can be accessed at dced.pa.gov.

* Business Application Guidelines
	+ **May 16 –** Business applicants who have fulfilled their 2-year commitment and wish to reapply to renew their 2-year commitment.
	+ **May 16 –** Businesses who are in the middle of their 2-year commitment.
	+ **July 1 –** All other businesses including Pre-K business applications (if you are a new business or have a one year commitment)

**WHEN DOES A BUSINESS SEND MONEY?**

* The business sends their contribution to SAMA within 60 days of notice of approval from the Commonwealth.

**EITC ENROLLMENT SUMMARY**As an organizationdoing business in Pennsylvania and paying state taxes,you have the opportunity to make a difference in your community byparticipating in the Educational Incentive Tax Credit (EITC) program. By enrolling in the Educational Improvement Organization (EIO) initiative and selecting the Southern Alleghenies Museum of Art (SAMA) as the recipient of your donation you help sustain SAMA’s award-winning arts education program at schools throughout this region. In short, you control where your tax dollars go and your enrollment as a participating EIO organization provides students (K-12) at schools in your community with a meaningful exposure to the arts that they would not have experienced otherwise. And, your EITC contribution can help reduce your tax rate at the state and/or federal levels. It is a win-win situation for this region’s companies, the communities you serve and our children.