

Cornerstone Prep
Pennsylvania Educational Improvement Tax Credit Example

	<u>Scenario 1</u>	<u>Scenario 2</u>
Amount of Contribution	10,000	10,000
Credit Percentage	90.0%	90.0%
Amount of Credit	9,000	9,000
Amount of Charitable Contribution	1,000	1,000
Federal Tax Cash Benefit	<u>250</u>	<u>-</u>
Total Cash Benefit	<u>9,250</u>	<u>9,000</u>

Assumptions:

Scenario 1 assumes the taxpayer is able to itemize their deductions & they are in a 25% federal tax bracket

Scenario 2 assumes that the taxpayer is not able to itemize their deductions for federal purposes.

Credit percentage is based on a 2 year commitment