







BUSINESSES	EITC Scholarship Organizations	EITC Pre-K Scholarship Organizations
Credit Percentage	90% for two-year commitment or 75% for one-year commitment	100% on first \$10,000 gift; 90% after that
Prior Department of Community and Economic Development (DCED) approval for business required?		
Business application start date	<p>May 15 for businesses who fulfilled their 2-year commitment and wish to renew their 2-year commitment.</p> <p>May 15 for businesses in the middle of their 2-year commitment.</p> <p>July 1 all others and new applications</p>	<p>May 15 for businesses who fulfilled their 2-year commitment and wish to renew their 2-year commitment.</p> <p>May 15 for businesses in the middle of their 2-year commitment.</p> <p>July 1 all others and new applications</p>
Multi-year commitment required?	Yes , to receive 90% tax credit rate. 2-yr commitment must contribute the same amount for two consecutive years	No , but there is an option to choose two years to allow an earlier application date in the following year
Can C Corporations utilize the credit against Corporate Net Income (CNI) tax?		
Can the Credit be carried forward to another year if the business does not have enough tax liability to use it all in one year?	No , the credit is “use it or lose it”	No , the credit is “use it or lose it”
Can the credit be “passed through” to an owner of an S Corporation or partnership to utilize on the owner’s PA 40?		
Credit Limit for any one business on an annual basis?	\$750,000 in total for all EITC programs	\$200,000 for Pre-K EITC
Is a contribution given under this program eligible for the “gifts to charity” deduction for Federal income tax purposes?	A partial or even full Federal charitable deduction may be available. Consult your tax advisor for your tax-specific situation.	

PLEASE NOTE: This outline is offered as helpful tax information for businesses. Businesses should consult with their tax advisor as to the applicability of these opportunities.

4 Steps to Participate in EITC as a Business

1. Apply online on start date. For application click: [Single Application for Assistance \(state.pa.us\)](https://state.pa.us)

The EITC program has grown in popularity and PA tax credits run out the same day. Do not wait. DCED recommends that a 2-year commitment is advantageous because tax credits can be secured earlier after the initial/new application. May 15 instead of July 1.

2. Once DCED sends you written approval, your business firm must make its contribution to KWS within 60 days of the approval letter.
3. KWS provides you with written acknowledgment of receiving your contribution.
4. You send KWS' proof of contribution to DCED within 90 days of the date of DCED's approval letter.

*It may be possible to claim difference as a charitable gift deduction on your federal taxes. Please consult your tax advisor.

PA-based Businesses who pay any of the following taxes may qualify:

- Personal Income Tax or Corporate Net Income Tax
- Capital Stock/Foreign Franchise Tax/Bank and Trust Company Shares Tax
- Title Insurance and Trust Companies Shares Tax/Insurance Premiums Tax
- Mutual Thrift Institutions Tax
- Malt Beverage Tax
- Personal Income Tax of S-Corp shareholders or partners in LLC, LLP, or Partnerships