

February 6, 2009

Dear 2008 GOAL Contributor:

Thank you for your 2008 contribution to Georgia GOAL Scholarship Program, Inc. ("GOAL"). In 2008, 1,195 individuals and corporations contributed \$3,539,984 to GOAL, making GOAL Georgia's leading student scholarship organization.

As you know, your GOAL contribution entitles you to take the Georgia Qualified Education Expense Credit (the "Credit") on your 2008 Georgia Form 500 Individual Income Tax Return (the "Form 500"). Because the instructions to the Form 500 do not specifically instruct taxpayers how to take the Credit, GOAL is providing guidance in this regard. An official from the tax credit division of the Georgia Department of Revenue has approved this filing guidance; however, GOAL recommends that you secure the advice of a tax professional.

1. File the Form IT-QEE-SSO1 with your Form 500. With your Form 500, you need to file the Form IT-QEE-SSO1 that GOAL sent to you in acknowledgement of your contribution.
2. Complete and file a Form IT-QEE-TP2 with your Form 500. A copy of Georgia Form IT-QEE-TP2, Qualified Education Expense Credit Computation, is enclosed and needs to be completed and filed with your Form 500. The need to submit the Form IT-QEE-SSO1 and Form IT-QEE-TP2 with your return will prevent you from being able to e-file your 2008 Form 500.
3. On Form 500, reduce your Federal Itemized Deductions by the amount of your contribution to GOAL. Your 2008 contribution to GOAL is deductible as a charitable income tax deduction on your 2008 federal income tax return. If you itemize deductions on your federal return, those itemized deductions are the starting point for calculating your Georgia itemized deductions. Since you are receiving a Georgia income tax credit for your GOAL contribution, in order to prevent "double dipping," you need to reduce your federal itemized deductions on Form 500 by the amount of the GOAL contribution. This adjustment should be made on Page 2, Line 12b of the Form 500, a copy of which is enclosed. If you itemize deductions on your federal return, you need to file a copy of your Federal Schedule A with the Form 500.
4. List the Credit on Form 500. List the Credit on Page 5, Line 5 of the Form 500, a copy of which is enclosed. On Line 5, cross out the words "Company Name," replace them with the word "Individual," and print your name in the blocks. In the "Credit Code Type" blocks, print "125." Replace the word "FEIN" with "SSN" and print your social security number in the blocks. In the "Credit Claimed on This Return" blocks, print the amount of the Credit claimed. Then, complete Lines 9 and 10 of Page 5 and enter the total from Line 10, Page 5 on Line 17, Page 2.

Very truly yours,

GEORGIA GOAL  
SCHOLARSHIP PROGRAM, INC.

James P. Kelly, III  
President

Enclosures