

Georgia GOAL Scholarship Program

How to Re-direct Your Georgia Income Tax Payments to
Provide Scholarships at Athens Christian School

October 15, 2008

You have a choice-- pay income taxes to the state of Georgia or provide scholarships to low- and middle-income families to attend Athens Christian School (“ACS”)

HB 1133 is a new 2008 Georgia law that grants an income tax credit to individuals and corporations who contribute to qualified student scholarship organizations such as the Georgia GOAL Scholarship Program.

- Individuals- contribute up to \$1,000 and receive a corresponding credit against your Georgia income taxes
- Married couples- contribute up to \$2,500 and receive a corresponding credit against your Georgia income taxes
- “C” Corporations- contribute up to 75% of your Georgia income tax liability and receive a corresponding credit against your Georgia income taxes. S Corporation shareholders and LLC members are limited to the individual tax credit limitations.

All contributions are also deductible for federal income tax purposes.

A simple four-step process:

1. Complete the two-page Form IT-QEE-TP1, file it with the Georgia Department of Revenue (“DOR”), and send a copy to ACS (or send the original to ACS for filing with the DOR). Within 30 days, the DOR will send you the approved form. No contribution is required until you are approved to make your contribution. You can also decide not to make the contribution.
2. Within 30 days of receiving the approved form from the DOR, send a copy of the form and your contribution to “Georgia GOAL Scholarship Program” with Athens Christian School listed in the memo section of the check.
3. Georgia GOAL Scholarship Program will send you a Form IT-QEE-SSO1 acknowledging your contribution.
4. When you complete your Georgia income tax return, take the credit and file a copy of the Form IT-QEE-SSO1 with your return.

To qualify for a 2008 tax credit, pre-approval forms must be postmarked for delivery to the DOR on or before November 1, 2008.

To ensure that funds will be available for contributions to GOAL in future years, those intending to contribute should have less Georgia income taxes withheld from their paychecks or pay less in quarterly estimated Georgia income taxes.

GOAL and Athens Christian School have entered into an Agreement that obligates GOAL to use at least 90% of the designated contributions for the provision of scholarships at ACS.

- GOAL is presently obligating 93% of the designated contributions for scholarships.
- By law, the scholarships are only available to public school students who are transferring to Athens Christian School who are eligible to enter kindergarten.
- Because the purpose of HB 1133 is to provide low- and middle-income families with the opportunity to secure a better education for their children at private schools, GOAL has established guidelines that set forth the maximum scholarship amounts that should be awarded based on household income and family size. In special cases, GOAL will waive the guidelines.
- The GOAL scholarship is awarded for the entire duration of the student's attendance at ACS and varies in amount each year based on financial need and the availability of scholarship funds.
- Athens Christian School admissions and financial aid officials make scholarship recommendations to GOAL throughout each school year.

Closing remarks:

- There are 36 GOAL Participating Schools, most of which are Christian schools based in north Georgia.
- Each of the GOAL Participating Schools is responsible for educating its parents, faculty and staff, businesses and other supporters about the ability to redirect some of their Georgia income tax payments to GOAL for the provision of K-12 scholarships.
- There is a \$50 million annual cap on the amount of tax credits that are available from the state of Georgia for contributions to qualified student scholarship organizations. Because HB 1133 was effective July 1, 2008, it is unlikely that the cap will be reached in 2008.
- Since this is merely the use of dollars that you would otherwise have had to pay to the state of Georgia for income taxes, a contribution to GOAL for the benefit of Athens Christian School should NOT replace your usual contribution to the ACS Annual Fund.
- The passage of HB 1133 was an incredible (one-vote) victory for the school choice movement and your participation in the program is critical to make this victory a meaningful one.
- Chris Herring at ACS will be able to answer all of your questions and provide copies of all of the forms relating to this opportunity.

THANK YOU!

Georgia GOAL Scholarship Program

www.goalscholarship.org