



A Christ-Centered Preparatory School

October 4, 2008

Dear Whitefield Academy Supporter,

Beginning in 2008, there is a new law that provides for a **Tax Credit** for Georgia taxpayers to direct a portion of their Georgia state income taxes to help benefit students at schools like Whitefield Academy. This program will assist our financial aid program as well as free up previously committed financial aid funds to assist a broader group of Whitefield students. To facilitate this program, Whitefield is partnering with several area schools through the Georgia GOAL Scholarship Program, a state-approved student scholarship organization.

Under the new law, individual taxpayers receive a tax credit against their Georgia income tax liability for amounts contributed to the GOAL Scholarship Program of up to \$2,500 for married couples filing a joint return (\$1,000 for individual filers). In addition, amounts contributed to GOAL are deductible for federal income tax purposes.

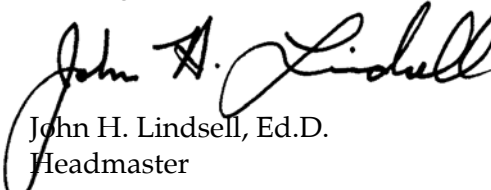
Corporations receive a tax credit for amounts contributed to the GOAL Scholarship Program of *up to 75% of their Georgia income tax liability*. Presently, this tax credit is only fully available to "C" corporations. Unfortunately, shareholders of "S" corporations and members of LLCs and LLPs are subject to the individual tax credit limitations.

Both individuals and corporations can designate that their tax dollars be used solely to provide scholarships for Whitefield Academy students. Qualifying students will be financial aid recipients who are either coming from a public school or entering kindergarten.

All that is required is to fill out a simple two-page form to be approved before making your gift. The instructions and form are enclosed. To learn more I invite you to visit the GOAL website at [www.goalscholarship.org](http://www.goalscholarship.org) or contact me.

Please understand that this does not replace your charitable contribution to the school. We still need your support of our Annual Fund. This is a simple way to designate your already committed tax dollars to benefit Whitefield Academy students.

Best regards,



John H. Lindsell, Ed.D.  
Headmaster

## GOAL Scholarship Program

1. Taxpayers (individual and corporate) must complete the attached form (IT-QEE-TP1) and send it to the Georgia Department of Revenue to pre-qualify their contributions. This step is necessary because the DOR needs to make sure that the \$50 million of annual Educational Expense Credits that are available under the law has not been exceeded. To ensure approval of your intended contribution in time to secure a 2008 Georgia income tax credit, you should file the Form IT-QEE-TP1 by November 1, 2008.

Georgia Department of Revenue  
Qualified Education Expense Credit  
1800 Century Blvd NE  
Suite 8301  
Atlanta, GA 30345

2. Mail or fax a copy of your pre-approval form to Whitefield so we can monitor the approval process.

Whitefield Academy  
Attn: Mindi Ashburn  
1 Whitefield Drive SE  
Mableton, GA 30126

Fax: 678-305-3010

3. Once you receive your approval from the DOR, you can then write a check made payable to "Georgia GOAL Scholarship Program, Inc." Make sure you designate Whitefield Academy in the memo section of the check. You have 30 days from when you receive your approval to make a contribution. The check and a copy of the approved Form IT-QEE-TP1 should be sent to:

Georgia GOAL Scholarship Program  
5 Concourse Parkway  
Suite 200  
Atlanta, Georgia 30328

4. GOAL will send you a confirmation form, along with the approved Form IT-QEE-TP1. You will need both forms to send in with your state tax return in order to claim the Education Expense Credit.





## Georgia Form IT-QEE-TP1 (Last Rev. 8/08)

Qualified Education Expense Credit Preapproval Form

Georgia Department of Revenue **Version 6**

### Instructions

The Official Code of Georgia Annotated Section **48-7-29.16** establishes an income tax credit for qualified education expenses.

A credit is allowed for the expenditure of funds by the taxpayer to a student scholarship organization, operating pursuant to Chapter 2A of Title 20, which uses the contribution for tuition and fees for a qualified school or program.

**Definitions:** For purposes of the credit, the term:

- (1) "Student scholarship organization" means a charitable organization in this state that:
  - (A) Is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and allocates 90 percent of its annual revenue for scholarships or tuition grants to allow students to attend any qualified school of their parents' choice; and
  - (B) Provides educational scholarships or tuition grants to eligible students without limiting availability to only students of one school.
- (2) "Eligible student" means a student who is a Georgia resident enrolled in a Georgia secondary or primary public school or eligible to enroll in a qualified kindergarten program or pre-kindergarten program.
- (3) "Qualified school or program" means a nonpublic primary school or secondary school that:
  - (A) Is accredited or in the process of becoming accredited by one or more entities listed in subparagraph (A) of paragraph (6) of Code Section 20-3-519; and
  - (B) Is located in this state, adheres to the provisions of the federal Civil Rights Act of 1964, and satisfies the requirements prescribed by law for private schools in this state.

**Requirements:** Each student scholarship organization:

- (1) Must obligate 90 percent of its annual revenue for scholarships or tuition grants; however, up to 25 percent of this amount may be carried forward for the next fiscal year;
- (2) Must maintain separate accounts for scholarship funds and operating funds;
- (3) May transfer funds to another student scholarship organization;
- (4) Must have an audit conducted of its accounts by an independent certified public accountant within 120 days after the completion of the student scholarship organization's fiscal year and provide such audit to the Department of Revenue in accordance with Code Section 20-2A-3;
- (5) Must report to the Department of Revenue, on a form provided by the Department of Revenue, by January 12 of each calendar year the following:
  - (A) The total number and dollar value of contributions and tax credits approved
  - (B) A list of donors, including the dollar value of each donation and the dollar value of each approved tax credit; and
  - (C) A copy of the audit of the student scholarship organization referenced in (4), above.

**Georgia Form IT-QEE-TP1 (Last Rev. 8/08)**

Qualified Education Expense Credit Preapproval Form

Georgia Department of Revenue **Version 6**

**Preapproval Required**

The total amount of credits granted to all taxpayers per calendar year cannot exceed \$50 million. Amounts are allowed on a first come, first served basis. Before making a contribution to a student scholarship organization, the taxpayer must notify the Department of Revenue of the amount that the taxpayer intends to contribute to the student scholarship organization. The Department will then preapprove or deny the requested amount within 30 days after receiving the request from the taxpayer. Once preapproval is received, the taxpayer must make the contribution to the student scholarship organization within 30 days of the date of the preapproval notice received from the Department, and within the calendar year in which it was preapproved. A copy of the preapproval notice should be sent to the student scholarship organization along with the contribution.

**Credit Limits**

**Individual Taxpayers**

An individual taxpayer is allowed a credit for qualified education expenses as follows:

- (1) In the case of a single individual or a head of household, the actual amount expended or \$1,000.00 per tax year, whichever is less; or
- (2) In the case of a married couple filing a joint return, the actual amount expended or \$2,500.00 per tax year, whichever is less; or
- (3) In the case of a married couple filing a separate return, the actual amount expended or \$1,250.00 per tax year, whichever is less.

For an individual taxpayer the credit is further limited and may not exceed the taxpayer's income tax liability. The amount of the credit that exceeds the taxpayer's income tax liability can be used against the next succeeding five years' tax liability.

**Corporate Taxpayers**

A corporation is allowed a credit for qualified education expenses in an amount not to exceed the lesser of the actual amount expended or 75 percent of the corporation's income tax liability for the tax year, of the corporation, in which the contribution will be made. Any of this lesser amount (amount expended or 75% of the corporation's income tax liability) that is not used can be used against the succeeding five years' tax liability.

**Electronic Filing**

Electronic Filing of a state individual income tax return will not be available for taxpayers claiming this state credit. Corporations and Partnerships (including Limited Liability companies filing for tax purposes as either partnerships or corporations) that claim the credit can still electronically file their return.