



## Redirect Your Tax Payment to Support Public Educational Programming in Pennsylvania

Pennsylvania's Educational Improvement Tax Credit ("EITC") program permits donors to claim a 90% state income tax credit for any gift to an approved Educational Improvement Organization ("EIO"). An EIO is a not-for-profit organization registered with the Pennsylvania Department of Community and Economic Development which provides educational programs, services, and initiatives that improve student achievement in Pennsylvania.

Reading Allowed is an approved EIO registered with the Pennsylvania Department of Community and Economic Development.

**When you take advantage of the EITC program, it costs a dime to give a dollar to Reading Allowed.**



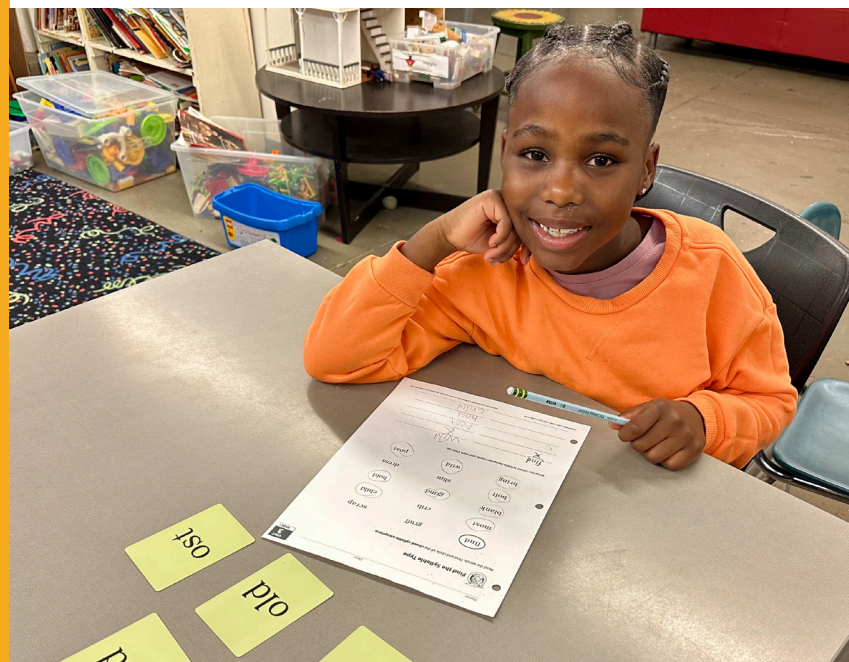
## Benefits for Individuals and PA Businesses:

- Receive a state tax credit of up to 90% of their contribution.
- Receive a 10% itemized charitable deduction on their federal return.
- Directly support public education through Reading Allowed's EIO program.
- Encourage educational opportunities for children in need.

## Eligibility Requirements:

- Donors must have Pennsylvania-source income.
- Donors must be employed by, a shareholder of, a partner in or member of (i.e., own an interest in an LLC) a business that pays taxes in Pennsylvania.
- Donors must be current on all state and federal tax obligations.

Reading Allowed has partnered with Friends of Education to make EITC giving easy. Friends of Education provides a simple and convenient way for individuals and businesses to participate in supporting education through special purpose entities (SPEs). By participating, donors can redirect a portion of their tax dollars from Harrisburg to Reading Allowed's EIO program. EITC dollars support programs and initiatives that make a real difference in the lives of children living in Pennsylvania.



# Frequently Asked Questions:

## Q: How does redirecting my taxes benefit education in Pennsylvania?

By redirecting your tax dollars to Reading Allowed, you are supporting programs and initiatives that directly benefit students and improve educational outcomes in Pennsylvania.

## Q: What are the tax benefits to making an EITC-qualified gift?

By utilizing the EITC program, it costs very little to donate a lot. This chart illustrates this highly leveraged way of giving.

	Standard Gift	EITC Gift
Contribution	(\$10,000)	(\$10,000)
PA Tax Credit	\$0.00	\$9,000
Federal Deduction	\$2,500	\$250
Out-of-Pocket	(\$7,500)	(\$750)

## Q: How do I enroll?

Reading Allowed has partnered with Friends of Education. Friends of Education manages SPE(s). A SPE is an LLC that was awarded credits by the state. Donors join this SPE by executing a joinder agreement. The joinder agreement is where you state that you want your donation to be directed to Reading Allowed. After you sign the joinder, Friends of Education will remit 100% of your donation to Reading Allowed.

## Q: What if I am married?

Only one spouse should enroll. The enrolling spouse must meet the eligibility requirements. The tax credit is applied against the couple's joint Pennsylvania tax liability.

## Q: Does Friends of Education have a minimum contribution?

Donors must make a gift of at least \$5,000 in 2024 and \$5,000 in 2025. Next year's payment will be due in November 2025.

## Q: What is the appropriate level of participation?

To maximize the leveraged nature of the program, individuals and businesses should participate in an amount equal to 110% of their state tax liability. This program is based on the applicant's Pennsylvania tax liability (or joint tax liability), not income, therefore each taxpayer's situation will differ. Pennsylvania tax liability is reported on Form PA-40 Line 12. These credits are not refundable.

That means if someone gives more than 110% of their state tax liability, they will not receive a tax credit for any amount that exceeds the 110% threshold.

***Business including partnerships, S corporations and C corporations can participate too. Interested individuals or businesses should consult a tax professional prior to participating.***

## Next Steps:

- **Speak with your tax advisor** to determine whether you are eligible to participate.
- **Notify Angela Marks that you intend to make an EITC gift.**  
You can contact Angela at (610) 608-6617 or by email at [Angela@ReadingAllowed.org](mailto:Angela@ReadingAllowed.org).
- **Request a joinder from Friends of Education** at [info@pataxcredits.org](mailto:info@pataxcredits.org).
- **Designate Reading Allowed in the joinder and remit your donation.**

In February 2025, Friends of Education will send the Form K-1 which will enable you to report the tax credit on your 2024 Pennsylvania state tax return.

**Together, we can support education and help make a brighter future for children in Pennsylvania.**

Friends of Education provides a platform for individuals to redirect a portion of their tax dollars from Harrisburg to Reading Allowed. Utilizing Friends of Education's special purpose entity makes it easy for you to support education in a way that aligns with your values and interests.

Don't miss out on this opportunity to make a positive impact on education in Pennsylvania. Email or call [Angela@ReadingAllowed.org](mailto:Angela@ReadingAllowed.org) or (610) 608-6617 today.