

**Virginia Department of Education**  
**Education Improvement Scholarships Tax Credits Program**  
**PREAUTHORIZATION REQUEST FOR TAX CREDITS**  
(Keep a copy of this form for your records.)

**\*\*DO NOT make a donation or transfer marketable securities until you receive an Approval Letter.\*\***

Use this form to request a specified tax credit amount under the Education Improvement Scholarships Tax Credits Program, authorized by Section 58.1-439.25 et seq., *Code of Virginia*. If this Preauthorization Request is approved by the Virginia Department of Education (VDOE), you will receive an Approval Letter by U.S. Mail.

The Approval Letter will need to be completed by the donor and submitted, along with the monetary or marketable securities donation, to an approved scholarship foundation within 180 days from the date of the Approval Letter. **Tax Credits will not be issued for any donations made prior to the issue date on the Approval Letter.** For additional information, please refer to the instructions on the next page.

**Part I – Donor Information**

1. Select the type of taxable entity (Select only One):

- Individual     Sole Proprietor     Corporation     S Corporation     Partnership     Limited Liability Company (LLC)

2. Donor's Tax ID# (Provide only one SSN or EIN):

\_\_\_\_\_

(9 digit number, no hyphens)

3. a. **Individual Donor** (Provide the name of the individual associated with the above Tax ID#.):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

First Name

M.I.

Last Name

Suffix

4. a. **Business Donor** (Provide the legal name of the business associated with the above Tax ID#.):

\_\_\_\_\_

b. Name of contact person for Business Donor:

\_\_\_\_\_

5. Donor's Mailing Address:

\_\_\_\_\_

\_\_\_\_\_

6. City/Town, State, ZIP Code:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

City / Town

State

ZIP

7. Donor's Phone Number:

\_\_\_\_\_

\_\_\_\_\_

Primary Number

Alternative Phone Number

**Part II – Tax Credit Calculation**

1. Enter the total amount of all donations to be made and submitted for tax credits within 180 calendar days from the approval of this Preauthorization Request.

\$ \_\_\_\_\_

(For individuals, the minimum donation for issuance of tax credits is \$500 in a taxable year, and the maximum aggregate donations for issuance of tax credits are \$125,000 in a taxable year. There are no limitations for businesses. An individual that has already been issued tax credits for donations of \$500 or more to a scholarship foundation can be issued tax credits for additional donations to the same scholarship foundation that are less than \$500, provided that the additional donations are made in the same taxable year.)

2. Enter the total amount of tax credits being requested.

\$ \_\_\_\_\_

(Multiply the total of all donations above by 65% (.65), unless subject to the individual limitation stated in Part II, Line 1.)

**Part III – Declaration**

I declare that this form is, to the best of my knowledge and belief, a true, correct and complete request for tax credits, and that I have made myself aware of the requirements for this tax credit as prescribed by the Virginia Department of Education. I understand that this information will be shared with the Department of Taxation for purposes of administering the *Education Improvement Scholarships Tax Credits Program*, and that failure to provide this information may limit my ability to claim the tax credit.

\_\_\_\_\_

Printed Name

\_\_\_\_\_

Signature

\_\_\_\_\_

Date

The Donor has two options for submitting the Preauthorization Request to VDOE:

1. A scholarship foundation may submit the Preauthorization Request on behalf of the donor using VDOE's secure Web-based system; or
2. The donor can mail the completed Preauthorization Request to: *Virginia Department of Education, 23<sup>rd</sup> Floor, Attn: Scholarship Tax Credit Program, P.O. Box 2120, Richmond, VA 23218-2120.*

## Preauthorization Request Instructions

Pursuant to Section 58.1-439.25 et seq., *Code of Virginia*, the Education Improvement Scholarships Tax Credits Program is effective for taxable years beginning on and after January 1, 2013, but before January 1, 2028.

### General Information

The Education Improvement Scholarships Tax Credits Program provides state tax credits for individuals or businesses making monetary or marketable securities donations to approved scholarship foundations that provide scholarships to eligible students for qualified educational expenses incurred in attending eligible nonpublic schools. The tax credit is equal to 65 percent of the donation, and may be claimed against the individual income tax, corporate income tax, bank franchise tax, insurance premiums license tax, or tax on public service corporations.

The tax credit may be claimed for the taxable year in which the monetary or marketable securities donation was made to a qualified scholarship foundation. Any unused tax credits may be carried over for the next five succeeding taxable years or until the total amount of credit has been taken, whichever is sooner.

The Department of Education will preauthorize tax credits up to \$25 million for each program year (i.e., state fiscal year) on a first-come, first-served basis. First-come, first-served is determined based on a date and time stamp of the donor's preauthorization request.

### Qualified Donations

A qualified donation is a preauthorized donation to an eligible scholarship foundation by a donor in the form of cash, check, debit/credit card, payroll deduction or marketable securities. A qualified donation does not include goods, services, or property. For individuals, the minimum donation for issuance of tax credits is \$500 in a taxable year, and the maximum aggregate donations for issuance of tax credits are \$125,000 in a taxable year. There are no limitations for businesses.

### Tax Credit Limitations

An individual may not be issued less than \$325 or more than \$81,250 in tax credits in a taxable year. However, these tax credit limitations do not apply to credits issued to any business entity, including a sole proprietorship. An individual that has already been issued tax credits for donations of \$500 or more to a scholarship foundation can be issued tax credits for additional donations to the same scholarship foundation that are less than \$500, provided that the additional donations are made in the same taxable year.

### Requesting Education Improvement Scholarships Tax Credits

To request a specified amount of tax credits, the donor must complete Parts I - III of the Preauthorization Request form, and submit it to the Department, OR allow an approved scholarship foundation to submit the form to the Department on his or her behalf.

#### *Preauthorization Request for Tax Credits submitted by a Donor:*

The donor must submit the completed Preauthorization Request via U.S. Mail to: *Virginia Department of Education, 23<sup>rd</sup> Floor, Attn: Scholarship Tax Credit Program, P.O. Box 2120, Richmond, VA 23218-2120.*

#### *Preauthorization Request for Tax Credits submitted by a scholarship foundation on behalf of a donor:*

A scholarship foundation submitting the Preauthorization Request on behalf of a donor must submit it to the Department using the secure Web-based system provided on the Department's Web site at <https://p1pe.doe.virginia.gov/ssws/login.page.do>.

For requests submitted by scholarship foundations on behalf of donors via the secure Web-based system contained on the VDOE Web site, the date and time received will be documented electronically. For requests submitted by individual donors via U.S. Mail, all requests will be date and time stamped. Any forms received on the same day will be opened in random order and date and time stamped upon opening.

Information provided on the Request for Tax Credits will be shared with the Department of Taxation for purposes of administering the *Education Improvement Scholarships Tax Credits* Program. Failure to provide this information may limit your ability to claim the tax credit.

### Request for Tax Credits Approval

Upon approval of the donor's Preauthorization Request, VDOE will mail an Approval Letter with a unique six-letter code to the donor via U.S. Mail. The donor will be required to provide with each donation a completed Approval Letter.

If the donor plans to make multiple donations to the same foundation or donations to more than one foundation, the donor must make copies of the Approval Letter prior to completing the information for the first donation. The donor will have 180 calendar days from the date of the Approval Letter to make a monetary or marketable securities donation to an approved scholarship foundation listed on the Department's Web site at [http://www.doe.virginia.gov/school\\_finance/scholarships\\_tax\\_credits/approved\\_scholarship\\_foundations.pdf](http://www.doe.virginia.gov/school_finance/scholarships_tax_credits/approved_scholarship_foundations.pdf). Any approved tax credit amount not acted upon by the donor by making a donation and providing the required Approval Letter to the scholarship foundation before the expiration of the 180 days, will become void.

### Tax Credit Waitlist

If the annual tax credit cap amount of \$25 million has already been reached, then the Department will contact the donor, and place an agreed upon amount on a waitlist. The donors on the waitlist will be notified when funds become available to be preauthorized. Donors on the waitlist will be notified in the order that their Preauthorization Request was received by VDOE.

### For Help

If you have questions about the request for tax credit process, you may contact the Department using the contact information provided on the Department's website at [http://www.doe.virginia.gov/school\\_finance/scholarships\\_tax\\_credits/index.shtml](http://www.doe.virginia.gov/school_finance/scholarships_tax_credits/index.shtml).