



**EDUCATIONAL IMPROVEMENT/  
OPPORTUNITY SCHOLARSHIP  
TAX CREDIT ELECTION FORM**

See Page 3 for instructions.

**Irrevocable election to pass Educational Improvement Tax Credit (EITC)/Opportunity Scholarship Tax Credit (OSTC) through to shareholders, members or partners.** A separate election must be submitted for each year an EITC/OSTC is awarded and not used in whole or in part by the contributing entity. **DO NOT INCLUDE THIS ELECTION WITH YOUR TAX REPORT.**

**SECTION I**

Pass-Through Entity Name:		Date Received: Department Use Only
Address:		Telephone Number:
Fax Number:	Email Address:	Identification Number (Revenue ID, FEIN, SSN):

(1) Total EITC/OSTC awarded in tax year \_\_\_\_\_ available for pass through:

	Contribution Date:	Amount:
		\$ _____
		\$ _____
		\$ _____
		\$ _____
		\$ _____
<b>TOTAL</b>		<b>\$ _____</b>

(2) Amount of EITC/OSTC to be applied to the entity's liability. \$ \_\_\_\_\_

(3) Amount of EITC/OSTC to be passed through to shareholders, members or partners. \$ \_\_\_\_\_

**NOTE:** Please answer "yes" to only one of the following questions, as an EITC/OSTC may be passed through for use by owners in one tax year only.

- (A) Will the remaining EITC/OSTC be passed through for use by the owner(s) in the year of contribution?  yes  no
- (B) Will the remaining EITC/OSTC be passed through for use by the owner(s) in the year immediately following the year of contribution?  yes  no

**Please complete and attach Section II.**

I, the undersigned, declare and certify I am a corporate officer, general partner or limited liability company member of the above-named entity, and I have authority to bind the above-named entity to the terms and conditions of this election.

Signature of Company Official:	Date:
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Printed Name: \_\_\_\_\_

Printed Title or Affiliation to the Entity:	Telephone Number:
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## Use of Educational Improvement Tax Credits

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Upon receipt of proof of a contribution, the Department of Community and Economic Development will notify the Department of Revenue to apply the Educational Improvement Tax Credit (EITC)/Opportunity Scholarship Tax Credit (OSTC) against the appropriate taxes identified by the business in its application.

A business, including a pass-through entity, granted an EITC/OSTC is entitled to a credit in the taxable year in which the contribution is made. The definition of a pass-through entity includes: (1) an unincorporated entity that is classified as a partnership for federal income tax purposes; (2) a single-member limited liability company that is classified as a disregarded entity for federal income tax purposes; and (3) a Pennsylvania S corporation. A pass-through entity may choose to pass through the credit to shareholders, members or partners (owners) in the following manner:

- Make an irrevocable election in writing to pass through the entire EITC/OSTC to its owners, in proportion to the entity's distributive income share to which owners are entitled in the taxable year in which the contribution is made, or in the taxable year immediately following.
- Apply all or a portion of the EITC/OSTC to the entity's tax liability for use in the taxable year in which the contribution is made and make an irrevocable election in writing to pass through the remaining EITC/OSTC to its owners, in proportion to the entity's distributive income share to which owners are entitled in the taxable year in which the contribution is made.
- Apply all or a portion of the EITC/OSTC to the entity's tax liability for use in the taxable year in which the contribution is made and make an irrevocable election in writing to pass through the remaining EITC/OSTC through to its owners, in proportion to the entity's distributive income share to which owners are entitled in the taxable year immediately following the year in which the contribution was made.

**IMPORTANT:** Married couples with joint ownership in pass-through entities must identify husband and wife separately on the entities' pass through of credit requests in order for credit to be applied to each individual.

Example: Husband and wife Jim and Jane jointly own a 50 percent interest of a partnership, and their son John owns the other 50 percent. All income is distributed according to the ownership percentages. The request to pass through credit must identify Jim's and Jane's tax numbers separately, each receiving 25 percent of the credit, and identify the other 50 percent to be passed through to John under his tax number. This method must be followed even though the partnership reports Jim and Jane's income together on the same RK-1 or NRK-1.

**An election to pass through an EITC/OSTC must be made by the pass-through entity on or before the tax report due date for the year in which the contribution is made.** A separate election must be submitted for each year. If an election is not made to pass through any unused EITC/OSTC to the owners, the EITC/OSTC will expire.

An EITC/OSTC granted for any one taxable year may not exceed the combined tax liability of the entity and its owners. Additionally, an EITC/OSTC not used in the taxable year in which the contribution was made may not be carried forward or carried back, nor is it refundable or transferable, except for an approved election to apply unused EITC/OSTC to the tax liability of the owners in the taxable year immediately following the year in which the contribution is made. A pass-through EITC/OSTC can be applied to all classes of income earned by the owners.

Return the election form to:

PA DEPARTMENT OF REVENUE  
BUREAU OF CORPORATION TAXES  
PO BOX 280701  
HARRISBURG PA 17128-0701