



ARIZONA PRIVATE EDUCATION SCHOLARSHIP FUND, INC.

Take the Credit for Private Education.

2009-2010 School Year

Dear Corporate Taxpayer:

A revolutionary and exciting opportunity has been made available to you through a new provision in the Arizona state tax code! The Corporate Income Tax Credit Program has already given hope to so many children and continues to be an integral part of Arizona's school choice movement. Consider this...

A Win-Win Opportunity!

Did you know that Arizona is leading the nation in tuition tax credit opportunities for both individuals and corporations? In 2006, the Arizona Corporation School Tuition Tax Credit Law, A.R.S. Section 43-1183 was passed to allow corporations to receive a dollar-for-dollar tax credit against the state income tax they owe to help children in low-income families receive a quality private education! Eligible corporations must pay *corporate* state income tax and the credit must be less than or equal to the actual amount they will pay to the state of Arizona. There is an annual state-wide cap of \$17.28 million for the 2009-2010 school year that is allocated on a first-come-first-serve basis.

How it Works.

Corporations interested in "taking the *corporate* credit" should contact the Arizona Private Education Scholarship Fund, a School Tuition Organization that meets the requirements to administer the program. The corporation should complete the attached contribution form and send it to APESF. Once the contribution has been approved by the AZ Department of Revenue, APESF will contact the corporation to receive payment. It's that easy!

Who benefits?

The Corporate Tax Credit benefits low-income families (income must be below 185% of the federal reduced-priced lunch index). Scholarships are awarded to students switching from public to private school, starting Kindergarten or students who have received a corporate tax credit scholarship in the previous year.

This is truly the easiest "donation" you can make...no net cost to the company and Arizona's children get a benefit that lasts a lifetime! Contact us at 480.699.8911 or info@apesf.org with any questions. Don't miss out on this opportunity! Many children need YOUR help!

Sincerely,

Kristen Adams
Program Director

Arizona's CORPORATE Tuition Tax Credit Program

available through the Arizona Private Education Scholarship Fund

Frequently Asked Questions

What corporations are eligible for the tax credit program?

Any corporation that pays Arizona corporate state income tax is eligible to take the credit. "C" corporations are eligible but not LLC's and most Subchapter "S" businesses. Please consult your tax advisor.

How much can a corporation take as a tax credit in a given tax year?

A corporation can take the full amount of the credit for as much as they will be paying in actual tax to the state of Arizona, provided they have the cash flow to make the donation.

How does the corporate tax credit program differ from the individual tax credit program?

There are differences in the two such as the state-wide cap of \$17.28 million from July 2009 - June 2010, making a pre-approval process necessary. There are also limitations as to which private schools and students are eligible and the scholarship amount the child can receive.

Can the corporation recommend a specific student or school?

The corporation can recommend a specific school but cannot recommend a specific student. If no eligible students make application to APESF from the recommended school or if the school is not considered a qualified school under tax credit law, the funds will be awarded to eligible students in other qualified schools.

How can a corporation make a tax credit contribution?

The corporation should complete the attached contribution form and send it to APESF. APESF will send a pre-approval request form to the Arizona Department of Revenue. Provided the state-wide cap has not been met, AZDOR will approve the contribution within 20 days and APESF will notify the corporation who then has 10 days to make payment to APESF.

Where can I get more information about this program?

Call us at 480-699-8911 or visit our website at www.apesf.org.

requirements

For Corporations

- Annual state-wide cap of \$17.28 million given on a first come first serve basis
- Corporation must notify APESF of the contribution who in turn notifies the DOR
- DOR has 20 days to approve the contribution and then notify the STO
- STO notifies the corporation if they are approved and then the corporation has 10 days to send the contribution. After 10 days the corporation is taken out of the \$17.28 million cap and must start all over again
- The corporate tax cap will increase by 20% per year
- The corporation can take the full state tax credit. For a federal deduction check with your account for further instructions
- Corporation make a recommendation for a specific school but not a specific student
- Unused credit can be carried forward for 5 years

For Students

Child is eligible if the following three requirements are met...

1. The child is enrolled in Kindergarten at a qualified private school

OR

The child attended a public school as a full-time student for at least the first one hundred days of the prior year and is transferring to a qualified private school

OR

The child received a tuition scholarship from the corporate tax credit program the previous year and is still attending a qualified private school

2. The child is attending the qualified private school as a full-time student
3. The family's income does not exceed 185% of the income limit required to qualify for reduced price lunches under the national school lunch and child nutrition acts (<http://www.fns.usda.gov/wic/howtoapply/incomeguidelines09-10.htm>)

For Qualified Schools

- Must be a nongovernmental primary or secondary school
- Must be located in Arizona and does not discriminate on the basis of race, color, handicap, familial status or national origin and satisfies the law for private schools in Arizona on January 1, 2005
- All teaching staff and any personnel that have unsupervised contact with students to be fingerprinted
- The school annually administers and makes available to the public the aggregate test scores of its students on a nationally standardized norm-referenced achievement test, preferably the Arizona Instrument to Measure Standards Test
- Must refund to the donating STO a prorated share of the scholarship monies of a recipient who leaves the qualified school before the end of the year



ARIZONA PRIVATE EDUCATION SCHOLARSHIP FUND, INC.

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Corporate Tax Credit Contribution Form

Yes! We would like to re-direct our corporate state income tax to provide a quality private education for children in low-income families.

Total Amount \$ _____

Company Name _____

Office Address _____

Phone Number _____

Federal EIN # _____

Contact Name _____

Contact Email _____

Contact Phone _____

Recommend a School _____

Thank you for giving Arizona families the freedom of choice as they pursue a quality private education for their children.

APESF is a School Tuition Organization, tax exempt pursuant to federal law, Section 501(c)(3) Federal I.D. number 86-0958161.

Payment Method

Once your contribution request has been submitted by APESF and approved by the AZ Department of Revenue, APESF will contact you to arrange payment. To expedite this process, please indicate how the corporation intends to make the tax credit contribution.

We will pay by Check Credit Card (see below)

Credit Card Type Visa MasterCard AMEX Discover

Card # _____

Expiration Date _____ Security Code: _____
(3 or 4 digit number on back of card)

Signature _____

NOTE: Once the AZDOR has approved your contribution request, APESF will notify you when your credit card has been processed or when to issue the check.

