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Georgia Form IT-QEE-TP1 (Last Rev. 10/09)

Qualified Education Expense Credit Preapproval Form

Georgia Department of Revenue Version 9

Please print your numbers like this in black or blue ink:



This form is the first step in applying for the income tax credit for qualified education expenses. The form is filed by the taxpayer and is used to request preapproval of an intended contribution to a student scholarship organization.

Enter for Contributor:

- Individual filing single or head of household, Individual filing a married joint return, Individual filing married separate return, C Corporation, Subchapter S Corporation for Georgia purposes, partnership, or limited liability company.

First Name or Name of Entity, MI, Taxpayer Identification Number

DEPARTMENT USE ONLY

Last Name if Individual, Suffix

If Individual Filing Joint, First Name of Joint Filer, MI, If Individual Filing Joint, I.D. # of Joint Filer

Last Name of Joint Filer, Suffix

Address (Number and Street or P.O. Box)

City, State, Zip Code

Tax Year End of Contributor, Calendar Year in which Contribution will be Made

Contact Person (for contributions by entities), Telephone Number

- The contribution must be preapproved... The taxpayer must add back... The tax credit shall not be allowed... The student scholarship organization must be on the Department of Education's website...

A. CONTRIBUTION AMOUNT

1. The amount of the contribution... 2. [For corporate contributors only] Enter 75% of the corporation's estimated income tax liability... 3. Name of student scholarship organization... 4. Taxpayer I.D.# of student scholarship organization...



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### 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.

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### 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.

#### Claiming the Credit

Please attach Form IT-QEE-SSO1 and Form IT-QEE-TP2 to your Georgia income tax return when claiming the credit.

#### Electronic Filing

Electronic Filing is available for taxpayers claiming this credit. Individual taxpayers that electronically file their tax return do not have to submit Form IT-QEE-SSO1. Form IT-QEE-SSO1 shall be maintained by the taxpayer and made available upon request by the Commissioner.