

## **What is the NEW Illinois Tax Credit Scholarship Program?**

This is new legislation that allows individuals and corporations to donate to scholarship-granting organizations (SGO) and receive a credit on their state taxes in return. This may be a significant benefit to benefactors because it is a tax credit rather than a deduction which is typical for charitable contributions. The SGO will use the donations to grant scholarships to qualifying students.

## **What does this mean for St. Mary's Mokena School?**

The new legislation allows for benefactors to designate a donation to St. Mary's School or any Diocese of Joliet Catholic school. Benefactors may make a charitable contribution of any amount up to \$1 million for scholarship programs and receive a state tax credit of 75%. The SGO will provide scholarship dollars for families meet the income requirements.

## **How much is the tax credit worth?**

An individual or corporate donor will receive a 75% state tax credit on their donation. This means that if a donor donates \$10,000, they will receive a state tax credit of \$7,500.

Donations by both individual and corporate donors are capped at \$1 million. Individual donors can direct their donations to the school or subset of schools of their choice. Corporate donors cannot designate particular schools.

## **Can a donor receive a federal tax deduction in addition to a state tax credit for the same donation?**

No. The legislation specifically prohibits this.

## **Is there program cap?**

There is a \$75 million state tax credit limit for donors in the State of Illinois.

## **How does that donation process work?**

Individual and corporate donors will be able to reserve tax credits on the Illinois Department of Revenue website. Here is a direct link to [www.mytax.illinois.gov](http://www.mytax.illinois.gov).

1. Determine the contribution amount to give as an individual or corporation for student scholarships at St. Mary's Mokena School
2. Go to the Department of Revenue website ([mytax.illinois.gov](http://mytax.illinois.gov)) to set up and activate an account. This may take 10 days.
3. Return to the website to reserve donation amount and receive a tax credit. The benefactor will need:
  1. Registration ID from IL Department of Revenue
  2. The name of the SGO – St. Mary's Mokena School is using Empower IL
  3. Region of designated school – St. Mary's Mokena School is Region #3
  4. Amount of donation

The benefactor will then have 60 days to complete the donation to Empower IL. Empower IL will distribute the funds in the form of scholarships to Providence Catholic in the next school year.

## **Families Applying For IL State Tax Credit Scholarship**

For families applying for an IL State Tax Credit Scholarship please follow this [link](#)

Any questions, please contact Mrs. Jeanne Wolski at [jcwolski@stmarymokena.org](mailto:jcwolski@stmarymokena.org)