

Is a donation to the Invest in Kids Tax Credit Scholarship (TCS) program like other charitable contributions I can make?

A donation to the TCS program is different than a typical charitable contribution. It's not a charitable contribution, where you're going to make a deduction on your tax return. It is a straight tax credit on your Illinois tax return. As an example if you donate \$1,000, you're going to get \$750 back on your tax return as a credit. So, your net out of pocket cost is only \$250. This is a low-cost way to support our school.

How does the donation process work?

Before reserving your tax credit, you must first establish an account via mytax.illinois.gov to request your letter ID. It may take up to 10 days to receive your letter ID. After receiving your letter ID, you will activate your account on mytax.illinois.gov. Then you will reserve your tax credit. If this is your first-time logging into your account after creating it, you will need to enter the Activation Code you received from the Illinois Department of Revenue (IDOR) after your account was created. You must donate the amount reserved to the SGO of your choice within 60 days or no tax credit will be awarded. After donating, you will receive a certificate of receipt from the Scholarship Granting Organization (SGO) and IDOR will be notified that your donation was made. Click here for step by step instruction on [How to Donate to the TCS Program](#).

If I donated last year, do I need to create a new account with the Illinois Department of Revenue?

No. If you have a username from a previous year, log in using that username and password. If you cannot access your account, contact IDOR at 800-732-8866 to resolve this issue.

When clicking on the donate tab in Empower Illinois, how do I know that my donation goes to Frassati Catholic Academy?

When you click the donate here, you will be asked if you have your Contribution Authorization Certificate (CAC) from the state. You will have received your CAC number when you reserved your credit on the mytax.illinois.gov website. Once you have gotten through the state process, the CAC is something that you're going to have to download onto your computer and then you will in turn upload the CAC onto the [Empower Illinois](#) site. When you do that you will be asked to designate which school you would like to donate to, and you will select **Frassati Catholic Academy - Wauconda** from the drop-down menu.

Please note that when you reserve your tax credit on the Illinois Department of Revenue's website you will be asked to choose a region and the Scholarship Granting Organization for your donation. The region you must select is **Region 2 – Northern Counties** and the Scholarship Granting Organization is **EMPOWER ILLINOIS**.

When you are ready to make your donation, do you need to provide you bank account information? How does the money come out of your account?

No money transfer happens on the on the mytax.Illinois.gov website. You will pay for your donation on the Empower Illinois website and you have a few choices on how you would like to donate:

- 1) Write and mail a check
- 2) ACH or Wire (bank) transfer
- 3) Payment with stocks or bonds. This option adds additional tax benefits when payment is made with appreciated stocks.

Is there a minimum amount of money I need to donate to take part in the the TCS program?

No. There is no minimum donation. All contribution levels are appreciated.

How do I determine my tax liability?

Illinois state income tax rate is currently 4.95% of your taxable income. As a simple example, if your adjusted gross income is \$60,000 a year, you would have a tax liability of approximately \$3,000. The exact amount of your tax liability can be found on **Line 14** of your **IL Tax Form 1040** (your prior year tax return).

If my tax liability is \$3000, how much money can I donate and not have to pay any state income tax?

Since the TCS program allows for a 75% state income tax credit, if you donate \$4,000 you would get a tax credit of \$3000 ($\$4,000 \times 0.75$) which would be equal to your state tax liability for the year and you would end up paying \$0 in state income tax. So ultimately, your \$4,000 donation be an out of pocket cost to you of \$1,000.

I normally get a credit on my state income taxes, does that mean that a tax credit wouldn't be available to me?

No, the amount you're refunded has no impact on the amount of tax credit you would be eligible to receive. Your refund equals the amount by which you overpaid your tax liability for the year. So, for example, if your tax liability was \$3,000 but you paid \$4,000 in income taxes for the year you would be getting a refund of \$1,000. If you made a donation to TCS you would receive a credit for 75% of the amount you donated in addition to the money you would be refunded.

What if I over donate and my 75% tax credit amount exceeds my tax liability for the year? Would I not receive my full credit?

No. You have up to five years to receive your full tax credit. For example, if your tax liability is \$3000 for the year and you decide to donate \$5,000 to the TCS program. Your \$5,000 donation would result in a \$3,750 tax credit. However, your tax liability is only \$3,000 for the year which means you would receive a \$3,000 tax credit this year and the remaining \$750 tax credit would be credited to you in the following year. Tax credit balances can be carried over for up to five years.

If I donate to the TCS program now, can I donate again at another time during this same year?

Yes, you can donate as many times as you like in the same year. You would need to submit another request at mytax.illinois and get another certificate.

At the end of 2021 when it is time to file my taxes how do I prove I made a donation to the TCS program so that I can receive my tax credit? Do I get a statement that I can file with my accountant or does the state automatically know that I have made a donation?

It is not an automatic thing. You will need to supply a specific tax form to your accountant, or you would supply it yourself if you file your own taxes. It is form IL 2020 Schedule 1299-C. Not all accountants will be familiar with the TCS program so you may need to introduce them to this program. You will also need to supply your certificate number from your invest in Kids Certificate of Receipt. For more information on how to file your taxes please review the PDF on the Empower Illinois website entitled [How to File Your Taxes](#).

Does your TCS donation have any effect on your federal taxes?

No. this is only a state advantage. When the program was established it was determined that you could deduct none of your donation on your federal taxes, not even the 25% of the donation that is not included in the tax credit. You would make no mention of your TCS donation on your federal tax return.

If I have additional questions about the Tax Credit Scholarship Program or I need help with the donation process who should I contact?

You can contact Lisa Schwabe, Director of Marketing and Development at Frassati Catholic Academy, lschwabe@frassaticatholicacademy.org or for more detailed questions you can contact either Clare Sullivan, csullivan@archchicago.org or Sean Murdock, smurdock@archchicago.org at the Archdiocese of Chicago OCS Scholarship Office.