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## **MEMORANDUM**

TO:

All Members of the House of Representatives

FROM:

Representative P. Michael Sturla, Chairman

House Democratic Policy Committee

DATE:

January 3, 2011

SUBJECT:

Co-sponsorship of legislation—Reintroduction EITC deadline change

Memo 7

In the near future I will reintroduce the following legislation:

## HB 1725- EITC deadline change

This legislation will alter the administration of the Educational Improvement Tax Credit.

The EITC is a wonderful incentive to encourage private investment in education. My legislation will simply level the playing field for all entities applying for the tax credit. Currently, a scholarship or education improvement organization as well as a business "pass-through entity," such as a partnership or S corporation, can apply for the tax credit. However, scholarship or education improvement organizations can apply July 1 and "pass-through entities" are prohibited from applying until after July 7. Due to the popularity of the tax credits, the credits for those donating to public schools is fully committed on the first day, meaning that those who are forced to apply the second week in July have no opportunity to participate. My amendment will merely remove the language that prohibits a business "pass-through entity" from applying until after July 7, allowing all entities to apply for the credit July 1.

BOYD, BELFANTI, BEYER, BRENNAN, BRIGGS, CALTAGIRONE, CLYMER, FRANKEL, JOSEPHS, KILLION, KIRKLAND, KULA, MANN, McILVAINE SMITH, MURPHY, MURT, MUSTIO, READSHAW, REICHLEY, SIPTROTH, K. SMITH, STABACK, SWANGER, THOMAS, WALKO and WANSACZ

If you are interested in co-sponsoring this important legislation, please contact Michelle Bohnke by email (mbohnke@pahouse.net) or phone at 787-3555.