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House of Representatives
Commonwealth of Pennsylvania
Harrisburg

COMMITTEES

APPROPRIATIONS
EDUCATION
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MEMORANDUM

TO: All House Members

FROM: Representative Thomas J. Quigley

DATE: February 28, 2011

SUBJECT: Educational Improvement Tax Credit (EITC) Expansion

The concepts of choice and competition in education are at the forefront this legislative session, with new proposals being proposed and considered. It is at this time that we should also recognize the incredibly successful Educational Improvement Tax Credit (EITC) program that the Commonwealth has been operating since 2001.

As you may know, the EITC program provides businesses with tax credits when they donate money to approved scholarship organizations, an educational improvement organization, or a pre-kindergarten scholarship organization. Students may then apply to these organizations for the chance to receive scholarship funds to attend a school of their choice.

We have again and again proven our support for this program by expanding it and making it available to more families. I intend to introduce legislation in the near future that would expand this successful program even further. Under my proposal, EITC tax credits for donating businesses would increase to \$200 million. This bill would also increase the tax credit limits on businesses from \$300,000 to \$750,000 for businesses donating to a scholarship or educational improvement organization and from \$150,000 to \$250,000 for businesses donating to a pre-kindergarten scholarship organization. On the scholarship side of the program, my legislation would increase the household income limit from \$60,000 to \$75,000 and the income allowance per additional dependent would increase from \$12,000 to \$15,000 after June 30, 2012.

These changes will provide meaningful opportunities for even more families and students who desire choice when it comes to their education. If you would like to join me in cosponsoring this legislation, please contact Lauren Pacella in my office at 772-9963 or email her at Lpacella@pahousegop.com.