

# How to Receive Tax Credits

**Minimum Donation: \$500**

**Annual Maximum for Individuals: \$125,000**

**Maximum for Businesses: none**

Unlike tax deductions which require itemizing, these Tax Credits may be used — dollar for dollar — against Virginia tax liability beginning the tax year in which the gift is made and for up to five successive years.

As the pool of funds available for Tax Credits is limited to \$25 million per year, the Virginia Department of Education must pre-approve donations.

Donations may be cash, check, credit card or marketable securities.

## The Process: Step By Step

**Donor**

Obtains blank Preauthorization Request form and Letter of Intent; sends the completed documents to MPSF .

**MPSF**

Files the Preauthorization Request electronically with the Virginia Department of Education (DOE).

**DOE**

Reserves tax credits and mails a numbered Approval Letter to the Donor.

**Donor**

Signs the numbered Approval Letter and sends to MPSF with the donation within 180 days.

**MPSF**

Sends signed Approval Letter & proof of donation to DOE; sends acknowledgement letter to Donor & school.

**DOE**

Sends the Tax Credit certificate to the Donor.



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Donate scholarships for Students to attend All Saints Catholic School and get 65% or more of your money back!



**McMahon Parater  
Scholarship Foundation**

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**Virginia's  
Education Improvement  
Scholarships  
Tax Credits  
Program.**



ILLUSTRATIONS OF TAX SAVINGS		
<i>Individual circumstances vary. Please consult your tax professional.</i>		
Married Taxpayer with taxable income of \$165,000 per year	Taxpayer itemizes	Does not itemize
Scholarship Donation Amount	\$10,000	\$10,000
Virginia Scholarships Tax Credit (65%)	<u>-\$6,500</u>	<u>-\$6,500</u>
<b>Subtotal</b>	<b>\$3,500</b>	<b>\$3,500</b>
Federal Tax Savings (24% of \$3,500)	-\$840	\$0.00
Virginia Tax Savings (5.75% of \$10,000)	<u>-\$575</u>	<u>\$0.00</u>
<b>Subtotal – tax savings for itemizing charitable donation</b>	<b>-\$1,415</b>	<b>\$0</b>
<b>TOTAL Tax Savings of Donation</b>	<b>-\$7,915</b>	<b>-\$6,500</b>
<b>Net Cost of \$10,000 Cash Donation</b>	<b>\$2,085</b>	<b>\$3,500</b>
DONATION USING HIGHLY APPRECIATED STOCK		
Market Value of Appreciated Stock:	\$10,000	
Cost Basis of Stock:	<u>\$ 1,000</u>	
Long Term Capital Gains	<u>\$9,000</u>	
Federal Capital Gains Tax Savings (20% of \$9,000)	-\$1,800	-\$1,800
Virginia Capital Gains Tax Savings (5.75% of \$9,000)	<u>-\$518</u>	<u>-\$518</u>
<b>Subtotal – Capital Gains Tax Savings</b>	<b>-\$2,318</b>	<b>-\$2,318</b>
<b>Added to – Tax Savings of Donation</b>	<b>-\$7,915</b>	<b>-\$6,500</b>
<b>TOTAL TAX SAVINGS for Highly Appreciated Stock gift</b>	<b>-\$10,233</b>	<b>-\$8,818</b>
<b>Net Cost of \$10,000 Appreciated Stock Donation</b>	<b>(\$233)</b>	<b>\$1,182</b>

## How can you receive 65% of your donation returned to you in Virginia tax credits?



With a donation to the McMahon Parater Scholarship Foundation (MPSF) through the EISTC program, you can help families with limited incomes to send their children to All Saints Catholic School.

In addition to the 65% Virginia tax credits, donors who itemize may also receive deductions for charitable contributions on state and federal taxes. Donors giving highly appreciated securities also save on capital gains taxes.

Although generous donations through the EISTC program are helping hundreds of families to send their children All Saints Catholic School, much more is needed to allow all eligible students to receive the tuition assistance they need.

## Over 91% of each donation is used to provide scholarships.



**IMPORTANT: Donors should consult their tax advisors to determine their specific tax savings.**

“It is the responsibility of the entire Catholic Community – bishops, priests, deacons, religious, and laity – to continue to strive toward the goal of making our Catholic schools available, accessible, and affordable to all Catholic parents and their children...”

THE UNITED STATES CONFERENCE OF CATHOLIC BISHOPS