



# SOUTHWEST CHICAGO CHRISTIAN SCHOOLS

## Steps for Individuals to Contribute to the *Invest in Kids Act of 2017* and Redistribute your IL State Income Tax Dollars

Step 1	Obtain an IL Tax Letter ID	Now (Or as early in 2018 as possible.)	<ul style="list-style-type: none"> <li>Go to <a href="https://mytax.illinois.gov/">https://mytax.illinois.gov/</a> and click on "Individuals"</li> <li>Under Miscellaneous, click on "Request a Letter ID" and enter your SSN.</li> <li>Further verify your account with an IL-PIN, Prior Year Adjusted Gross Income, IL Drivers' License Number, or State Identification Number.</li> <li>State will send you the Letter ID within 10 business days via US mail.</li> </ul>
Step 2	Create an Illinois My Tax Account	December 2017 (Or as early in 2018 as possible.)	<ul style="list-style-type: none"> <li>Go to <a href="https://mytax.illinois.gov/">https://mytax.illinois.gov/</a> and click on "Individuals"</li> <li>Under Miscellaneous, click on "Invest in Kids Tax Program" and then click on "Sign Up Now".</li> <li>Follow web instructions to set up an Illinois My Tax Account.</li> </ul>
Step 3	Request a Tax Credit	January 2, 2018 (Or as early in 2018 as possible.)	<ul style="list-style-type: none"> <li><b>Go to <a href="https://mytax.illinois.gov/">mytax.illinois.gov</a></b> and log into your My Tax Illinois account.</li> <li>Once you are in your account, <b>click on your income tax account.</b></li> <li>Under the "I Want To" section on the right, <b>click on "Contribute to Invest in Kids"</b> hyperlink.</li> <li><b>Choose the region where you want your funds allocated</b> (SCCS is located in Region 1, Cook County), <b>choose your SGO</b>, and <b>enter the amount</b> you wish to contribute.</li> <li>If approved, IL will issue you a <i>Contribution Authorization Certificate</i> (CAC) electronically to your MyTax Illinois account.</li> <li>Upon receipt of your CAC, <b>make a contribution to your designated SGO within 60 days.</b> Go the website of the SGO to begin your contribution. Individuals can choose to designate a school at this point. (You may see SCCS listed as one entity, or by multiple campuses. SCCS will allocate funding as an entity and not per campus.)</li> </ul>
Step 4	Send a Contribution to the IL Children's Tuition Fund or other SGO	Within 60 days receipt of the CAC.	<ul style="list-style-type: none"> <li>Send your contribution to the Children's Tuition Fund or other SGO along with a copy of the CAC the state provided.</li> <li>Designate your gift for Southwest Chicago Christian Schools if desired.</li> <li>The Children's Tuition Fund or SGO will issue you a Certificate of Receipt (COR) electronically in your MyTax Illinois account.</li> </ul>
Step 5	Subtract the credit from your 2018 IL state income tax	2019	<ul style="list-style-type: none"> <li>Claim your credit when preparing your 2018 IL taxes, reducing or eliminating your IL income taxes! <ul style="list-style-type: none"> <li>Do not claim any portion of the contribution as a federal income tax deduction.</li> <li>Unused portions of the credit may be carried forward for use in the next five taxable years.</li> </ul> </li> </ul>

**REPEAT - You can repeat the process again for your 2019 IL State Income Tax next year.**

**For more information, contact Jean Bergeson at Southwest Chicago Christian Schools – [Jbergeson@SWChristian.org](mailto:Jbergeson@SWChristian.org) or 708-388-7656.**



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## Illinois Invest in Kids Act of 2017 Questions & Answers for Potential Contributors

How would you like to redirect 100% of your IL state income tax from Springfield to local families that want a better education for their children? A new program, *Invest in Kids Act of 2017*, was included in the education bill passed by the state this past August. The legislation represents a major step in giving Illinois parents a real choice in the education of their children. Scholarships are funded by allowing individuals and businesses a state tax credit of 75% of their contribution to a participating Scholarship Granting Organization (SGO.) Individuals (not businesses) can designate that they want their scholarship funds to go to Southwest Chicago Christian School and Chicago Christian High School.

- 1. What are tax credit scholarships?** Tax credit scholarships provide IL state income tax **credits** (not just a deduction like other charitable contributions) to individuals and businesses that contribute money to a non-profit Scholarship Granting Organization (SGO). The SGO then awards scholarships to eligible students from families with financial need.
- 2. What is a Scholarship Granting Organization?** A Scholarship Granting Organization, or SGO, is a state-approved non-profit organization (with 501(c)3 status) that:
  - a. Receives contributions from individuals and businesses,
  - b. Processes scholarship applications for students with financial need, and
  - c. Distributes scholarship funds to approved independent schools on behalf of eligible students (scholarships are awarded to the student, but funds are sent to their chosen school) in accordance with the laws set forth by the state of Illinois.
- 3. Who will SCCS use as their SGO?** SCCS has initially decided to partner with the Children's Tuition Fund which is affiliated with the Association of Christian Schools International (ACSI) for a few reasons:
  - a. ACSI is a well-known and reputable Christian organization. ACSI serves almost 3,000 member schools in the United States and over 20,000 schools internationally.
  - b. The Children's Tuition Fund has been operating as an SGO for several years, working with schools in five other states with similar tax credit education funding.
  - c. With ACSI's resources and expertise, they are highly capable of representing our school with state representatives in regard to this legislation.However, SCCS may work with more than one SGO. We will determine this based on what we feel is best for the families we serve and our contributors. At this time, we are considering also partnering with Empower Illinois.
- 4. How much money can be contributed to an SGO for tax credit scholarships?** Contributions are capped at \$1 million per taxpayer per year. Total tax credits are capped at \$75 million statewide annually. In order for \$75 million to be reached, contributions of \$100 million will need to be made to SGOs.
- 5. Can contributions be directed to a certain school or student?** Individuals may designate a certain school or subset of schools but cannot designate specific students. Businesses may not restrict their contributions to specific schools or individuals.
- 6. How does the tax credit work?** Here's an example: An individual taxpayer determines that he/she paid \$7,500 in state income tax in 2017. In January 2018, the taxpayer applies for and receives approval from the state of IL to make a contribution to an SGO in the amount of \$10,000. Within 60 days of receiving approval, the taxpayer makes a \$10,000 contribution to the SGO of his choosing. He designates Southwest Chicago Christian Schools as his school of choice. The SGO sends funds in the amount of \$10,000 (less approximately 5% administrative fees) to Southwest Chicago Christian School

for tuition for approved students. (The SGO processes and approves student applications.) In 2019, when preparing his 2018 taxes, the taxpayer takes a credit of \$7,500 (75%) from his IL state income tax. If his income tax liability is more than \$7,500, he pays the difference. If his income tax liability is less than \$7,500, he can keep the remaining amount as a credit for the next year (can roll over for five taxable income years.)



7. **What else does a contributor need to know?** The tax credits are non-refundable; however, they can be carried forward for the next five taxable years. Contributors may not take a federal charitable income tax deduction for their contribution in addition to the state tax credit. Contributions to an SGO must be made within 60 days of receipt of the contribution authorization. If an individual does not make a contribution, rescinds his contribution, or gives less than he originally indicated, he is not eligible for ANY tax credit. (All unused tax credits will be put back into the program until the cap is hit.)
8. **Who is eligible to receive a scholarship?** Students from families with limited financial resources are eligible to receive a tax credit scholarship. To be considered, students must be from a household with an adjusted gross income below 300% of the federal poverty level (\$73,800 for a family of four.) Students must also be eligible to attend a public elementary or high school in IL and be in Kindergarten through 12<sup>th</sup> grade. Prior to April 1<sup>st</sup>, 2018, priority will be given to:
  - a. Students from households that are below 185% of the federal poverty level (\$45,510 for a family of four.)
  - b. Students who reside in a “focus district”, which is a public school district identified by the state that is performing below standards.
  - c. In subsequent years, siblings of students already receiving scholarships will be given priority as well.

For more information:

- Contact Jean Bergeson at Southwest Chicago Christian Schools – [Jbergeson@SWChristian.org](mailto:Jbergeson@SWChristian.org) or 708-388-7656.
- State of Illinois’ Invest in Kids website – [www.revenue.state.il.us/InvestInKids/](http://www.revenue.state.il.us/InvestInKids/)
- SGO: Illinois Children’s Tuition Fund website – [www.acsi.org/ctfil](http://www.acsi.org/ctfil)
- SGO: Empower Illinois website – [www.EmpowerIllinois.org](http://www.EmpowerIllinois.org)

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