



DONOR FREQUENTLY ASKED QUESTIONS

HOW MUCH IS THE CREDIT WORTH AND HOW MUCH CAN I DONATE?

An individual or corporate donor will receive a 75% state tax credit on their donation. This means that if a donor contributes \$10,000, they will receive a state tax credit of \$7,500. Donations by both individual and corporate donors are capped at \$1.33 million, i.e. a per-donor tax credit of \$1 million. Individual donors can direct their donations to a school or subset of schools of their choice. Corporate donors cannot designate funds. The credit is non-refundable, but can be carried forward for five years.

IS THERE A PROGRAM CAP? IF SO, WHAT IS IT?

Yes. The program is capped at \$75 million in state tax credits per year. This means that in order for the \$75 million cap to be hit, \$100 million will have to be donated. A maximum of \$100 million in scholarships will be awarded through this program annually to students throughout Illinois.

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 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 SGO and the Department of Revenue will be notified that your donation was made.

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.

CAN DONATIONS BE DIRECTED TO A CERTAIN SCHOOL OR INDIVIDUAL?

Individuals may direct donations to a particular school or subset of schools, but NOT to an individual student or group of students. Corporate donors cannot designate their donations.

Individuals can direct their donations to the school or schools of their choice when they make a donation to the SGO after they have reserved their credit. However, when reserving a tax credit with the IL Department of Revenue, donors will need to select the region in which their designated school or schools are located in.

CAN A TAXPAYER MAKE A TAX-CREDITED CONTRIBUTION TO A SCHOLARSHIP GRANTING ORGANIZATION FROM A DONOR ADVISED FUND?

No. Payments to Scholarship Granting Organizations are not treated as charitable contributions for federal income tax purposes and therefore payments from a donor advised fund do not qualify for the tax credit. The payment of tax-credited scholarship donations to a Scholarship Granting Organization must come directly from the individual or corporate taxpayer.

ARE THESE SCHOLARSHIPS ONLY FOR CATHOLIC SCHOOLS?

No. The scholarships can be used to cover the tuition and eligible fees for any non-public school in Illinois officially recognized by the Illinois State Board of Education.

CAN I USE A CREDIT CARD FOR MY TAX CREDIT SCHOLARSHIP DONATION?

No. ACH bank payments are the preferred form of payment. You can also donate by mailing a check or by using shares of stock.

CAN DONATION CREDITS BE APPLIED AGAINST ILLINOIS' PERSONAL PROPERTY REPLACEMENT TAX THAT CORPORATIONS (INCLUDING SUBCHAPTER S CORPORATIONS), PARTNERSHIPS AND TRUSTS ARE SUBJECT TO?

No. The tax credit scholarship statute and regulations prohibit this.

CAN DONATIONS BE ANONYMOUS?

Yes, all donations can be anonymous if the individual or corporation chooses them to be.

CAN I DONATE IF I AM NOT AN ILLINOIS RESIDENT?

Anyone can donate to an Illinois SGO but only those who pay Illinois state taxes can receive the 75% tax credit. If you are out of state, have Illinois tax liability, and would like to donate, you will still need to set up an account with the Illinois Department of Revenue.

I CANNOT DONATE TO THE SCHOOL I WANT TO DESIGNATE TO. WHAT SHOULD I DO?

First, make sure to select the region where your designated school, not your home address, is located. A regional map is available [here](#).

If you are still unable to find the school you want to donate to, it may be because the school is not "recognized" by the Illinois State Board of Education (ISBE). Schools that have registered with the ISBE and are pursuing "recognition" status may be listed at a later date.

HOW DO I CHOOSE THE REGION FOR MY DONATION?

When reserving your tax credit on the Illinois Department of Revenue website, you must choose the region in which your designated school(s) are located, not the region of your home address. Click [here](#) to determine the region your designated school or organization is located in.

If your designees are in different regions, you must make separate reservations for each region in the amounts for each donation you would like to make.

DOES EMPOWER ILLINOIS ACCEPT DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS (IRAS)?

At this time, there is significant uncertainty as to whether a donation of assets other than cash can qualify for the tax credit. That said, Empower Illinois is indifferent to the source of funds that are donated, except that the source of funds must be owned by the taxpayer. Any penalties or tax liabilities incurred by the donor for an IRA distribution are solely the responsibility of the donor. Potential donors considering making a donation from their IRA should consult a tax advisor before doing so, as individual circumstances could dictate the implications of their donation. If the source of funds is not owned by the taxpayer, they do not technically satisfy their tax reservation.

CAN DONORS USE MARKETABLE SECURITIES SUCH AS STOCKS AND BONDS TO DONATE TO EMPOWER ILLINOIS TO FUND STUDENT SCHOLARSHIPS OR MUST A STUDENT SCHOLARSHIP DONATION BE MADE IN CASH?

Empower Illinois accepts marketable securities as donations. Empower Illinois converts donated securities into cash, per our gift policy. If the liquidated value of the donated securities does not cover the amount of the tax credit reservation, donors must make up the difference by sending an ACH payment to Empower Illinois or by mailing a check to our lockbox. If the net proceeds of the donated securities exceed the amount of the tax credit reservation, the difference would be used by Empower Illinois as an unrestricted donation. In addition, donors should complete the PDF donation form and mail to the indicated address or email to donors@empowerillinois.org along with a copy of both pages of the Contribution Authorization Certificate.

WHAT ARE THE SECURITY DELIVERY INSTRUCTIONS FOR USING MARKETABLE SECURITIES TO MAKE DONATION PAYMENTS TO EMPOWER ILLINOIS?

For Account Name: Empower Illinois
Account Number: 001051000080

To deposit any Fed-eligible security into a U.S. Bank Trust account:

Including but not limited to Equities, Corporate and Municipal Bonds, Commercial Paper, Medium-Term Notes, Collateralized Mortgage Issues, and Zero Coupon Bonds.

Instruct current custodian to deliver to:

The Depository Trust Company
Participant Account 2803
For credit to account name and number referenced above

To deposit any Fed-eligible security:

Including all Fed-eligible Bonds, Bills, Notes, and agencies, including GNMMAs.

Instruct current custodian to deliver to:

Federal Reserve Bank of Cleveland
For: U.S. Bank, N.A., Trust
ABA 042-000-013
1050/TRUST
For Account Number: 001051000080

In addition, donors should complete the PDF donation form and mail to the indicated address or email to donors@empowerillinois.org a completed donation form and copy of the Contribution Authorization Certificate to the address indicated.

If you have any questions about this process, please call the Empower Illinois donor helpline: 309-644-4524.

CAN DONATIONS BE DIRECTED TO A SCHOOL THAT IS NOT RECOGNIZED BY THE ILLINOIS STATE BOARD OF EDUCATION (ISBE)?

Donations can be directed to schools that are recognized or in the process of being recognized by ISBE. However, only schools recognized by ISBE are eligible to receive donations to be used for scholarships under the Invest in Kids Act. Schools in the process of being recognized by ISBE are marked with "PENDING RECOGNITION" on the Empower Illinois website. If a school marked with "PENDING RECOGNITION" is not recognized by the earlier of (1) August 1st, 2019 or (2) a date specified by the state of Illinois, donations directed to any such school will be recharacterized as undesignated donations for the same region in which the school marked with "PENDING RECOGNITION" is located and made available to eligible students on a first come, first served basis. There can be no guarantees as to whether a school marked with "PENDING RECOGNITION" will be recognized by ISBE in the future and be eligible to receive scholarship money under the program.

HOW DO I GET HELP WITH THE DONATION PROCESS?

Contact donors@empowerillinois.org or call the Donor Helpline at (309) 644-4524.