

**Georgia Form IT-QEE-TP1 (Last Rev. 6/13)**

Qualified Education Expense Credit Preapproval Form

Georgia Department of Revenue **Version 1**

Please print your numbers like this in black or blue ink:

9 8 7 6 5 4 3 2 1 0

This form is the first step in applying for the income tax credit for qualified education expenses. The form is filed by the taxpayer and is used to request preapproval of an intended contribution to a student scholarship organization.

Enter for Contributor:

☐ INDIVIDUAL FILING SINGLE OR HEAD OF HOUSEHOLD ☐ INDIVIDUAL FILING A MARRIED JOINT RETURN ☐ INDIVIDUAL FILING MARRIED SEPARATE RETURN ☐ INDIVIDUAL WHO IS A MEMBER OF A LIMITED LIABILITY COMPANY, SHAREHOLDER OF A SUBCHAPTER S CORPORATION, OR PARTNER IN A PARTNERSHIP ☐ C CORPORATION OR FIDUCIARY

FIRST NAME OR NAME OF ENTITY

MI

TAXPAYER IDENTIFICATION NUMBER

DEPARTMENT USE ONLY

LAST NAME IF INDIVIDUAL

SUFFIX

IF INDIVIDUAL FILING JOINT, FIRST NAME OF JOINT FILER

MI

IF INDIVIDUAL FILING JOINT, I.D # OF JOINT FILER

LAST NAME OF JOINT FILER

SUFFIX

ADDRESS (NUMBER AND STREET or P.O. BOX)

CITY

STATE

ZIP CODE

TAX YEAR END OF CONTRIBUTOR

CALENDAR YEAR IN WHICH CONTRIBUTION WILL BE MADE

CONTACT PERSON (FOR CONTRIBUTIONS BY ENTITIES)

TELEPHONE NUMBER

■ The contribution must be preapproved by the end of the calendar year. Also, the donation must be made within 60 days of the date of the preapproval notice or by the end of the calendar year in which it was preapproved, whichever is earlier.

■ The taxpayer must add back to Georgia taxable income the amount of any federal charitable contribution deduction taken on a federal return for which a Georgia qualified education expense credit is allowed.

■ The tax credit shall not be allowed if the taxpayer designates the taxpayer's qualified education expense for a particular individual.

■ The student scholarship organization must be on the Department of Education's website before this form is filed.

A. CONTRIBUTION AMOUNT

1. The amount of the contribution the taxpayer intends to make
2. [For corporate and fiduciary contributors only] Enter up to 75% of the corporation's or fiduciary's estimated income tax liability.....
3. [For individuals who are members of a limited liability company, shareholders of a Subchapter S Corporation, or partners in a partnership only] Enter up to 6% of your estimated Georgia Income from your (Taxpayer) selected pass through entities
(See instructions and example)

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Taxpayer Identification Number

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4. Name of student scholarship organization listed on the Department of Education's website.

[illegible]

5. Taxpayer I.D.# of student scholarship organization.....▶

-

Applicant certifies that all information contained above is true to his/her best knowledge and belief and is submitted for the purpose of obtaining preapproval from the Commissioner.

Date: - -

Applicant: Printed Name of Contributor (individual or entity)

[illegible]

Signature of Contributor (if an entity, an authorized officer or fiduciary)

If Contributor is an entity: Printed Name and Title of Person Signing for Entity:

Name:

[illegible]

Title:

[illegible]

Phone Number:

□ □ □ □ - □ □ □ □ - □ □ □ □

Submit page 1 and page 2 to:

Georgia Department of Revenue

Qualified Education Expense Credit

1800 Century Blvd NE

Suite 8107

Atlanta, GA 30345

C. FOR DEPARTMENT USE ONLY

DATE RECEIVED

□ □ - □ □ - □ □ □ □

Based on the annual cap and your intended contribution amount, you have been preapproved and

allocated

□ □ , □ □ □ , □ □ □ . 00

of qualified education expense credit for calendar

year

Approved by _____

Date _____

□ □ - □ □ - □ □ □ □

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Qualified Education Expense Credit Preapproval Form

Georgia Department of Revenue **Version 1****Instructions**

The Official Code of Georgia Annotated Section **48-7-29.16** establishes an income tax credit for qualified education expenses.

A credit is allowed for the expenditure of funds by the taxpayer to a student scholarship organization, operating pursuant to Chapter 2A of Title 20, which uses the contribution for tuition and fees for a qualified school or program.

Definitions: For purposes of the credit, the term:

- (1) “Eligible student” means a student who is a Georgia resident who, immediately prior to receiving a scholarship or tuition grant under Code Section 20-2A-2 and enrolling in a qualified school or program, was enrolled in and attended for at least six weeks a Georgia secondary or primary public school or who is eligible to enroll in a qualified first grade, kindergarten program, or pre-kindergarten program; provided, however, that if a student is deemed an eligible student pursuant to O.C.G.A. § 20-2A-1(1), he or she shall continue to qualify as such until he or she graduates, reaches the age of 20, or returns to a public school, whichever occurs first; and provided, further, that the enrollment and six-week public school attendance requirements shall be waived in the case of a student who, based on the school attendance zone of his or her primary residence, is or would be assigned to a public school that the Office of Student Achievement determines to be a low-performing school, who is the subject of officially documented cases of school based physical violence or student related verbal abuse threatening physical harm, or who was enrolled in a home study program meeting the requirements of subsection (c) of Code Section 20-2-690 for at least one year immediately prior to receiving a scholarship or tuition grant under Code Section 20-2A-2.
- (2) “Qualified school or program” means a nonpublic pre-kindergarten program, primary school or secondary school that:
 - (A) Is accredited or in the process of becoming accredited by one or more entities listed in subparagraph (A) of paragraph (6) of Code Section 20-3-519; and
 - (B) Is located in this state, adheres to the provisions of the federal Civil Rights of 1964, and satisfies the requirements prescribed by law for private schools in this state.

Preapproval Required

The total amount of credits granted to all taxpayers per calendar year cannot exceed \$58 million. Amounts are allowed on a first come, first served basis. Before making a contribution to a student scholarship organization, the taxpayer must notify the Department of Revenue of the amount that the taxpayer intends to contribute to the student scholarship organization. The Department will then preapprove or deny the requested amount within 30 days after receiving the request from the taxpayer. The Department will mail the preapproval or denial to both the taxpayer and the student scholarship organization. Once preapproval is received, the taxpayer must make the contribution to the student scholarship organization within 60 days of the date of the preapproval notice received from the Department, and within the calendar year in which it was preapproved.

Credit Limits**Individual Taxpayers**

An individual taxpayer is allowed a credit for qualified education expenses as follows:

- (1) In the case of a single individual or a head of household, the actual amount expended or \$1,000.00 per tax year, whichever is less; or
- (2) In the case of married couple filing a joint return, the actual amount expended or \$2,500.00 per tax year, whichever is less; or
- (3) In the case of a married couple filing a separate return, the actual amount expended or \$1,250.00 per tax year, whichever is less.

For an individual taxpayer the credit is further limited and may not exceed the taxpayer’s income tax liability. The amount of the credit that exceeds the taxpayer’s income tax liability can be used against the next succeeding five years’ tax liability.

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Georgia Department of Revenue **Version 1****Individual Taxpayers who are Members of a Limited Liability Company, Shareholders of a Subchapter S Corporation, or Partners in a Partnership**

For an individual taxpayer who is a member of a limited liability company duly formed under state law, a shareholder of a Subchapter 'S' corporation, or a partner in a partnership, the credit is limited to the lesser of the actual amount expended or \$10,000 per tax year, whichever is less; provided, however, that the tax credits shall only be allowed for the Georgia income on which such tax was actually paid by such member of a limited liability company, shareholder of a Subchapter 'S' corporation, or partner in a partnership. If the individual taxpayer is a member, partner, or shareholder in more than one pass through entity, the total credit allowed cannot exceed \$10,000; the individual taxpayer decides which pass through entities to include when computing Georgia income for purposes of the qualified education expense credit. All Georgia income, loss, and expense from the taxpayer selected pass through entities will be combined to determine Georgia income for purposes of the qualified education expense credit. Such combined Georgia income shall be multiplied by 6% to determine the tax that was actually paid. If the taxpayer is filing a joint return, the taxpayer's spouse may also claim a credit for their ownership interests and shall separately be eligible for a credit as provided in this subparagraph. If the taxpayer(s) chooses to be preapproved pursuant to this subparagraph, for all purposes of claiming the credit they shall be subject to the provisions of this subparagraph and shall not be entitled to claim any other amounts provided in O.C.G.A. § 48-7-29.16 and Regulation 560-7-8-.47. If the taxpayer is preapproved for an amount that exceeds the amount that is calculated as allowed when the return is filed, the excess amount cannot be claimed by the taxpayer and cannot be carried forward.

For example: Taxpayer, an individual taxpayer, is the sole shareholder of A, Inc, an S corporation, Taxpayer is also a 50% partner, in BC Company, a partnership, and Taxpayer is also a 20% member of a limited liability company, XYZ Company, which is taxed as a partnership. Taxpayer requests preapproval for the qualified education expense credit for calendar year 2013 by submitting Form IT-QEE-TP1. On Form IT-QEE-TP1, Taxpayer estimates that the taxpayer's Georgia income from A, Inc. is \$120,000, and that Taxpayer's share of Georgia income from BC Company is \$60,000, Taxpayer chooses not to include any income from XYZ Company when estimating Georgia income for purposes of the qualified education expense credit; therefore the Department preapproves Taxpayer for \$10,000 qualified education expense credit (since \$10,000 is less than \$10,800 (6% of \$180,000)). Taxpayer makes a \$10,000 donation to the SSO within 60 days of receiving preapproval from the Department and before the end of 2013. When Taxpayer files Taxpayer's 2013 Georgia income tax return, Taxpayer received a salary from A, Inc. of \$50,000 and A, Inc's actual Georgia income is \$60,000; Taxpayer's actual share of Georgia income from BC Company is \$20,000 and Taxpayer received a guaranteed payment from BC Company of \$15,000; Taxpayer's actual share of Georgia income from XYZ Company is \$5,000 (the Taxpayer can choose to include this company even though it was not considered at the time of preapproval), Taxpayer can only claim \$9,000 qualified education expense credit (which is 6% of the \$150,000 actual income from Taxpayer's selected pass through entities), and the extra \$1,000 cannot be claimed by Taxpayer and cannot be carried forward.

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Corporate and Fiduciary Taxpayers

A corporation or fiduciary is allowed a credit for qualified education expenses in an amount not to exceed the lesser of the actual amount expended or 75 percent of the corporation's or fiduciary's income tax liability for the tax year, of the corporation or fiduciary, in which the contribution will be made. Any of this lesser amount (amount expended or 75% of the corporation's or fiduciary's income tax liability) that is not used can be used against the succeeding five years' tax liability. A fiduciary cannot pass through the credit to its beneficiaries.

Claiming the Credit

Please attach Form IT-QEE-SSO1 and Form IT-QEE-TP2 to your Georgia income tax return when claiming the credit.

Electronic Filing

Electronic Filing is available for taxpayers claiming this credit. Individual taxpayers that electronically file their tax return do not have to submit Form IT-QEE-SSO1. Form IT-QEE-SSO1 shall be maintained by the taxpayer and made available upon request by the Commissioner.