



## How to make a scholarship donation to CSF & claim your Education Tax Credit

Businesses donating to CSF to fund scholarships for low- and middle-income K-12 children in New Hampshire can receive an 85% Education Tax Credit from the State of New Hampshire against business profits tax (BPT) and/or business enterprise tax (BET), as well as a federal tax deduction, for a total of about a 90% tax benefit. For example, a business donating \$25,000 to CSF could be eligible for a total estimated tax benefit of \$23,944.

### Step

1.

#### Determine your eligibility and contribution amount

Estimate your New Hampshire BPT and/or BET liability for 2016.  
Determine the amount of this liability you would like to contribute to CSF.



### Step

2.

#### Apply

Mail your completed Education Tax Credit Application (Form ED-02) **between January 1st and June 15th** to the New Hampshire Department of Revenue Administration at:

NHDRA Education Tax Credit  
P.O. Box 457  
Concord, NH 03302-0457



### Step

3.

#### Once approved, send contribution to CSF

Approximately 2-3 weeks after applying, you should receive written approval via mail from the Department of Revenue Administration. **Within 60 days of receiving your approval and no later than July 15th**, send your contribution (amount on line 7 of ED-02 application) to:

Children's Scholarship Fund  
8 N. Main St., Suite 8  
Concord, NH 03301

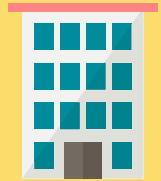


### Step

4.

#### Receive your tax credit

Once CSF uses your contribution to assist low-income children with scholarships, we will send you the Education Tax Credit Scholarship Receipt (ED-04) **by December 1st**, which you must include with your New Hampshire State Tax Return to receive your tax credit.



If you are interested in making a donation through your business and receiving an Education Tax Credit, please contact CSF Executive Director Kate Baker at [kbaker@scholarshipfund.org](mailto:kbaker@scholarshipfund.org) or (603) 785-0174.



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## FAQ's

### **Which New Hampshire taxes can the New Hampshire Education Tax Credit (ETC) be taken against?**

The ETC is an 85% credit against business profits tax (BPT) and/or business enterprise tax (BET).

### **Which businesses are eligible for the ETC?**

Any business that pays BPT and/or BET in New Hampshire is eligible to apply for Education Tax Credits.

### **Does my company need to be based in New Hampshire to be eligible for the credit?**

No, any company that pays BPT and/or BET in New Hampshire can apply for and use the credit.

### **Are donations tax-deductible?**

Yes, in addition to the 85% ETC on New Hampshire BPT or BET for businesses, your entire contribution amount is also tax-deductible for federal tax purposes. CSF will send a donation receipt upon receipt of your check.

### **Do you also accept charitable contributions from individuals?**

Yes, as a 501c3 nonprofit, CSF accepts donations from individuals, foundations, and businesses for scholarships and/or general operating expenses. Charitable contributions to CSF are tax-deductible to the extent permitted by law. CSF will send you a donation receipt upon receipt of your gift.

### **When do I need to submit my ETC application?**

The ETC application, Form ED-02, must be submitted to the New Hampshire Department of Revenue Administration **between January 1st, 2016 and June 15th, 2016**. Applications are processed on a first-come, first-served basis until the cap in credits is reached. Therefore, businesses are encouraged to apply early in the year.

### **After I apply for a tax credit, when can I actually make a donation?**

After submitting your application (Form ED-02), you should receive written approval from the Department of Revenue Administration within 2-3 weeks. Once you receive written approval, **you must make your donation within 60 days or by July 15th, whichever is sooner**.

### **What do I need to do to claim the credit on my tax return?**

**By December 1st**, CSF will send you the Education Tax Credit Scholarship Receipt (ED-04), which you must include with your New Hampshire State Tax Return to receive your tax credit.

### **How many tax credits are available?**

The cap on donations for the tax credit program is \$6 million, resulting in a cap on Education Tax Credits of \$5.1 million.

### **Is there a limit to how much a business can donate?**

Each business can donate up to 10% of the cap on donations or \$600,000.

### **Is the Education Tax Credit oversubscribed or are tax credits still available?**

The cap has not yet been reached; there are still Education Tax Credits available. In fact, unlike many of New Hampshire's other tax credits, the Education Tax Credit has not been fully subscribed in any year since its inception in 2013.

### **Can I direct my donation to a particular school or child?**

No, scholarships are awarded to students based on the metrics in the Education Tax Credit law, financial need, and funds raised.