

# Faith Builders Special Purpose Entity

## A GREAT WAY TO SUPPORT CHRISTIAN SCHOOLS!



Make a  
Contribution

Receive a  
Tax Credit

Eligible participants:

- Pennsylvania Businesses (LLC, partnership, or corporation)
- Employees of Pennsylvania Businesses
- Owners of Pennsylvania Businesses
- Stockholders

(over)

## Special Purpose Entity FAQ

### What is a Special Purpose Entity (SPE)?

A Special Purpose Entity is a pass-through partnership established solely for the purpose of making contributions to schools through Pennsylvania's Educational Improvement Tax Credit (EITC) program and distributing the tax credits received to its members.

Faith Builders Special Purpose Entities work with Faith Builders Scholarship Services (FBSS).

FBSS contributes 95% of funds received toward student scholarships and withholds 5% as an administrative fee.

### Who qualifies for Faith Builders SPE opportunities?

- Legal entities and individuals who are owners or employees of an LLC, partnership, or corporation (but not sole proprietorship)<sup>1</sup>  
**or**  
Individuals who own stock in any public company registered to pay tax in Pennsylvania<sup>2</sup>
- Applicants who commit to a minimum contribution of \$3,000 for two consecutive years.<sup>3</sup>

### What are the benefits of joining the SPE?

- Receiving 90% of your contribution as a Pennsylvania tax credit
- Being able to direct your contribution to a private Pennsylvania school, aiding families with school costs.
- Being able to contribute the amount desired as an individual rather than through business ownership percentage
- Being able to participate in the tax credit program if in a Pennsylvania business partnership with out-of-state business owners who can't benefit from the program

### How does your contribution benefit a child in Pennsylvania?

- FBSS provides flexibility within program parameters regarding eligibility and amount of scholarship awarded. Our goal is to assist families who choose to educate their children in private and religious schools.
- Distribution of funds is needs-based according to family size, income, and tuition owed. Family income may not exceed \$96,676 plus \$17,017 per dependent.
- Any fulltime student (PA resident attending a PA school) may qualify for available scholarship funds. Families must submit an application to FBSS. Scholarships are paid directly to the school and applied to family tuition costs.

### How do I join the Faith Builders Special Entity?

- Follow the steps on the accompanying email or ask for a PDF of our joinder agreement.

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<sup>1</sup> Sole proprietors and their employees are not qualified **or** disqualified. They may qualify with either of the two methods mentioned under "Who can join SPEs?" even if the employee is the spouse of the individual and/or the employment is part time.

<sup>2</sup> A very easy way of meeting this requirement is to buy stock in PPL Corporation, a Pennsylvania-based utility company that has a direct stock purchase plan. However, owning shares of Apple or Wal-Mart stock (for example) would also be fine, since they are registered in Pennsylvania.

<sup>3</sup> Contribution must be the same amount both years. If you make the minimum contribution of \$3,000, your 90% tax credit amount is \$2,700. In order to use the full tax credit, you would need to have approximately \$88,000 of Pennsylvania taxable income.