

ILLINOIS TAX CREDIT SCHOLARSHIP ORGANIZATION FAQs

WHAT IS THE INVEST IN KIDS ACT?

Public Act 100-0465 created the Invest in Kids Act (35 ILCS 40/1). This Act allows income tax credits for tax payers who make authorized contributions to a Scholarship Granting Organization (SGO). The SGOs, in turn, provide scholarships for eligible Illinois students to attend qualified, non-public schools in Illinois.

WHAT IS A SCHOLARSHIP GRANTING ORGANIZATION?

A Scholarship Granting Organization (SGO) is an independent 501(c)(3) non-profit organization whose primary aim is to give scholarships to students. Among SGO responsibilities are:

- Receiving donations from individuals and corporations;
- Receiving and processing scholarship applications from students/families; and
- Distributing scholarships to eligible students/families in accordance with the law.
- Determining whether students meet the income eligibility requirements to receive a scholarship and must distribute scholarships to eligible students on a first-come, first-served basis. SGOs must honor restrictions placed on donations from individuals, if any.

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

An individual or corporate donor will receive a 75% 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.

HOW DOES THE DONATION PROCESS WORK?

Before reserving their tax credit, donors must first establish an account via mytax.illinois.gov. This may take up to 10 days. After creating an account, individual and corporate donors will be able to reserve tax credits.

Donors will then have 60 days to donate the amount reserved to a scholarship granting organization (SGO) of their choice. After donating, they will receive a certificate of receipt from the SGO and the Department of Revenue will be notified that a donation was made.

If a donation is not made, or is less than the reserved tax credit with the Department of Revenue, NO tax credit will be awarded. All unused tax credits will be put back into the program until the cap is hit.

Easy to follow steps:

- Step 1: Request a Letter ID at mytax.illinois.gov now
- Step 2: After receiving your Letter ID, please activate your account at mytax.illinois.gov
- Step 3: Reserve your tax credit as early as possible
- Step 4: Select HighSight as your Scholarship Granting Organization (SGO)

- Step 5: Designate Region 1 (Cook County)
- Step 6: After receiving your Contribution Authorization Certificate from IDOR, contact HighSight to make your donation.

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

No. A donor advised fund is a charitable giving vehicle administered by a public charity created to manage charitable donations on behalf of organizations or individuals. 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.

HOW MUCH OF MY DONATION GOES TO SCHOLARSHIPS?

95% of every tax credit scholarship donation goes directly to scholarship awards. The remaining 5% supports scholarship administration, support for parents, schools, & donors, and the SGO portal.

HOW DO I CHOOSE THE REGION FOR MY DONATION?

When reserving your tax credit on the Illinois Department of Revenue website, it is important that you choose the region in which Chicago Hope Academy is located, not the region of your home address. Chicago Hope Academy is located in Region 1.

After you have made your tax credit reservation, the "Contribution Authorization Certificate" issued to you will show the region you have chosen.

HOW DO I CLAIM MY CREDIT WHEN FILING TAXES?

Please refer to [Filing Taxes & Claiming Credits FAQ](#).

HOW DO I GET HELP WITH THE DONATION PROCESS?

You may contact Gaby Keim directly at gkeim@chicagohopeacademy.org or 312.491.1600.