

INVEST

INTERESTED IN SUPPORTING

IN

HOPE STUDENTS AND RECEIVING

KIDS

A STATE INCOME TAX CREDIT?

ACT



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WHAT IS THE INVEST IN KIDS ACT?

Public Act 100-0465 created the Invest in Kids Act (35 ILCS40/1). This Act allows income tax credits for taxpayers 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 INDIVIDUALS 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 Empower as your Scholarship Granting Organization (SGO)
- Step 5: Designate Region 1 (Cook County)
- Step 6: After receiving your Contribution Authorization Certificate from IDOR, Contact Empower to make your donation.

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.

WHEN SHOULD I MAKE THE APPROVED CONTRIBUTION TO THE SGO?

The Department will send you a CAC within three business days after its issuance. The CAC will be issued electronically to your MyTax Illinois account. You must make your contribution to the SGO within 60 days after the date of the issuance of the CAC. Be sure to provide a copy of the CAC to the SGO. Within 30 days of receiving your contribution, the SGO will issue you a Certificate of Receipt (COR) that you will need to retain in your books and records to support any income tax credit you take on your income tax return.

ARE THERE LIMITATIONS ON THE CREDIT?

Yes. You cannot take a tax credit under this Act if you claimed any portion of this contribution as a federal income tax deduction.

IF I DON'T USE ALL MY INCOME TAX CREDIT, CAN I GET A REFUND OR CAN I CARRY-FORWARD THE EXTRA AMOUNT NOT CLAIMED TO ANOTHER YEAR?

You cannot receive a refund for any unused tax credits. Any income tax credit amount that exceeds your tax liability for the year may be carried forward and applied to your tax liability in the subsequent five taxable years. Income tax credits are applied to the earliest year for which there is a tax liability. Credits cannot be carried back to a tax year prior to the issuance of the Contribution Authorization Certificate (CAC).

Please note: You must apply beginning in January of each year to be approved for a new Invest in Kids income tax credit. If you are claiming unused income tax credits from a prior year, approval for use of these credits is not required.

CAN I GET A REFUND IF MY TAX CREDITS ARE MORE THAN MY TAX LIABILITY FOR THE YEAR?

No, but Invest in Kids tax credits may be carried-forward and applied to your tax liability in the subsequent five taxable years.

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

Yes. However, the SGO must liquidate the stock or securities and issue a COR to the taxpayer within 30 days of the receipt of authorized contribution as required by Section 1000.500(c) for the net amount realized by the SGO from the sale of the stock or securities.

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 CLAIM MY CREDIT WHEN FILING TAXES?

Please refer to Filing Taxes & Claiming Credits FAQ.

HOW DO I GET HELP WITH THE DONATION PROCESS?

Contact Traci Melcher at tmelcher@chicagohopeacademy.org or 757-685-7241.

A CHECKLIST FOR INVEST IN KIDS DONATION PROCESS

Please visit
www.chicagohopeacademy.org/donate
to begin the process.



Request

REQUEST A LETTER ID AT
MYTAX.ILLINOIS.GOV NOW.



Activate

AFTER RECEIVING YOUR
LETTER ID, PLEASE
ACTIVATE YOUR ACCOUNT
AT MYTAX.ILLINOIS.GOV.



Reserve

RESERVE YOUR TAX
CREDIT AS EARLY AS
POSSIBLE.



Select

SELECT EMPOWER AS
YOUR SCHOLARSHIP
GRANTING ORGANIZATION
(SGO).



Designate

DESIGNATE REGION 1
(COOK COUNTY)



Donate

AFTER RECEIVING YOUR
CONTRIBUTION
AUTHORIZATION
CERTIFICATE FROM IDOR,
CONTACT EMPOWER TO
MAKE YOUR DONATION.

STEP 1: REQUEST LETTER ID

STEP 1: Log on to **mytax.illinois.gov**

·If you are already have an account, enter your username and password to verify.

·If you do NOT have an account, click on the word “Individuals” (second rectangle from the left)



STEP 2: Click on “Request a Letter ID”; the first link in the “Miscellaneous Section”



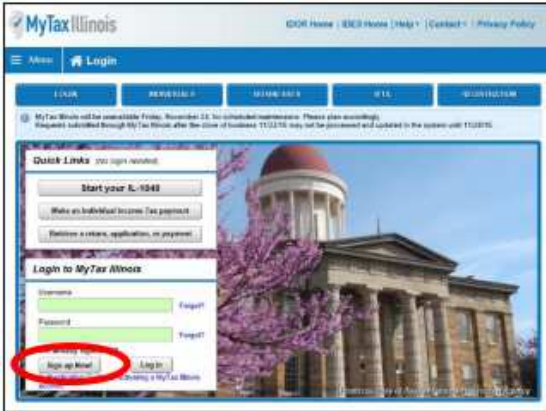
STEP 3: Enter your Social Security Number and one of the following: an IL-PIN, Prior Year Adjusted Gross Income, IL Driver’s License Number, or IL State Identification Number.

STEP 4: Click “Submit” and enter and confirm your email address; then click “ok” to submit and receive your confirmation.

STEP 5: The Letter ID will be mailed to the address on your last year’s tax return. You should receive it within 7-10 business days.

STEP 2: ACTIVATE YOUR ACCOUNT

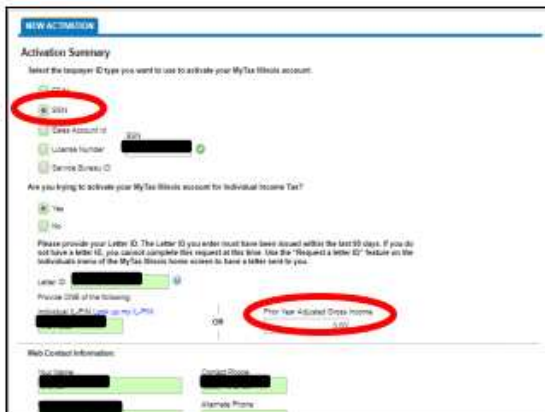
STEP 1: Log on to **mytax.illinois.gov** and click on “Sign up Now” on the lower left.



The screenshot shows the MyTax Illinois website interface. At the top, there are navigation links for Home, Help, Contact, and Privacy Policy. Below the navigation bar, there are tabs for LINKS, RESOURCES, SERVICES, and ALL. A main heading reads "Login". Below this, there are quick links for starting a new 1042, making an individual income tax payment, and reviewing returns. A "Login to MyTax Illinois" section contains fields for Username and Password, both with "Forgot?" links. The "Sign up Now" button is circled in red.

STEP 2: Select SSN and enter your Social Security Number and click submit; then click “yes” to begin activating your account

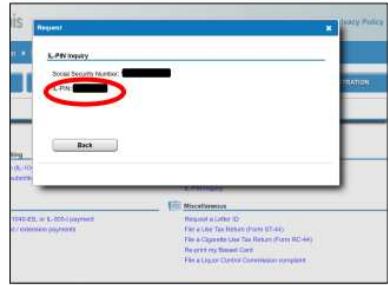
•Enter your Letter ID and either your Individual IL Pin or your Adjusted Gross Income (AGI). If you choose your IL PIN click on “Look up my IL PIN” and go to Step 3. If you choose your AGI go directly to Step 4.



The screenshot shows the "NEW ACCOUNTS" section of the MyTax Illinois website. It displays an "Activation Summary" form. The "Select the taxpayer ID type you want to use to activate your MyTax Illinois account:" section has "SSN" selected and circled in red. Below this, there are fields for "Last 4 digits of SSN", "License Number", and "Service Bureau". A question asks "Are you trying to activate your MyTax Illinois account for individual income tax?" with "Yes" selected. The "Please provide your Letter ID. The Letter ID you enter must have been issued within the last 90 days..." section has a "Letter ID" field. The "Provide ONE of the following:" section has "Individual IL PIN" selected and "Prior Year Adjusted Gross Income" circled in red. At the bottom, there are fields for "Web Contact Information" including Username, Password, and Alternate Phone.

STEP 3: If you choose to look up your Individual IL PIN click on “Look up my IL PIN”

- Enter your Social Security Number and either your IL Driver’s License or your Adjusted Gross Income
- Click “Conduct Inquiry”
- Copy your IL PIN and then click “Back”



STEP 4: Enter Your Letter ID and your IL Pin and when the screen expands enter...

- Your contact information
- A username and password
- A security question and answer
- Confirmation of your email and password; and then click submit



STEP 5: Click “ok” when the the next screen pop’s up and you will receive a confirmation that your account was activated.



STEP 3: RESERVE YOUR TAX CREDIT

STEP 1: Log into MyTax Illinois account for the first time using the username and password you used when you activated your account.

MyTax Illinois | IDRS Home | IDES Home | Help | Contact | Privacy Policy

MyTax Illinois

Login

LOGON | INDIVIDUALS | JOB 532'S | P SA | REGISTRATION

Requests submitted through MyTax Illinois after the close of business 11/5/12 may not be processed and updated in the system until 11/6/12.

Quick Links (No login needed)

Start your IL-1040

Make an Individual Income Tax payment

Retrieve a return, application, or payment

Login to MyTax Illinois

Username [Forgot?](#)

Password [Forgot?](#)

Not already signed up?

Sign up Now | Log in

STEP 2: Enter the authorization code provided in the email you received with the subject line "Authorization code for MyTax Illinois" and click "Logon."

MyTax Illinois | IDRS Home | IDES Home | Help | Contact | Privacy Policy

Authorization

Login | Authorization

Authorization Code

An authorization code was sent to you.

Authorization Code

Logon

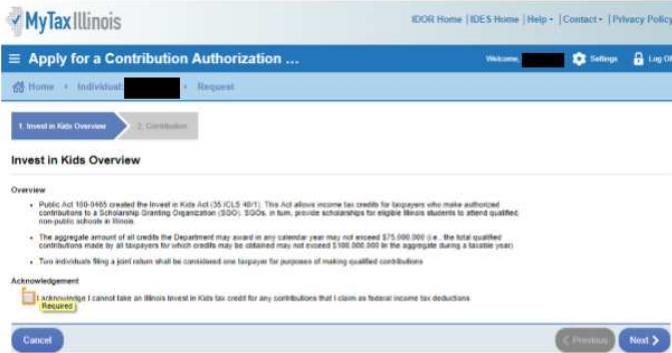
STEP 3: Click on your account.

The screenshot shows the MyTax Illinois home page. At the top, there is a navigation bar with the MyTax Illinois logo and links for IDOR Home, IDES Home, Help, Contact, and Privacy Policy. Below this is a blue header with the MyTax Illinois logo, a welcome message, and links for Settings and Log Off. The main content area features a 'Getting Started' section with instructions on how to view account details, edit profiles, request access to existing accounts, and seek help. Below this are sections for 'Logon', 'Alerts' (indicating 1 unread letter), and 'I Want To' with a list of actions: Add Access to an Existing Tax Account, Manage Payments and Refunds, Update Contacts, Reopen an Existing Account, Respond to a Levy, and Power of Attorney Activities for UI Account. A navigation bar at the bottom includes links for ACCOUNTS, REQUESTS, CORRESPONDENCE, NAMES AND ADDRESSES, and LOGONS. The 'ACCOUNTS' section is expanded, showing a table with columns for Account Type, Account ID, Balance, Name, Address, and Cease Date. A single row is visible with 'Individual' as the account type. A large black arrow points from the 'Accounts' link in the navigation bar to the 'Individual' account entry in the table.

STEP 4: Under "I want to" click on "Contribute to Invest in Kids."

The screenshot shows the MyTax Illinois 'Individual' account page. The header is similar to the home page but includes a breadcrumb trail: Home > Individual. The 'Account' section shows the account type as 'Individual' and the balance as '\$0.00'. The 'Account Alerts' section indicates 1 unread letter. The 'I Want To' section contains a list of actions: Make an Extension Payment, Manage Payments and Refunds, View a Return, Make an Estimated Payment, and Contribute to Invest in Kids. Below this is the 'Account Maintenance' section with a link for Claim Disaster Relief. A large black arrow points from the 'Contribute to Invest in Kids' link in the 'I Want To' section to the right side of the page.

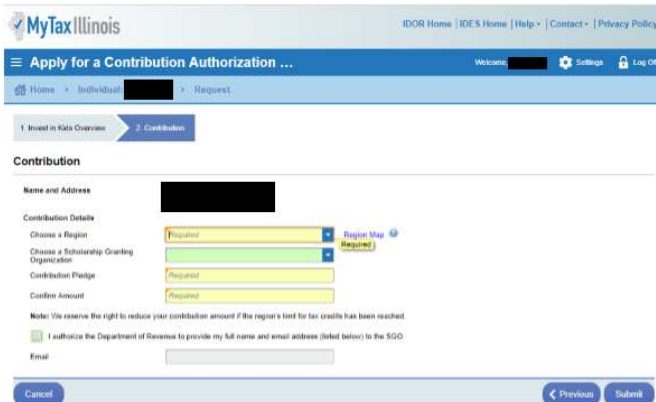
STEP 5: Check the Acknowledgement box and click "Next."



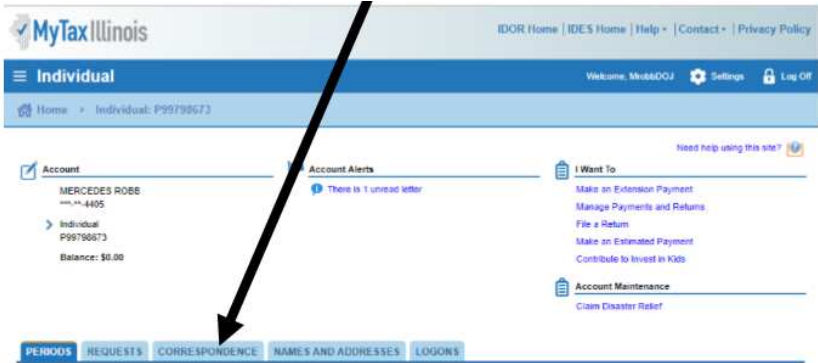
STEP 4 & 5: SELECT HIGHLIGHT & DESIGNATE REGION 1

STEP 1: Under "Contribution Details"

- Choose Region 1 (Cook County) where your funds will be designated.
- Choose Empower as your Scholarship Granting Organization.
- Enter your contribution pledge and confirm amount. Your pledge should be made for your full donation amount. The state will calculate your tax credit.
- Click "Submit" when finished.



STEP 2: The Illinois Department of Revenue will contact you with instructions to log back into your account or wait 5 minutes and click on the "Correspondence" tab to see if your Invest in Kids Contribution Authorization Certificate (CAC) is available.



STEP 3: Download and save a copy of your CAC.

**Invest in Kids
Contribution Authorization Certificate**



November 27, 2018



Letter ID: [REDACTED]
Account ID: [REDACTED]

Contribution Authorization Certificate Application Status

Your application for a Contribution Authorization Certificate for the Invest in Kids program for tax year 2018 has been approved.

Attached is your Contribution Authorization Certificate. You must provide a copy of this certificate to the Scholarship Granting Organization when you make your contribution.

CONTRIBUTION AUTHORIZATION CERTIFICATE

Taxpayer: [REDACTED]
Certificate No: [REDACTED]
Scholarship Granting Organization: EMPOWER ILLINOIS
Account ID: [REDACTED]
Region 3 - North Central Counties
For Tax Year: 2018

Date Certificate Issued	Contribution Due Date	Authorized Contribution Amount
11/27/2018	1/28/2019	[REDACTED]

You must provide a copy of this Contribution Authorization Certificate to the Scholarship Granting Organization when you make your contribution.

Note: You cannot claim a credit against your Illinois income tax if you claim any portion of this contribution as a federal income tax deduction on your federal income tax return

STEP 6: CONTACT HIGHTSIGHT TO MAKE
YOUR DONATION.

STEP 1: After receiving your Contribution Authorization Certificate from IDOR, send your check to Empower to make your donation.

Mail-In Donation:

Please use the form labeled "Mail-In Donation Payment Option" to make your donation payment by check.

Donate Online:

<https://donations.empowerillinois.org/donations>

Questions:

If you need any assistance with this process or have questions, please call 309.644.4524 or email donors@empowerinninois.org.

WHAT TAX DOCUMENT WILL I NEED TO CLAIM MY TAX CREDIT?

In order to file and claim your 2019 Invest in Kids Tax Credit, you will need to submit IL 2018 Schedule 1299-C.

HOW DO I COMPLETE THE REQUIRED TAX FORM?

Enter the information in Lines 21-41 on the IL Schedule 1299-C form as follows:

- Column A: Years Left to Carry → 5
- Column B: Credit Code → 5660 Invest in Kids
- Column C: IL Tax Year Credit Earned → 2019
- Column D: Identifying Number → Enter the certificate number from your Invest in Kids Certificate of Receipt.
- Column E: Credit Earned or Carried → Enter your tax credit amount. (This number equals to 75% of your donation to Empower Illinois)
- Column G: Total Credit → Enter credit amount again.
- Column I: Credit Applied → Enter the total credit you will be applying to the 2018 tax year.
- Column J: Credit Carried Forward → Enter credit amount you will be carrying over into 2019 or beyond.

WHERE CAN I FIND MY CERTIFICATE OF RECEIPT?

- Log into your MyTax Illinois account.
- Click “Correspondence.”
- Click “View Letters” in the Unread Letters column.
- Select “Invest in Kids Certificate of Receipt.”

WHAT WILL MY TAX CREDIT BE?

You will receive a 75% credit on your donation. This means that if you contributed \$1,000 you will receive a state tax credit of \$750. Donations both by individual and corporate donors are capped at \$1.33 million, i.e. a per-donor tax credit of \$1 million.

CAN I RECEIVE MY CREDIT WITH TURBO TAX?

Yes!

Follow these steps below.

- Fill out the 'My Info' Tab with general information.
 - o Name
 - o Birthday
 - o State(s) of Residence
 - Be sure to mark Illinois & any additional state lived or operated in
- If preparing federal return, complete Federal tab before moving on to State.
 - o You can claim this donation as a federal income tax deduction; however, if you choose to do so, you will not be able to claim as an Illinois tax credit.
- Navigate to the 'State' Tab on the left
 - o Turbo Tax will pull all relevant information provided in the 'My Info' and 'Federal' tabs to the 'State' tab.
 - o Provide Income Information
 - o Illinois Income Credits and Taxes
 - 'Invest in Kids' → 'Yes' → Add another certificate
 - Preparers will need the SGO number and amount
 - o Review IL 1040 filing to ensure the credit generated on the IL 1299-C flowed through to IL 1040 Line 17

CAN I RECEIVE MY CREDIT WITH H&R BLOCK?

While you are able to add the credit amount, the required Form 1299-C is unavailable for completion in the H&R Block Software. TO complete the Form 1299-C to attach to the IL 1040 visit the Illinois DOR website to download the IL 2019 Schedule 1299-C. Next, use the information in question two to complete the form.

CAN I DONATE AND CLAIM A CREDIT AGAIN IN 2020?

Yes! We encourage you to be a donor for the 2020 tax year, as well. If you are a returning donor, you already have one step in the process completed. If you created an Illinois Department of Revenue (IDOR) login in 2019, you can reuse that same login in 2020. Then, you only need to reserve your Contribution Authorization Certificate (CAC) with the IDOR before you make your donation to Chicago Hope Academy.

THANK

FOR BEING A PART

YOU

OF THE IMPACT!