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Georgia Form IT-QEE-TP1 (Rev. 06/08)
Qualified Education Expense Credit Preapproval Form

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 Married Filing Joint Return, C Corporation, Subchapter S Corporation for Georgia Purposes, Partnership, or Limited Liability Company

First Name or Name of Entity, Taxpayer Identification Number

Last Name if Individual, Suffix

If Individual Filing Joint, First Name of Joint Filer, 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

- Form IT-QEE-TP1 should be postmarked by November 1 to allow enough time for the amount to be preapproved and the contribution to be made by the end of the calendar year.
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.
If the student scholarship organization fails the required audit (see below, page 3), any credits that were preapproved will later be denied.
The tax credit shall not be allowed if the taxpayer designates the taxpayer's qualified education expense for the direct benefit of any dependent of the taxpayer.
The student scholarship organization should 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 contributors only] Enter 75% of the corporation's estimated income tax liability
3. Name of student scholarship organization listed on the Department of Education's website
4. Taxpayer I.D.# of student scholarship organization

Georgia Form IT-QEE-TP1

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B. ADDITIONAL INFORMATION FOR CONTRIBUTORS WHICH ARE SUBCHAPTER S CORPORATIONS FOR GEORGIA PURPOSES, PARTNERSHIPS, OR LIMITED LIABILITY COMPANIES

The contribution limits for these entities are calculated separately for each shareholder, partner, or member. As such on a separate schedule, the contributor must provide the following information for each shareholder, partner, or member.

1. Name, address and taxpayer identification number
2. Type of taxpayer (i.e. corporation, individual, etc.)
3. If individual, filing status (joint, single or head of household)
4. If individual filing a joint return, the name and identification number of the joint filer
5. If corporation, 75% of estimated income tax liability
6. Tax Year end
7. Profit/loss percentage
8. Amount of intended contribution allocated to each shareholder, partner, or member based on the profit/loss percentage.

C. CERTIFICATION BY APPLICANT

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)

Signature of Contributor (if an entity, an authorized officer or tax matters person)

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

Name:

Title:

Phone Number: - -

Submit page 1 and page 2 to:
Georgia Department of Revenue
Qualified Education Expense Credit
1800 Century Blvd NE
Suite 8301
Atlanta, GA 30345

D. FOR DEPARTMENT USE ONLY

Based on the fifty million dollar 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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Instructions

Upon approval by the Commissioner, a signed copy of Form IT-QEE-TP1 will be returned to you. Please attach a copy of pages one and two of Form IT-QEE-TP1 to your Georgia income tax return when claiming the qualified education expense credit.

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) "Student scholarship organization" means a charitable organization in this state that:
 - (A) Is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and allocates 90 percent of its annual revenue for scholarships or tuition grants to allow students to attend any qualified school of their parents' choice; and
 - (B) Provides educational scholarships or tuition grants to eligible students without limiting availability to only students of one school.
- (2) "Eligible student" means a student who is a Georgia resident enrolled in a Georgia secondary or primary public school or eligible to enroll in a qualified kindergarten program or pre-kindergarten program.
- (3) "Qualified school or program" means a nonpublic 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 Act of 1964, and satisfies the requirements prescribed by law for private schools in this state.

Requirements: Each student scholarship organization:

- (1) Must obligate 90 percent of its annual revenue for scholarships or tuition grants; however, up to 25 percent of this amount may be carried forward for the next fiscal year;
- (2) Must maintain separate accounts for scholarship funds and operating funds;
- (3) May transfer funds to another student scholarship organization;
- (4) Must have an audit conducted of its accounts by an independent certified public accountant within 120 days after the completion of the student scholarship organization's fiscal year and provide such audit to the Department of Revenue in accordance with Code Section 20-2A-3;
- (5) Must report to the Department of Revenue, on a form provided by the Department of Revenue, by January 12 of each calendar year the following:
 - (A) The total number and dollar value of contributions and tax credits approved
 - (B) A list of donors, including the dollar value of each donation and the dollar value of each approved tax credit; and
 - (C) A copy of the audit of the student scholarship organization referenced in (4), above.

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Preapproval Required

The total amount of credits granted to all taxpayers per calendar year cannot exceed \$50 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. Once preapproval is received, the taxpayer must make the contribution to the student scholarship organization within 30 days of the date of the preapproval notice received from the Department, and within the calendar year in which it was preapproved. A copy of the approved Form IT-QEE-TP1 should be sent to the student scholarship organization along with the contribution.

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 a married couple filing a joint return, the actual amount expended or \$2,500.00 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.

Corporate Taxpayers

A corporation 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 income tax liability for the tax year, of the corporation, in which the contribution will be made. Any of this lesser amount (amount expended or 75% of the corporation's income tax liability) that is not used can be used against the succeeding five years' tax liability.

Electronic Filing

Electronic Filing of a state individual income tax return will not be available for taxpayers claiming this state credit. Corporations and Partnerships (including Limited Liability companies filing for tax purposes as either partnerships or corporations) that claim the credit can still electronically file their return.