Preauthorization Form

Virginia Department of Education
Education Improvement Scholarships Tax Credits Program

(Keep this Preauthorization Form for your records.)

Use this form to request preauthorization for a specified tax credit amount under the Education Improvement Scholarships Tax Credits Program, authorized by Section 58.1-439.25 et seq., *Code of Virginia*.

If the Preauthorization Form is approved by the Department of Education, you will receive, via U.S. Mail, a Preauthorization Notice. The Preauthorization Notice must be completed by the donor and submitted, along with the monetary or marketable securities donation, to an approved scholarship foundation within 180 days from the date of the Preauthorization Notice. Any preauthorized amounts not acted upon before the expiration of the 180 days will become void. If all preauthorized tax credits are used or become void, you must file another Preauthorization Form with the Department in order to be preauthorized for additional tax credits. For additional information, please refer to the instructions on page 2 of this form.

Part I – Preauthorization Request (To be completed by the donor.)

1. Select the entity type (Check One): ☐ Individual ☐ Sole Proprietor ☐ S Corporation ☐ C Corporation ☐ Partnership ☐ Limited Liability Company (LLC) ☐ Other _____	
2. Donor's Tax ID# (SSN or FEIN if a business): *(Please provide only one (1) Tax ID#. We can only process one Donor Tax ID#)*	***(no hyphens)***
3. Donor's Name: *(Please provide only one (1) Name. We can only process one Donor Name)*	
4. If the donor is a business, provide a Contact Name:	
5. Mailing Address:	
6. City, Town or Post Office:	
7. State:	
8. ZIP Code:	
9. Phone Number:	
10. Name of County or City in which you reside or in which the business is located:	City ☐ **OR** County ☐

Part II – Tax Credit Calculation (To be completed by the donor.)

a. Enter the total amount of all donations to be made and submitted for tax credits within 180 days of the Preauthorization Notice date. *(For individuals, the minimum donation for issuance of tax credits is $500 in a taxable year, and the maximum aggregate donations for issuance of tax credits are $125,000 in a taxable year. There are no limitations for businesses. An individual that has already been issued tax credits for donations of $500 or more to a scholarship foundation can be issued tax credits for additional donations to the same scholarship foundation that are less than $500, provided that the additional donations are made in the same taxable year.)*	$_____
b. Enter the total amount of tax credits being requested. *(Multiply the total of all donations above by 65% (.65), unless subject to limitation above.)*	$_____
c. If you are an individual, have you been approved for Education Improvement Scholarships Tax Credits in the current calendar year? If so, please enter the total amount of tax credits the Department approved.	☐ Yes OR ☐ No $_____

Part III – Declaration (To be completed by the donor.)

I declare that this form is, to the best of my knowledge and belief, a true, correct and complete application, and that I have made myself aware of the requirements for this tax credit as prescribed by the Virginia Department of Education. I understand that this information will be shared with the Department of Taxation for purposes of administering the *Education Improvement Scholarships Tax Credits* Program, and that failure to provide this information may limit my ability to claim the tax credit.

_____ Printed Name

_____ Signature

_____ Date

If a scholarship foundation is filing the Preauthorization Form on behalf of the donor, then it must submit the form using the Department's secure Web-based system provided on the Department's Web site.

Otherwise, the donor or authorized representative must submit the form via U.S. Mail to: *Virginia Department of Education, 21th Floor, Attn: Scholarship Tax Credit Program, P.O. Box 2120, Richmond, VA 23218-2120.*

Part IV – Preauthorization Approval (To be completed and signed by the Virginia Department of Education.)

The above preauthorization request was received by the Department of Education on ____ / ____ / ____ at _____, and is:

☐ Approved – Amount of Preauthorized Tax Credits: $_____

☐ Waitlisted – Amount of Tax Credits that are Waitlisted: $_____ (See instructions.)

_____ Authorized by the Virginia Department of Education

_____ Date

Preauthorization Form Instructions

Pursuant to Section 58.1-439.25 et seq., *Code of Virginia*, the Education Improvement Scholarships Tax Credits Program is effective for taxable years beginning on and after January 1, 2013, but before January 1, 2028.

General Information

The Education Improvement Scholarships Tax Credits Program provides state tax credits for individuals or businesses making monetary or marketable securities donations to approved scholarship foundations that provide scholarships to eligible students for qualified educational expenses incurred in attending eligible nonpublic schools. The tax credit is equal to 65 percent of the donation, and may be claimed against the individual income tax, corporate income tax, bank franchise tax, insurance premiums license tax, or tax on public service corporations.

The credit will be allowed to be claimed for the taxable year in which the monetary or marketable securities donation was made to a qualified scholarship foundation. Any unused tax credits may be carried over for the next five succeeding taxable years or until the total amount of credit has been taken, whichever is sooner.

The Department of Education will preauthorize tax credits up to $25 million for each program year (i.e., state fiscal year) on a first-come, first-served basis. First-come, first-served is determined based on a date and time stamp of the donor's preauthorization request.

Qualified Donations

A qualified donation is a preauthorized donation to an eligible scholarship foundation by a donor in the form of cash, check, debit/credit card, payroll deduction or marketable securities. A qualified donation does not include goods, services, or property. For individuals, the minimum donation for issuance of tax credits is $500 in a taxable year, and the maximum aggregate donations for issuance of tax credits are $125,000 in a taxable year. There are no limitations for businesses.

Tax Credit Limitations

An individual may not be issued less than $325 or more than $81,250 in tax credits in a taxable year. However, these tax credit limitations do not apply to credits issued to any business entity, including a sole proprietorship. An individual that has already been issued tax credits for donations of $500 or more to a scholarship foundation can be issued tax credits for additional donations to the same scholarship foundation that are less than $500, provided that the additional donations are made in the same taxable year.

Preauthorization Requests

To request a specified amount of tax credits, the donor must complete Parts I - III of the Preauthorization Form, and submit it to the Department, OR allow an approved scholarship foundation to submit the form to the Department on his or her behalf.

Preauthorization Form submitted by a Donor:
The donor must submit the completed Preauthorization Form via U.S. Mail to: *Virginia Department of Education, 21th Floor, Attn: Scholarship Tax Credit Program, P.O. Box 2120, Richmond, VA 23218-2120.*

Preauthorization Form submitted by a scholarship foundation on behalf of a donor:
A scholarship foundation filing the Preauthorization Form on behalf of a donor must submit the form to the Department using the secure Web-based system provided on the Department's Web site at https://p1pe.doe.virginia.gov/ssws/login.page.do.

For preauthorization forms submitted by scholarship foundations on behalf of donors via the secure Web-based system contained on the Department Web site, the date and time received will be documented electronically. For preauthorization forms submitted by individual donors via U.S. Mail, all requests will be date and time stamped. Any forms received on the same day will be opened in random order and date and time stamped upon opening.

Information provided on the Preauthorization Form will be shared with the Department of Taxation for purposes of administering the *Education Improvement Scholarships Tax Credits* Program. Failure to provide this information may limit your ability to claim the tax credit.

Preauthorization Approval

The Department will complete Part IV of the Preauthorization Form and mail it back to the donor via U.S. Mail. If within 30 days of filing the Preauthorization Form you have not received a response from the Department, you may contact the Department using the contact information provided on the Department's website at http://www.doe.virginia.gov/school_finance/scholarships_tax_credits/index.shtml.

If the donor's preauthorization request is approved by the Department, the donor will receive a Preauthorization Notice, via U.S. Mail, in addition to the approved Preauthorization Form. The donor will be required to provide with each donation a copy of the Preauthorization Notice.

If the donor plans to make multiple donations to the same foundation or donations to more than one foundation, the donor must make copies of the Preauthorization Notice prior to completing the information for the first donation. The donor has 180 calendar days from the date of this Preauthorization Notice to make a monetary or marketable securities donation. Any preauthorized amounts not acted upon by the donor by making a donation and providing the required signed preauthorization notice to the scholarship foundation before the expiration of the 180 days, will become void.

Waitlist

If the annual tax credit cap amount of $25 million has already been reached, then the Department will contact the donor, and place an agreed upon amount on a waitlist. The donors on the waitlist will be notified when funds become available to be preauthorized. Donors on the waitlist will be notified in the order that their Preauthorization Form was received by the Department.

For Help

If you have questions about the preauthorization process, you may contact the Department using the contact information provided on the Department's website at http://www.doe.virginia.gov/school_finance/scholarships_tax_credits/index.shtml.