



Dear Friend of Coble,

We all enjoy getting something back, particularly when it comes from the government. I don't know whether you and your family received any federal stimulus money this year, but I want to tell you how you can in the future.

Actually, though, that's not the main reason I'm writing to you. Though none of us would complain about getting a little bit from the government, I want you to get his money because by doing this, you will help keep a student enrolled at John L. Coble Elementary School. This isn't a joke, and it's not a multi-level scheme. It's a two-year-old Georgia State law that was put into place to help families pay for private education.

To briefly summarize the way this program works, a married couple or individual can give up to \$2,500 or \$1,000, respectively, to an approved Student Scholarship Organization (SSO) and receive it all back in tax credits and deductions. A corporation can give up to 75% of their income liability and receive it back, as well.

This program has brought in new scholarship money to many private schools across the state over the past two years. And it didn't cost those donors anything to make their gifts. That is because you are getting a state tax credit, not just a deduction, for your contribution. The credit puts money right back in your pocket. Then, the federal tax deduction gives you a few more dollars for the gift. It sounds unbelievable, but it's true: You can make a gift to an SSO and get all of it back and more!

This is the first year Coble will have the opportunity to benefit from this program. If you're like me and can see how beneficial this program will be to both you and the students of Coble Elementary, please follow the steps you'll find outlined on the back page of the enclosed document. And please don't delay in taking action! If you need help or have questions, please give us a call.

This new tax law holds great potential for helping students be able to attend Coble Elementary. We hope you will join us and many others in this exciting opportunity to help young people experience a great Christian education at Coble Elementary!

Sincerely,

Ric Stitzer
Principal

GEORGIA TAX LAW PROVIDES BENEFITS FOR SCHOLARSHIP DONORS AND JOHN L. COBLE ELEMENTARY SCHOOL STUDENTS

Steven R. Fehlenberg, C.P.A., J.D.

John L. Coble Elementary School is on the verge of being able to benefit from new tax laws that provide Georgia-resident donors with tax benefits, as well as help private-school students with scholarship assistance. This exciting new opportunity will provide much-needed financial help for Coble Elementary students.

With the enactment of the Georgia Education Expense Credit (House Bill 1133), Georgia has joined several other states that are using similar programs to provide the state's children with greater opportunities for access to private education.

HOW IT WORKS

The Georgia Education Expense Credit provides individual and corporate taxpayers with the opportunity to contribute to qualified Student Scholarship Organizations (SSOs) and receive a dollar-for-dollar credit against their Georgia income tax liabilities. The amounts contributed to the SSOs are used to provide scholarships to students who attend private K-12 schools.

Corporations who contribute to qualified SSOs are eligible for a credit against their Georgia income tax liability in an amount not to exceed the actual amount expended or 75% of the corporation's income liability, whichever is less.

Contributions made by a married couple filing a joint return will

receive a tax credit against their Georgia income tax liability in the amount equal to their actual amount expended or \$2,500 per tax year, whichever is less. In the case of individuals (single individual or head of household) who contribute to this scholarship program, they will receive a credit against their Georgia income tax liability in an amount equal to the actual amount expended or \$1,000 per tax year, whichever is less.

ATTRACTIVE BENEFITS

This program is very attractive in that it is likely you have the ability to actually receive more dollars in state tax credits and federal income tax deductions than the amount you contribute to the program, all the while helping students attend Coble Elementary. *(Actual results can vary for each individual or corporation, based on their specific tax circumstances. See examples below.)* When making this contribution, it should be **above and beyond** what you currently plan to give since it is likely you may actually receive more back in tax credits and deductions than you contribute.



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EXAMPLE OF GIFTS BY A MARRIED COUPLE OR SINGLE INDIVIDUAL

*Credit limit for: Married couple \$2,500 | Single individual \$1,000

	<u>Married</u>	<u>Single</u>
Cash outlay to SSO for John L. Coble Elementary School	(\$2,500)	(\$1,000)
Tax implications of gift:		
Federal tax savings (28% of bracket)	\$700	\$280
State tax savings (limit \$2,500)	\$2,500	\$1,000
Less: state add back due to federal tax deduction	(\$150)	(\$60)
Potential tax benefit to donor	\$3,050	\$1,220
Net cash impact to donor	\$550	\$220

NOTES:

1. In this example, the married couple gifts \$2,500 and receives \$3,050 back in tax savings; the single individual gifts \$1,000 and receives \$1,220 back in tax savings.
2. This is for illustrative purposes only and should not be relied upon as tax advice. Each taxpayer's circumstances are different. Please check with your tax advisor to determine what benefits would be available to you.
3. The credit level for married filing separately is \$1,250

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For those of you who own businesses, this tax credit is quite attractive. As noted above, you can gift up to 75% of your corporate tax liability and receive a State of Georgia Tax Credit, as well as any allowable federal charitable contribution deductions. *Please discuss this opportunity with your tax advisor.*



Monies donated to Coble Elementary through The Institute for Educational Advancement, Inc. will help provide scholarships and keep private-school doors open for students.

IMPORTANT DETAILS TO NOTE

Since the State of Georgia imposes a \$50 million dollar limit on this program annually, it is important to contribute to this program as early as possible, before the limit is met. Also, because of the pre-approval process mentioned below, **the latest date one can make this contribution is October 31 for the current calendar tax year.**

A qualified SSO, **The Institute for Educational Advancement, Inc.** will process your donations through the State of Georgia.*

WE TRIED IT—IT WORKS!

Two years ago, my wife, Judy, and I decided to make a \$2,500 donation through an SSO to a private school. We filed our paperwork with the state, and received approval within 30 days. We then made the donation to the named SSO we were approved for. When we prepared our 2008 state and federal income tax returns, we included the donation on our federal tax return and

IT'S AS EASY AS 1, 2, 3...4!

1. Please go to the Coble Elementary web site (www.cobleschool.com) and click on the "News & Documents" page. Click on the link to download and fill out the form. Once you have completed the form, mail pages 1 and 2 of the form to:

Georgia Department of Revenue
Qualified Education Expense Credit
1800 Century Blvd. NE
Suite 8301
Atlanta, GA 30345

2. Once received, the Georgia Department of Revenue has 30 days to pre-approve your request. If approved (would only be denied if the \$50 million available for this program has been reached), a letter will be sent informing you that you are pre-approved to contribute to the SSO.

3. Once you receive the pre-approval form, you have 30 days to send your check into the named SSO, "The Institute for Educational Advancement, Inc."

4. When sending in your check to "The Institute for Educational Advancement, Inc.," please notify Coble Elementary (Ric Stitzer or Joyce Gibson) that you have made this donation and let them know the donation amount.

used the appropriate credit code type on our state return. Our result was a \$2,500 state income tax credit and a federal income tax deduction. It was very simple, and the results turned out as stated in the Georgia Department of Education web site. Please keep in mind this was our experience. It is possible your tax situation might be different. As such, you should check with your tax advisor.

Our hope is that donations made during the 2010 calendar year will be available to provide scholarships for the students beginning second semester for the 2010-2011 school year.

If you any have further questions regarding this exciting way to help students, please contact Coble Elementary or your C.P.A. A copy of Georgia's Education Expense Credit legislation is located at: http://www.legis.state.ga.us/legis/2007_08_versions/hb1133_HB_1133_AP&.htm

*SSOs are allowed to retain up to 10% for administrative expenses