



# PENNSYLVANIA'S EITC PROGRAM



Educational Improvement Tax Credit Program

## IT COSTS A DIME TO GIVE A DOLLAR

For donors who have  
Pennsylvania-source  
income



"Donating to Dream Camp through the EITC giving program is a win-win. The paperwork is easy once you get set up. It's an incredible way to support Philadelphia's youth, and the state makes it even more worthwhile by giving most of your donation back as tax credits. It's truly a no-brainer!"

- Jessica R, Donor



## ENROLLED INDIVIDUALS AND BUSINESSES

- Receive a state tax credit of up to 90% of their contribution
- Receive a 10% itemized charitable deduction on their federal return
- Directly support education through a charity of the donor's choice, like Dream Camp
- Support educational opportunities for children in need

## NEXT STEPS:



- 1** Speak with your tax advisor to determine whether you are eligible to participate
- 2** Notify the charity to whom you wish to donate
- 3** Request paperwork from Dream Camp by emailing [dmcdonough@esfdreamcamp.org](mailto:dmcdonough@esfdreamcamp.org)
- 4** Make your contribution
- 5** Claim your tax credit on your PA income tax return

## TOGETHER, WE CAN SUPPORT EDUCATION



Donors can redirect a portion of their tax dollars to support education in a way that aligns with their values and interests. Donors will receive a Form K-1 in February 2026 - this is the document donors will append to their 2025 Pennsylvania state tax return to receive the tax credit.



## PLEASE NOTE:

*Donors must be employed by, a shareholder of, a partner in or member of (i.e., own an interest in an LLC) a business that pays taxes in Pennsylvania. Donors may qualify by owning shares (not mutual funds) of a company that pays taxes in Pennsylvania.*

Contact: Dave McDonough - [dmcdonough@esfdreamcamp.org](mailto:dmcdonough@esfdreamcamp.org)

Visit: [esfdreamcamp.org](http://esfdreamcamp.org)





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## FREQUENTLY ASKED QUESTIONS:

### Q: How does redirecting my taxes benefit education in Pennsylvania?

By redirecting your tax dollars to an EIO like ESF Dream Camp Foundation, you are supporting programs and initiatives that directly benefit students and improve educational outcomes in the commonwealth.

### Q: How does the process differ from a typical donation to ESF Dream Camp Foundation?

To receive the tax credit through the EITC-EIO Program, individuals must make their donation through a Special Purpose Entity (SPE). ESF Dream Camp has partnered with Friends of Education to help facilitate the process. Friends of Education operates several SPEs.

### Q: How do I enroll?

Donors join a SPE by executing a joinder agreement with Friends of Education. Upon remitting their payment to Friends of Education, 100% of the gift will be given to ESF Dream Camp Foundation.

### Q: What if I am married?

Only one spouse should enroll. The enrolling spouse must meet the eligibility requirements. The tax credit may be applied against the couple's joint Pennsylvania tax liability.

### Q: Does Friends of Education have a minimum contribution?

Donors must make a gift of at least \$7,500 in 2024 and \$7,500 in 2025

### Q: What is the appropriate level of participation?

To maximize the leveraged nature of the program, individuals and businesses should participate in an amount equal to about 110% of their state tax liability. This program is based on the applicant's Pennsylvania tax liability (or joint tax liability), not income; therefore, each taxpayer's situation will differ. Pennsylvania tax liability is reported on Form PA-40 Line 12. These credits are not refundable. That means if someone gives more than 110% of their state tax liability, they will not receive a tax benefit for any amount that exceeds the 110% threshold. Individuals should consult a tax professional.

### Q: How do I claim the EITC tax credit?

Donors will receive a Form K-1 to attach to their 2026 PA tax return.



### Q: What are the tax benefits to making an EITC-qualified gift?

By utilizing the EITC program, it costs very little to donate a lot. This chart illustrates the highly-leveraged tax savings.



	Standard gift	EITC gift
<b>Contribution</b>	(\$10,000)	(\$10,000)
<b>PA state tax credit</b>	\$0	\$9,000
<b>Federal deduction (assumes 25% rate)</b>	\$2,500	\$250
<b>Out of pocket</b>	(\$7,500)	(\$750)
<b>On \$10,000, that's a savings of</b>		<b>\$6,750</b>

