

Invest in Kids - Additional Details

School, District, Foundation or Organization Receiving Donations

- All schools and districts are automatically eligible to receive tax credit donations.
- In order for their donors to receive tax credits, all foundations and organizations must apply to the State and show that they:
 - Are certified by the IRS as a tax exempt organization;
 - Use at least 90 percent of qualified contributions to support the goal of their foundation or organization; and
 - Hold all money received via the tax credit in an account separate from their general fund.
- All schools, districts, foundations and organizations must issue annual reports detailing how much money they received from the proceeds of Invest in Kids and how that money was spent.
- Any school, district, foundation or organization that violates these provisions can lose its eligibility to receive tax credit donations.

Donor Tax Credit Process

Prior to making a contribution to a school, district, foundation or organization, a taxpayer will apply for a contribution authorization certificate with the Department of Revenue, then:

- The Department will mail a contribution authorization certificate to the taxpayer.
- The Department will notify the school, foundation or organization that it has issued a contribution authorization certificate to the taxpayer for the donation.
- Each registered school, district, foundation or organization that receives a donation in accordance with the contribution authorization certificate notice will issue a contribution authorization certificate receipt to the taxpayer once the donation is made.
- A taxpayer must donate to the school, district, foundation, or organization within sixty days or they will lose the tax credit for their donation. A taxpayer may also rescind any reserved donation within the same time period. All unused or rescinded tax credits will be added back to the total available tax credits.



Scholarship Organization Regulations

- Must give at least 60 percent of total scholarship funds raised via the tax credit to students attending persistently low-performing schools, overcrowded schools, or students whose families earn the income needed to qualify for the free and reduced-price lunch program.
- Must not give scholarships to students whose families earn more than 2.5 times the income standard needed to qualify for the free and reduced-price lunch program.
- The total average for all scholarships given by an scholarship organization annually must not exceed \$6,500 for elementary school students and \$8,000 for high school students.
- Must provide a scholarship to an eligible student on a first-come, first-serve basis unless the student qualifies for priority status.
- May not grant multi-year scholarships.

Teacher and Parental Tax Credits

- All teachers are eligible for \$250 annual credit for out-of-pocket classroom expenses.
- Parental tax credit increased to \$1000 for public and private school feed.
- Responsibility lies with individuals on annual tax returns.

Illinois Department of Revenue Responsibilities

- Creates an internet portal where donors can reserve tax credits.
- Develops standardized forms for taxpayers as well as schools, districts, foundations and organizations.
- Conducts either a financial review or audit of any entity that receives a tax credit if IDOR possesses evidence of fraud.

Illinois Board of Education Responsibilities

- Ensures that all public schools are eligible for tax credits.
- Develops a standardized format for a foundation or organization to become eligible for tax credits.
- Determines which foundations and organizations are eligible for tax credits.
- Creates a list of nationally-normed tests non-public school students may take if they receive a scholarships.
- Works with non-public schools to ensure they are offering nationally-normed tests or the state test to their scholarship students.
- Conducts a parent satisfaction survey.
- Commissions a study by an education policy expert at a public or private post-secondary institution in Illinois to determine the efficacy of the program.