

Big Shoulders Fund.®

Illinois Tax Credit Scholarship Program FAQ



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What is the Illinois Tax Credit Scholarship Program?

The Illinois Tax Credit Scholarship Program enables individuals and corporations to reserve Illinois income tax credits based on contributions made to approved Scholarship Granting Organizations. The organizations then provide scholarships for eligible students to attend private schools, with priority given to low-income students.

Taxpayers may apply 75 percent of their total contribution as a tax credit against their Illinois income tax bill. For example, a taxpayer making a \$1,000 qualified contribution will receive a \$750 tax credit. The credit is capped at \$1 million per taxpayer per year or \$1.3 million contribution per calendar year. The tax credit is applied for the tax year the contribution was made. Thus, 2021 donations are for the 2021 tax year.

Big Shoulders Fund is an approved Scholarship Granting Organization by the Department of Revenue for the Illinois Tax Credit Scholarship Program.

When do I sign up?

Illinois legislators have capped the total tax credits at \$75 million per year, so once that amount is reached, no further credits will be awarded. The program is expected to generate much interest across the state, so it is recommended that donors apply for the credit as soon as possible.

You can apply at any time in your MyTaxIllinois account, if you have not done so already, request a MyTax Illinois "Letter ID" to get started. The Scholarship Granting Organization must receive all contributions within 60 days of credit reservation and within the same calendar year as the reservation.

How do I sign up for the Illinois Tax Credit Scholarship Program and then make my contribution?

[See our Step-by-Step Guide here.](#)

Who does the Illinois Tax Credit Scholarship Program benefit?

The scholarships are awarded to students whose family income does not exceed 300 percent of the federal poverty level for new scholars and 400 percent of the federal poverty level for current scholars.

In 2020, that meant students whose families earned less than \$77,250 for a family of four are eligible for the scholarship, with the largest scholarships given to students whose household income is less than \$47,673 for a family of four.

Big Shoulders Fund has long served this population of Chicago students and families since 1986.

What does my money pay for?

At least 95 percent of your contributions will be spent directly on scholarships for eligible students.

Why should I consider naming Big Shoulders Fund as my Scholarship Granting Organization of choice?

For more than 35 years, Big Shoulders Fund has supported schools in high-need areas throughout Chicago, providing new opportunities for many deserving families. They provide a strong academic and social foundation that prepares students for quality high schools, and ultimately, college and career. Graduates enroll and persist in college at rates above their local and national peers, as verified by the National Student Clearinghouse. Big Shoulders Fund is dedicated to supporting the Illinois Tax Credit Scholarship recipients as scholars during their tenure in the school, in hopes of continuing a positive trajectory towards a brighter future.

Additionally, Big Shoulders Fund is proud of its financial stewardship, transparency, and efficiency, having earned a four-star rating, the highest possible, for 14 consecutive years from the nonprofit watchdog Charity Navigator. Less than one percent of charities nationally have achieved this ranking for so many years in a row.

In the first three years of the Illinois Tax Credit Scholarship Program, schools and families were thankful to Big Shoulders Fund for making the process as easy as possible. We pride ourselves on being the only scholarship granting organization to successfully launch its application every year. In addition, we have top customer services and always put students first in everything that we do. Last year we raised over \$22M in scholarships for the program.

Can I designate my contribution to particular schools or particular students?

Individual taxpayers can direct their contributions to a particular subset of schools (e.g. Big Shoulders Fund schools) or even a particular school, but cannot reserve it for a specific student or group of students. Corporations may **not** direct contributions to particular school(s).

Using Big Shoulders Fund as your Scholarship Granting Organization does not automatically mean your funds go to Big Shoulders Fund schools. **You must designate this in order for this to occur.**

Is any portion of my contribution deductible for federal income tax purposes?

No, you cannot use an Illinois tax credit if you are claiming any part of the scholarship contribution as a federal income tax deduction.

Your contribution is eligible for a state income tax credit, meaning it directly reduces your Illinois income tax. **Please consult with your tax professional for how this may impact you.**

If I already give to Big Shoulders Fund, can I make my gift through this new program as well?

Yes, but the funds can only be used for this scholarship program. If you currently donate to Big Shoulders Fund through our Patrons program, STEM supports, scholarship program or other initiatives, switching the funds you contribute to the Illinois Tax Credit Scholarship Program will reduce the support to those vital Big Shoulders Fund supports.

The Illinois Tax Credit Scholarship Program does not allow taxpayers to direct contributions to scholarships for specific students, so scholarship sponsors would not be able to continue funding the same students they do now. We hope you consider increasing your level of support through the Illinois Tax Credit Scholarship Program rather than using it as the vehicle to maintain your current support.

To make an Illinois Tax Credit Scholarship Program donation you must first obtain a Contribution Authorization Certificate from the Department of Revenue before making your contribution.

Why should I consider donating in this way?

In general, for each \$1,000 donation, you are awarded a \$750 tax credit. You otherwise would be paying the \$750 to the state, so your out-of-pocket difference is \$250. However, Big Shoulders Fund, and the children receiving the scholarships, would get the benefit of the full \$1,000, multiplying your \$250 gift for an immediate 300 percent return on your investment.

Through your contribution, many more children will have the opportunity to pursue an education at the school of their choice. You should consult your tax adviser for specific information about possible tax benefits based on your personal tax situation.

Do I have to sign up every year?

Yes. You will have to apply for a new credit each year and for each contribution.

What if I made a contribution, but don't use up my entire eligible Illinois tax credit in one year?

Barring changes to the current law, you can carry the credit forward and apply it to your Illinois tax liability for the subsequent duration of the program.

Will I receive a receipt for my contribution?

Yes, Big Shoulders Fund will report your contribution to the Department of Revenue and a Certificate of Receipt will be posted to your MyTax Illinois account. You will also receive an acknowledgement letter from Big Shoulders Fund.

Can I make an Illinois Tax Credit Scholarship Program contribution with stock?

Yes, you may make a contribution in the form of cash, stocks, and negotiable securities. Big Shoulders Fund must liquidate the stock and receive the proceeds before sending you a Certificate of Receipt. Big Shoulders will then issue the Certificate of Receipt for the amount of the stock proceeds received. Please consult your financial professionals on this process.

Can I use a donor advised fund to make an Illinois Tax Credit Scholarship contribution?

No, the Department of Revenue does not allow the use of donor advised funds for the Illinois Tax Credit Scholarship Program contributions as the donor has previously received a federal deduction for funds placed in a donor advised fund.

What else do I need to know about making an Illinois Tax Credit Scholarship Program contribution?

The name on your Contribution Authorization Certificate (CAC) must exactly match the name on your contribution. For example, CAC is in the name of Jim Smith, the contribution check must also be in the name of Jim Smith. You must send in your CAC with your contribution to the Scholarship Granting Organization within 60 days of reserving the credit.

If you want Big Shoulders Fund to be able to follow-up with you concerning your contribution, you will need to opt-in on the My Tax Illinois site. **In addition, if you want Big Shoulders Fund to be able to share your information with the school or schools that you restrict your contribution for, you will have to opt-in with Big Shoulders Fund.**