

CEF TAX CREDIT GUIDE

The Catholic Education Foundation offers a 70% Kansas income tax credit for donations

WHO IS ELIGIBLE TO CONTRIBUTE:

- Individuals or couples filing jointly with Kansas tax liability
- Corporations and pass-through entities
- Banks that pay privilege taxes
- Insurance companies that pay premium taxes

WHAT HAPPENS TO THE DONATION?

- CEF uses it to fund scholarships for students at the lowest income levels to attend Catholic schools in the Archdiocese
- CEF processes your application with KS Dept of Revenue and secures your 70% state income tax credit
- Qualifying donations include checks, stocks, property, Qualified Charitable Distributions from IRAs, and more.

ADVANTAGES:

- Donor **reduces or eliminates Kansas state tax liability** (up to \$500,000)
- Part or all of donation may be deductible on federal return
- Tax credits can be carried forward into future tax years and do not expire (tax credits are not transferrable)

THE IMPACT:

- Each year, CEF Tax Credit Scholarships help hundreds of at-risk students attend K-12 Catholic schools
- 100% of these students graduate from high school
- 97% of scholarship recipients are ethnic minorities
- CEF scholarships help lift students out of poverty and stabilize economically challenged communities
- CEF scholarships save the state of KS \$24 million/year

ABOUT CEF:

- CEF is a 501(c)3 charitable organization with a 20-year track record of success
- CEF is the ONLY Archdiocesan charitable organization offering state income tax credits

Some restrictions apply. Contact us for details.



Catholic Education
FOUNDATION

CEFKS.ORG/TAXCREDIT

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▶ How donors benefit from CEF 70% Tax Credits

The following example scenarios illustrate the potential impact of **individual donations** under a variety of tax rates and scenarios. Consult your tax advisor for details on your own tax circumstances and strategy.

Individual Taxpayer Sample Scenarios

Donation Amount:	Net Cost of Gift at Various Donation Amounts		
	\$10,000	\$50,000	\$100,000
State Tax Credit	(\$ 7,000)	(\$ 35,000)	(\$ 70,000)
Net Federal Deductible Gift	\$ 3,000	\$ 15,000	\$ 30,000
Tax Bracket	24%	35%	35%
Federal Tax Savings	(\$ 720)	(\$ 5,250)	(\$ 10,500)
Net Cost of Gift:	\$ 2,280	\$ 9,750	\$ 19,500

Additional tax savings benefits exist for Kansas C-Corporations utilizing the CEF tax credits. C-Corporations may also treat the amount of the 70% tax credit as an ordinary and necessary business expense for federal tax purposes. The remaining 30% may qualify as a possible charitable donation, as it does for many individual and pass-through entities.

There are a number of specific taxpayer-specific factors that could impact these results. The Catholic Education Foundation does not provide tax, legal or accounting advice. Any illustrative material is prepared for information purposes only. Consult your tax advisor for details on your own tax circumstances and strategy.

▶ How students benefit from CEF 70% Tax Credits

Students at the lowest poverty level who qualify for the program can receive tuition scholarships to attend the school of their parents' choosing. The parents and the school also contribute to the cost of tuition.

Here's an example of these scholarships in action:

Paulina is a CEF Tax Credit scholarship recipient and a May '20 graduate of Hayden Catholic High School in Topeka. She is currently studying business and marketing at a local university, and plans to remain in her local community upon graduation to help her parents grow the family's food truck into a restaurant, and to mentor other young women. Paulina's five younger siblings are following in her footsteps as CEF Tax Credit scholars at Hayden and Holy Name Catholic School.



More impact information is available on cefks.org/blog

1 OUT OF EVERY **3**
STUDENTS

Among the 25 K-12 Archdiocesan schools we serve relies on a CEF scholarship



97% MINORITY SCHOLARS

CEF scholarships offer equity of opportunity to a diverse community of students in under-performing school districts



**100%
GRADUATION RATE**

Compared to a 77% graduation rate among their peers in neighboring schools