

## Frequently Asked Questions

### **Can I really redirect up to half of my Alabama income tax (corporate or personal) to scholarships that support Catholic education in the Archdiocese of Mobile?**

Yes. You can provide a generous gift at no cost to you by designating a portion of your state tax liability. Over 300 students in the Archdiocese of Mobile received tax-credit Scholarships in 2018-2019 school year. It is important to note you cannot designate your tax credit donation to a certain school. But you can be certain that your donation will be going to a student attending a school in the Archdiocese.

### **What do you mean “it doesn’t cost anything to donate”?**

Tax credit donations allow a donor to give a portion of their existing tax liability to an SGO like Academics+. So instead of sending 100% of a tax liability to the Alabama Department of Revenue (ADOR), contributors can send up to 50% to directly fund scholarships and send the remainder to the ADOR. **If I owe \$30,000 in Alabama corporate income taxes, can I really send \$15,000 of it directly to scholarships to be used in Catholic Schools?** Yes. Alabama allows up to \$30 million of tax liability to be redirected directly to fund scholarships for income-eligible students. As long as credits are still available, you can donate.

### **Is this new?**

Yes and no. Alabama tax credit scholarships are not new. However, new IRS clarifications for certain types of businesses called pass-through entities mean these donors can now reduce their federal tax bill with a donation. Academics+ was founded in 2020 to provide scholarship assistance to income-eligible students enrolled in Catholic Schools in the Archdiocese of Mobile. Students do not have to be Catholic to apply for a scholarship.

### **Does my CPA or tax advisor know how to help me take advantage of a donation?**

Yes. If your CPA or tax advisor has any questions about the new changes or how to make a reservation on your behalf, please have them reach out to us. And some pass-through-entities can take an additional federal tax deduction based on the donation as well.

### **What is Academics+ Opportunity Scholarship Fund?**

Academics+ Opportunity Scholarships was established in 2020 to serve students who wish to attend Catholic schools in the Archdiocese of Mobile. It provides scholarships to income-eligible K-12 children that empower families to choose the Catholic K-12 school that best suits the educational needs of their child. Our fully accredited Catholic schools offer an excellent education and are ready to meet the needs of these students, preparing them for a lifelong journey of faith and learning that they may not find elsewhere. Students do not have to be Catholic to apply.

Visit us online at [APOSF.org](https://APOSF.org)

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Director of Development  
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## Who benefits?

Income-eligible students whose families want to choose Catholic education but otherwise could not afford it. The average cost of Archdiocese of Mobile K-12 Catholic education for tithing families is \$86,040.

## What is the maximum amount that Academics+ Opportunity Scholarship can raise for scholarships to go to the schools in the Archdiocese?

Each year the Alabama Department of Revenue allocates \$30 million in tax credits. These are available on a first-come, first-served basis, so if you want to support Catholic education in the Archdiocese of Mobile, act quickly. Head to [www.myalabamataxes.gov](http://www.myalabamataxes.gov) to make a reservation to donate up to 50% of your Alabama tax-liability to Academics+ Opportunity Scholarships or contact your tax professional.

## Who do I contact at Academics+ for more information?

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## Can I redirect my tax liability myself or do I have to have a CPA?

Visit our website at [www.APOSF.org](http://www.APOSF.org) for step by step instructions if you want to make the reservation yourself through the Department of Revenue self-service site. Once your check is received, we will verify your donation with the ADOR and send you a donation receipt. The ADOR will send you a receipt for your tax credit.

**"C" Corporations** can offset up to 50% of the corporation's Alabama income tax liability.

**Individuals** can donate up to 50% of their Alabama income tax liability capped at \$50,000 in tax credits.

**Pass Through Entities** ("S" Corporations, partnerships, and LLCs) can donate up to 50% of their Alabama income tax liability and may be able to claim as a business expense for federal benefit as well.

**Donation payments can be made quarterly to offset quarterly estimated tax payments.**

*Consult your tax professional regarding specific guidance and updates.*

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