



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Revenue  
DIVISION OF TAXATION  
One Capitol Hill  
Providence, RI 02908  
[www.tax.ri.gov](http://www.tax.ri.gov)

**Tax Credits for Contributions to Scholarship Organizations**

The following steps must be followed in order to ensure the certificate process. Credit under this program will not be allowed on your tax filing unless the original certificate is attached to your return. An original certificate can only be issued upon completion of these steps. Please read these detailed instructions carefully.

Application forms and additional information on this program can be found on the Division of Taxation's website. Visit <http://www.tax.ri.gov/Credits/index.php> for this information.

**Business Entity Responsibilities:**

**Application**

- **Business Entity Information:** Enter all the requested information. If you have a different address you wish use to receive Taxation correspondence, enter that address in the mailing address area.
- **Additional Contact Information:** Complete this section only if wish to have someone else, for example your accountant, bookkeeper or a representative from one of the scholarship organizations, contact the Division of Taxation regarding your application. Due to confidentiality reasons, the Division of Taxation cannot give any information on your application to a third party without your authorization. Completing this section authorizes the Division of Taxation to speak to someone inquiring on your behalf.
- **Contribution Information:** Enter the name(s) of the Qualified Scholarship Organization to which you would like to make your contribution. Also, enter the amount per year you wish to contribute and whether you wish to make a contribution for one or two years. A one-year commitment results in a 75% credit while a two-year commitment results in a 90% credit.
- **After reading these detailed instructions, check the box acknowledging you read and understand them.**
- **Tax Information:** Check off the applicable tax against which you will be using your credit.
- **Entity Member Information:** Complete this section only if your credit will be used against personal income taxes. Certificates will be issued in accordance with the listing provided with your application.
- **Optional Waiver:** Complete this waiver to allow the Scholarship Organizations qualified under this chapter to request from the Division of Taxation, your entity name, contribution amount and approval date. This information is intended to aid the Scholarship Organizations with their scholarship planning, but once this information is released, the Division of Taxation will have no control over further release of this information.

**Approval Process**

- Submit your application to the Division of Taxation beginning on July 1, 2011. Any application received prior to July 1, 2011 will be returned to the applicant.
- If your business entity is a pass-through entity and the credit will be used against personal income tax filings, please complete the worksheet on page 2 of the application. On the worksheet list all members, their social security numbers and their applicable credit percentages and/or credit amounts.
- Within 30 days of submittal, you will receive an approval or denial from the Division of Taxation.
- Upon approval, you have 120 days from the date of your approval letter to make your contribution to the scholarship organization(s) designated in your application. If you do not know what this date is, contact me.
- Upon denial, you will receive a letter stating the reason for the denial of your application.

**Making your Contribution**

- Upon receiving a letter approving its application, the entity has 120 days from the approval letter date to make its contribution.
- The contribution must be made by the approved entity, not any of the individual members.



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- The contribution should be sent directly to your intended scholarship organization(s).

### **Certification Process**

- Once you make your contribution, you must apply to the Division of Taxation for your tax credit certificate.
- You must submit certification from an independent Rhode Island certified public accountant that the cash contribution has been made to the scholarship organization(s) designated in your application and that the contribution was made timely.

The certification **must** include the following information:

- ❖ The date of the contribution.
  - ❖ The amount of the contribution .
  - ❖ The recipient of the contribution.
  - ❖ Certification the payment was made within 120 days of the application approval date.
  - ❖ The certification must be accompanied by a copy of the cancelled check.
- The independent Rhode Island certified public accountant must be licensed in accordance with RIGL 5-3.1 and **cannot be affiliated in any way** with your business, the scholarship organization or this scholarship program. An entity cannot certify its own contribution, nor can an employee of the entity do so.
  - This CPA certification must be sent to my attention.

### **Use of credit certificate on tax filing**

- You must attach the original certificate to the tax return on which you are claiming the credit.
- Certificate copies and/or copies of your application approval letter cannot be accepted in place of the original certificate.
- If your original certificate is misplaced, you may request a replacement certificate. Send a letter to my attention requesting a replacement certificate and stating the reason for the replacement request.
- Credit under this program can only be used in the year in which the contribution was made.
- Unused credit amounts cannot be carried forward for use on future tax returns

## **SGO's Responsibilities:**

### **Certification Process**

- Upon receipt of a contribution, the scholarship organization will submit a letter of receipt to my attention.

The letter of receipt **must** include the following information:

- ❖ The name of the scholarship organization.
  - ❖ The name of the entity making the donation.
  - ❖ The actual name on the check.
  - ❖ The amount of the contribution.
  - ❖ The date the contribution was received (not the check date).
  - ❖ The date on the check.
- On the day a contribution is received, the scholarship organization will fax or email me a copy of the check..



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**Division of Taxation's Responsibilities:**

**Approval Process**

- Within 30 days of receipt of an application, I will either approve or deny an application and send a letter with the determination to the business entity.
- A tracking system will be maintained on the Division of Taxation's website to report the amount of credit approved and the amount of credit still available for applicants.
- If the amount of credit applications received exceeds the \$1,000,000 annual limit, a lottery may need be held to determine the order of approval for applicants.
- If a lottery is to be held, all applicants in question will be notified in advance of the date of the lottery along with an entity specific lottery number. To preserve confidentiality, no business entity names will be used during the lottery. Lottery results will be posted on the Tax Division's website.

**Certification Process**

- Upon receipt of: 1) the independent Rhode Island certified public accountant's certification that the contribution has been made and 2) the SGO's letter of receipt of the contribution, I will be able to issue the business entity's certificate(s).
- I will issue a certificate(s) according to the business entity's application.
- If multiple members are receiving credit, each member will receive his/her own certificate bearing their name, social security number, credit amount and tax year certificate can be used against.
- If a business entity made a contribution to more than one of the scholarship organizations, the entity or its members will receive a certificate for each scholarship organization.
- All certificates will be mailed to the mailing address on the business entity's application. If the certificates are to be mailed to an address other than that listed on the business entity's application (accountant's address, etc.), I must receive written authorization from the person who signed the initial application.

If you have any questions regarding this process, please contact me.

Thank you.

***Donna Dube***

Donna Dube  
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