

Special Notice
Tax Credits for Contributions to Scholarship Organizations

It has come to the attention of the Division of Taxation that business entities that previously made a commitment to make a Contribution to a Scholarship Organization may be unable to honor their commitment. The Division of Taxation will allow a business entity that is unable to honor its commitment to rescind its application, therefore, allowing other entities to apply for the tax credit under this program.

If you are an approved business entity electing to rescind:

- Send a letter to the Division of Taxation rescinding your application
- Your application must be rescinded for the full amount of your yearly commitment
- By rescinding, you will be forfeiting the full amount of credit associated with the yearly commitment you are unable to honor
- You will be required to recapture the difference in credit allowable under a two-year commitment and credit allowable for the first year – 15%
- The difference in credit amount allowable must be added back and will increase your tax amount for the tax year in which the credit was taken

If you are a business entity electing to apply under this chapter:

- Complete the FYE 2010 application for credit and submit it to the Division of Taxation
- All applications are processed on a first-come, first-serve basis
- The Division of Taxation has thirty (30) days to approve your application
- Your contribution must be made within one hundred and twenty (120) days of the date your application was approved.
- You may apply for either a one-year or two-year commitment.
- Credit will be calculated at 75% for a one-year commitment or 90% for a two-year commitment.
- A one-year commitment cannot be combined with a prior one-year commitment.

New applications will be approved up to the amount of credit rescinded by previously approved business entities. Those entities whose applications were initially denied due to the cap will be given preference over new applications. No additional applications will be approved once the rescinded amount has been recommitted. Applications can only be accepted for FYE 2011 if the application is part of two-year agreement. Otherwise, applications for FYE 2011 can be submitted starting July 1, 2010. The amount of available credit will be posted on the Division of Taxation's website – www.tax.ri.gov . The amount will be updated on a daily basis.

All correspondence under this chapter should be submitted to:

RI Division of Taxation
Tax Credits and Incentives
One Capitol Hill
Providence, RI 02908
Attn: Donna Dube