



February 12, 2010

Dear 2009 GOAL Contributor:

Thank you for your 2009 contribution to the Georgia GOAL Scholarship Program, Inc. ("GOAL"). In 2009, 3,800 individuals and corporations contributed \$10,609,300 to GOAL, Georgia's leading student scholarship organization.

As you know, your GOAL contribution entitles you to take the Georgia Qualified Education Expense Credit ("Credit") on your 2009 Georgia Form 500 Individual Income Tax Return ("Form 500"). The instructions to the Form 500 do not specifically instruct taxpayers how to take the Credit. Although we cannot provide you with official tax advice regarding your filing for the Credit, we are providing the following information for your consideration.

1. File the Form IT-QEE-SSO1 with your Form 500. With your Form 500, you need to file the Form IT-QEE-SSO1 that GOAL sent to you in acknowledgement of your contribution. Beginning in 2009, the Georgia Department of Revenue has allowed for Georgia taxpayers to claim the Credit through electronic filing (also see Item 5. below). Individual taxpayers that electronically file their 2009 tax return do not have to submit a copy of Form IT-QEE-SSO1. However, taxpayers must keep a copy of Form IT-QEE-SSO1 for their records.
2. Complete and file a Form IT-QEE-TP2 with your Form 500. A copy of Georgia Form IT-QEE-TP2, Qualified Education Expense Credit Computation, is enclosed and needs to be completed and filed with your Form 500.
3. On Form 500, increase your Georgia adjusted gross income by the amount of your contribution to GOAL which was deducted as a charitable contribution on your federal income tax return. If you itemize your deductions, your 2009 contribution to GOAL is deductible as a charitable income tax deduction on your 2009 federal income tax return. Since you are receiving a Georgia income tax credit for your GOAL contribution, in order to prevent "double dipping," you need to treat the amount of the education expense credit that was deducted on the federal return as an "addition to income" that should be listed on page 4, Schedule 1, Line 4, of the Form 500 under "Other." The DOR has not provided any information on how to list the education expense credit as an addition to income in the limited number of spaces available on Line 4 for that purpose. In the absence of any such information, we suggest that taxpayers write the words "QEE Credit." The total from Line 12 of Schedule 1 should be listed on Line 9 of page 2 of the Form 500.



4. List the Credit on Form 500. In most cases, the amount of your Qualified Education Expense Credit should be entered on Schedule 2, Line 4 of Page 5 of the Form 500. If the amount of your Credit was allocated to you because of your ownership of an interest in a business, S Corporation, LLC or Partnership, then the Credit is reported on Line 6 of Page 5. In these cases, enter the name of that business entity, the number "125" as the Credit Code Type, the percentage of your ownership interest, the federal employer identification number (FEIN) of the business entity, and the amount of the Credit which you are claiming. In all cases, you should then complete Line 11 of Page 5 and enter the total from Line 11, Page 5 on Line 17, Page 2.

5. Electronic Filing: Georgia Department of Revenue ("DOR") rules permit taxpayers who file their state income tax returns electronically to claim the Qualified Education Expense Credit. If the tax preparation software program requires the Qualified Education Expense "Credit Code Type", enter the number "125".

A sample of a completed Form 500 on which the education expense credit is claimed is available in the "For Donors" section of the GOAL website at [www.goalscholarship.org](http://www.goalscholarship.org).

Notice Regarding Electronic Filing:

At least one taxpayer experienced a problem using the Turbo Tax Deluxe tax preparation software to electronically file a Georgia return on which he attempted to claim the Credit. However, another taxpayer informed us that he did not have such a problem. Also, another taxpayer informed us that he was able to successfully file for the Credit on a Georgia return filed electronically using the Turbo Tax Premier version. We informed the Georgia Department of Revenue of the single instance of a problem, and the DOR informed us that it would work with Intuit (the software vendor) on the matter. We anticipate that, if there is a problem, it will be resolved shortly; however, we are sending this taxpayer guidance to you prior to final resolution so that you can proceed with the timely filing of your Georgia income tax return.

Thank you for taking the time to redirect your taxes to Georgia GOAL Scholarship Program! Because of your efforts, GOAL has awarded scholarships to more than 700 Georgia children, providing them *Greater Opportunities for Access to Learning* (GOAL).

Very truly yours,

GEORGIA GOAL SCHOLARSHIP PROGRAM, INC.

Lisa M. Kelly  
President