



February 1, 2011

Dear 2010 GOAL Contributor:

Thank you for your 2010 contribution to the Georgia GOAL Scholarship Program, Inc. ("GOAL"). In 2010, 6,150 Georgia taxpayers contributed \$13,675,365 to GOAL, Georgia's leading student scholarship organization.

As you know, your GOAL contribution entitles you to take the Georgia Qualified Education Expense Credit on your 2010 Georgia Form 500 Individual Income Tax Return ("Form 500"). Although we cannot provide you with official tax advice regarding the credit, for your convenience, we are furnishing the following information regarding filing requirements:

1. Form IT-QEE-SSO1 - GOAL previously sent to you Form IT-QEE-SSO1 to acknowledge your contribution. This form should be attached to Form 500 if you paper file your return. If you file your return electronically, you do not have to submit a copy of Form IT-QEE-SSO1 to the state. However, you must keep a copy of Form IT-QEE-SSO1 with your tax records.
2. Form IT-QEE-TP2 - A copy of Georgia Form IT-QEE-TP2, Qualified Education Expense Credit Computation, is available at [https://etax.dor.ga.gov/inctax/2008\\_forms/TSD\\_HB-1133\\_FORM\\_IT-QEE-TP2.pdf](https://etax.dor.ga.gov/inctax/2008_forms/TSD_HB-1133_FORM_IT-QEE-TP2.pdf). The form needs to be completed by you and attached to a paper filed return or transmitted with an electronically filed return.
3. Form 500 – Georgia Income Adjustment – If you itemized your deductions on your federal income tax return, you should have claimed a charitable contribution deduction for your donation to GOAL on your return (Federal Form 1040, Schedule A). Since you are receiving a Georgia income tax credit for your GOAL contribution, in order to prevent "double dipping," you need to increase your Georgia taxable income for the amount deducted as a charitable contribution on your federal return. Please note that this amount will not be the same amount that you donated if your federal itemized deductions are limited due to your adjusted gross income. The amount of the increase to Georgia taxable income is reported on Page 4, Schedule 1, Line 4, as "Other". "QEE Credit" should be used for the description. The total of all additions and subtractions to Georgia taxable income per Line 12 on Schedule 1 is then reported on Page 2, Line 9.
4. Form 500 – Credit - If you are claiming the Qualified Education Expense Credit as an individual, the credit amount should be entered on Page 5, Schedule 2, Line 4 of the Form 500. If the amount of your credit is being allocated to you through your

ownership interest in a pass-through entity (sole proprietorship, S corporation, limited liability company or partnership), the credit is reported on Page 5, Schedule 2, Line 6. You will need to enter the name of the pass-through entity, the number "125" as the credit code type, the percentage of your ownership interest, the federal employer identification number (FEIN) of the entity, and the amount of the credit which you are claiming. For both individuals and pass-through entities, the total of all Georgia credits is reported on Schedule 2, Page 5, Line 12 and entered on Page 2, Line 17. Note that the amount of the credit taken may not be greater than the amount of tax shown on Page 2, Line 16. Amounts that may not be taken as a credit in 2010 may be carried forward for up to five years.

We recommend that you contact your tax advisor or return preparer regarding the utilization of the Georgia Qualified Education Expense Credit. In addition to the adjustments to your federal and Georgia income tax returns discussed above, other adjustments may be required based on your particular tax situation.

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 3,000 Georgia children, providing them *Greater Opportunities for Access to Learning* (GOAL).

Very truly yours,

GEORGIA GOAL SCHOLARSHIP PROGRAM, INC.

Lisa M. Kelly

President