

Georgia GOAL Scholarship Program, Inc.

QSSO Contribution Illustrations (Reflecting federal tax laws for 2018 under the 2017 tax reform act (1), signed into law on December 22, 2017.)

Illustrations of Tax Consequences for Individuals and Married Couples who Itemize Deductions (2)

Overall: The credit provides taxpayers whose SALT deduction is not limited with the opportunity to contribute to a QSSO with little net cash outlay. Taxpayers whose SALT deduction is limited both before and after the contribution will receive a cash benefit equal to the amount of the contribution multiplied by their marginal tax rate. These taxpayers will trade a non-deductible state tax payment for a fully deductible charitable contribution.

	INDIVIDUALS WHO ITEMIZE							
	NO SALT DEDUCTION LIMITATION				SALT DEDUCTION LIMITED BEFORE AND AFTER CONTRIBUTION			
	NO CHARITABLE CONTRIBUTION		MAXIMUM GA GOAL CONTRIBUTION		NO CHARITABLE CONTRIBUTION		MAXIMUM GA GOAL CONTRIBUTION	
	SINGLE	SINGLE	MARRIED FILING JOINTLY	MARRIED FILING JOINTLY	SINGLE	SINGLE	MARRIED FILING JOINTLY	MARRIED FILING JOINTLY
<b>Federal</b>								
Adjusted Gross Income (3)	100,000	100,000	100,000	100,000	250,000	250,000	250,000	250,000
Itemized Deductions								
State/Local Income & Property Taxes Paid (SALT)	(8,000)	(8,000)	(8,000)	(8,000)	(16,000)	(16,000)	(16,000)	(16,000)
Reduction in Taxes Paid (4)	-	1,000	-	2,500	-	1,000	-	2,500
Excess over Limit on SALT Deduction (5)	-	-	-	-	6,000	5,000	6,000	3,500
Mortgage Interest	(12,000)	(12,000)	(12,000)	(12,000)	(22,000)	(22,000)	(22,000)	(22,000)
Maximum QSSO Contribution	-	(1,000)	-	(2,500)	-	(1,000)	-	(2,500)
Taxable Income	80,000	80,000	80,000	80,000	218,000	217,000	218,000	215,500
Federal Regular Tax	13,540	13,540	9,479	9,479	51,990	51,640	40,899	40,299
0.9% Additional Medicare Tax	-	-	-	-	450	450	-	-
Total Federal Tax	13,540	13,540	9,479	9,479	52,440	52,090	40,899	40,299
<b>Georgia</b>								
Federal AGI	100,000	100,000	100,000	100,000	250,000	250,000	250,000	250,000
Addback of QSSO Contribution	-	1,000	-	2,500	-	1,000	-	2,500
Georgia Itemized Deductions	(20,000)	(20,000)	(20,000)	(20,000)	(32,000)	(33,000)	(32,000)	(34,500)
Georgia Personal Exemptions	(2,700)	(2,700)	(7,400)	(7,400)	(2,700)	(2,700)	(7,400)	(7,400)
Georgia Taxable Income	77,300	78,300	72,600	75,100	215,300	215,300	210,600	210,600
Georgia Tax Before Credit	4,451	4,511	4,099	4,249	12,728	12,728	12,376	12,376
Georgia Scholarship Credit	-	(1,000)	-	(2,500)	-	(1,000)	-	(2,500)
Net Georgia Tax	4,451	3,511	4,099	1,749	12,728	11,728	12,376	9,876
Net Federal and Georgia Tax	17,991	17,051	13,578	11,228	65,168	63,818	53,275	50,175
Contribution Paid	-	1,000	-	2,500	-	1,000	-	2,500
Net Cash Outlay	17,991	18,051	13,578	13,728	65,168	64,818	53,275	52,675
Net Cash Benefit/(Cost) to Taxpayer		(60)		(150)		350		600
Tax Benefit as % of Contribution		94%		94%		135%		124%

**Comments on Illustrations:**

- (1) "An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018"; (P.L. 115-97); known as the "Tax Cuts and Jobs Act".
- (2) Illustrations assume 2018 federal tax rates and 2017 Georgia tax rates, but not the potential 20% deduction under new IRC Section 199A.
- (3) AGI is assumed to include wages, Schedule C and/or Schedule E ordinary income only.
- (4) This amount reflects a reduction of state income taxes paid due to the offsetting credit received for a charitable contribution to a QSSO.
- (5) Beginning for the 2018 tax year, the deduction for state and local income and property taxes ("SALT" deduction) is limited to \$10,000 for all individual taxpayers.

Individuals whose SALT deduction is not limited before or after the contribution will have no federal consequence in making a QSSO contribution. They will receive a Georgia tax benefit equal to 94% of their contribution, which represents a 100% Georgia tax credit for the contribution offset by 6% of the charitable deduction added back.

Individuals whose SALT deduction is limited both before and after the contribution will receive a federal tax benefit equal to the amount of the contribution multiplied by their marginal tax rate. They will receive a GA tax benefit equal to 100% of their contribution which represents a 100% GA tax credit. The addback of the charitable donation returns the taxpayer to their original GA taxable income prior to their contribution.

This presentation, prepared by Bennett Thrasher LLP, is for illustrative purposes only and is not intended as tax advice applicable to an actual situation. You should consult your tax advisor.

**Single Tax Rates**

Not over \$9,525	10% of taxable income	10.0%	-
Over \$9,525 but not over \$38,700	\$952.50 plus 12% of the excess over \$9,525	12.0%	952.50
Over \$38,700 but not over \$82,500	\$4,453.50 plus 22% of the excess over \$38,700	22.0%	4,453.50
Over \$82,500 but not over \$157,500	\$14,089.50 plus 24% of the excess over \$82,500	24.0%	14,089.50
Over \$157,500 but not over \$200,000	\$32,089.50 plus 32% of the excess over \$157,500	32.0%	32,089.50
Over \$200,000 but not over \$500,000	\$45,689.50 plus 35% of the excess over \$200,000	35.0%	45,689.50
Over \$500,000	\$150,689.50 plus 37% of the excess over \$500,000	37.0%	150,689.50

**Married Filing Jointly**

Not over \$19,050	10% of taxable income	10.0%	-
Over \$19,050 but not over \$77,400	\$1,905 plus 12% of the excess over \$19,050	12.0%	1,905.00
Over \$77,400 but not over \$165,000	\$8,907 plus 22% of the excess over \$77,400	22.0%	8,907.00
Over \$165,000 but not over \$315,000	\$28,179 plus 24% of the excess over \$165,000	24.0%	28,179.00
Over \$315,000 but not over \$400,000	\$64,179 plus 32% of the excess over \$315,000	32.0%	64,179.00
Over \$400,000 but not over \$600,000	\$91,379 plus 35% of the excess over \$400,000	35.0%	91,379.00
Over \$600,000	\$161,379 plus 37% of the excess over \$600,000	37.0%	161,379.00

Georgia GOAL Scholarship Program, Inc.

QSSO Contribution Illustrations (Reflecting federal tax laws for 2018 under the 2017 tax reform act (1), signed into law on December 22, 2017.)

Illustrations of Tax Consequences for Individuals and Married Couples who Do Not Itemize Deductions (2)

Overall: The credit provides taxpayers claiming the standard deduction with the opportunity to contribute to a QSSO while recouping 100% of their total contribution.

INDIVIDUALS TAKING STANDARD DEDUCTION

	<u>NO CHARITABLE CONTRIBUTION</u>		<u>MAXIMUM GA GOAL CONTRIBUTION</u>		<u>NO CHARITABLE CONTRIBUTION</u>		<u>MAXIMUM GA GOAL CONTRIBUTION</u>	
	SINGLE	SINGLE	MARRIED FILING JOINTLY	MARRIED FILING JOINTLY	SINGLE	SINGLE	MARRIED FILING JOINTLY	MARRIED FILING JOINTLY
<b>Federal</b>								
Adjusted Gross Income (3)	100,000	100,000	100,000	100,000	250,000	250,000	250,000	250,000
Standard Deduction	(12,000)	(12,000)	(24,000)	(24,000)	(12,000)	(12,000)	(24,000)	(24,000)
Taxable Income	88,000	88,000	76,000	76,000	238,000	238,000	226,000	226,000
Federal Regular Tax	15,410	15,410	8,739	8,739	58,990	58,990	42,819	42,819
0.9% Additional Medicare Tax	-	-	-	-	450	450	-	-
Total Federal Tax	15,410	15,410	8,739	8,739	59,440	59,440	42,819	42,819
<b>Georgia</b>								
Federal AGI	100,000	100,000	100,000	100,000	250,000	250,000	250,000	250,000
Georgia Standard Deductions	(2,300)	(2,300)	(3,000)	(3,000)	(2,300)	(2,300)	(3,000)	(3,000)
Georgia Personal Exemptions	(2,700)	(2,700)	(7,400)	(7,400)	(2,700)	(2,700)	(7,400)	(7,400)
Georgia Taxable Income	95,000	95,000	89,600	89,600	245,000	245,000	239,600	239,600
Georgia Tax Before Credit	5,513	5,513	5,119	5,119	14,510	14,510	14,116	14,116
Georgia Scholarship Credit	-	(1,000)	-	(2,500)	-	(1,000)	-	(2,500)
Net Georgia Tax	5,513	4,513	5,119	2,619	14,510	13,510	14,116	11,616
Net Federal and Georgia Tax	20,923	19,923	13,858	11,358	73,950	72,950	56,935	54,435
Contribution Paid		1,000		2,500		1,000		2,500
Net Cash Outlay	20,923	20,923	13,858	13,858	73,950	73,950	56,935	56,935
Net Cash Benefit/(Cost) to Taxpayer		-		-		-		-
Tax Benefit as % of Contribution		100%		100%		100%		100%

**Comments on Illustrations:**

(1) "An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018" (P.L. 115-97); known as the "Tax Cuts and Jobs Act".

(2) Illustrations assume 2018 federal tax rates and 2017 Georgia tax rates, but not the potential 20% deduction under new IRC Section 199A.

(3) AGI is assumed to include wages, Schedule C and/or Schedule E ordinary income only.

Federal: Individuals that take the standard deduction and do not deduct state income taxes or charitable contributions will have no federal consequence in making a QSSO contribution.

Georgia: Individuals receive a Georgia tax benefit equal to 100% of the QSSO contribution.

This presentation, prepared by Bennett Thrasher LLP, is for illustrative purposes only and is not intended as tax advice applicable to an actual situation. You should consult your tax advisor.

**Single Tax Rates**

Not over \$9,525	10% of taxable income	10.0%	-
Over \$9,525 but not over \$38,700	\$952.50 plus 12% of the excess over \$9,525	12.0%	952.50
Over \$38,700 but not over \$82,500	\$4,453.50 plus 22% of the excess over \$38,700	22.0%	4,453.50
Over \$82,500 but not over \$157,500	\$14,089.50 plus 24% of the excess over \$82,500	24.0%	14,089.50
Over \$157,500 but not over \$200,000	\$32,089.50 plus 32% of the excess over \$157,500	32.0%	32,089.50
Over \$200,000 but not over \$500,000	\$45,689.50 plus 35% of the excess over \$200,000	35.0%	45,689.50
Over \$500,000	\$150,689.50 plus 37% of the excess over \$500,000	37.0%	150,689.50

**Married Filing Jointly**

Not over \$19,050	10% of taxable income	10.0%	-
Over \$19,050 but not over \$77,400	\$1,905 plus 12% of the excess over \$19,050	12.0%	1,905.00
Over \$77,400 but not over \$165,000	\$8,907 plus 22% of the excess over \$77,400	22.0%	8,907.00
Over \$165,000 but not over \$315,000	\$28,179 plus 24% of the excess over \$165,000	24.0%	28,179.00
Over \$315,000 but not over \$400,000	\$64,179 plus 32% of the excess over \$315,000	32.0%	64,179.00
Over \$400,000 but not over \$600,000	\$91,379 plus 35% of the excess over \$400,000	35.0%	91,379.00
Over \$600,000	\$161,379 plus 37% of the excess over \$600,000	37.0%	161,379.00

Georgia GOAL Scholarship Program, Inc.

QSSO Contribution Illustrations (Reflecting federal tax laws for 2018 under the 2017 tax reform act (1), signed into law on December 22, 2017.)

Illustrations of Tax Consequences for Individuals and Married Couples who Itemize Deductions (2)

Overall: Taxpayers whose SALT deduction is limited will receive a cash benefit by contributing to a QSSO. Taxpayers whose SALT deduction is limited both before and after the contribution will receive a cash benefit equal to the amount of the contribution multiplied by their marginal tax rate. These taxpayers will trade a non-deductible state tax payment for a fully deductible charitable contribution.

	INDIVIDUALS WITH SUFFICIENT BUSINESS INCOME FROM FLOW THROUGH ENTITIES							
	SALT DEDUCTION LIMITED BEFORE CONTRIBUTION				SALT DEDUCTION LIMITED BEFORE AND AFTER CONTRIBUTION			
	NO CHARITABLE CONTRIBUTION SINGLE	MAXIMUM GA GOAL CONTRIBUTION SINGLE	NO CHARITABLE CONTRIBUTION MARRIED FILING JOINTLY	MAXIMUM GA GOAL CONTRIBUTION MARRIED FILING JOINTLY	NO CHARITABLE CONTRIBUTION SINGLE	MAXIMUM GA GOAL CONTRIBUTION SINGLE	NO CHARITABLE CONTRIBUTION MARRIED FILING JOINTLY	MAXIMUM GA GOAL CONTRIBUTION MARRIED FILING JOINTLY
<b>Federal</b>								
Adjusted Gross Income (3)	250,000	250,000	250,000	250,000	500,000	500,000	500,000	500,000
Itemized Deductions								
State/Local Income & Property Taxes Paid (SALT)	(16,000)	(16,000)	(16,000)	(16,000)	(35,000)	(35,000)	(35,000)	(35,000)
Reduction in Taxes Paid (4)	-	10,000	-	10,000	-	10,000	-	10,000
Excess over Limit on SALT Deduction (5)	6,000	-	6,000	-	25,000	15,000	25,000	15,000
Mortgage Interest	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)
Maximum QSSO Contribution	-	(10,000)	-	(10,000)	-	(10,000)	-	(10,000)
Taxable Income	218,000	212,000	218,000	212,000	468,000	458,000	468,000	458,000
Federal Regular Tax	51,990	49,890	40,899	39,459	139,490	135,990	115,179	111,679
0.9% Additional Medicare Tax	450	450	-	-	2,700	2,700	2,250	2,250
Total Federal Tax	52,440	50,340	40,899	39,459	142,190	138,690	117,429	113,929
<b>Georgia</b>								
Federal AGI	250,000	250,000	250,000	250,000	500,000	500,000	500,000	500,000
Addback of QSSO Contribution	-	10,000	-	10,000	-	10,000	-	10,000
Georgia Itemized Deductions	(32,000)	(38,000)	(32,000)	(38,000)	(32,000)	(42,000)	(32,000)	(42,000)
Georgia Personal Exemptions	(2,700)	(2,700)	(7,400)	(7,400)	(2,700)	(2,700)	(7,400)	(7,400)
Georgia Taxable Income	215,300	219,300	210,600	214,600	465,300	465,300	460,600	460,600
Georgia Tax Before Credit	12,728	12,968	12,376	12,616	27,728	27,728	27,376	27,376
Georgia Scholarship Credit	-	(10,000)	-	(10,000)	-	(10,000)	-	(10,000)
Net Georgia Tax	12,728	2,968	12,376	2,616	27,728	17,728	27,376	17,376
Net Federal and Georgia Tax	65,168	53,308	53,275	42,075	169,918	156,418	144,805	131,305
Contribution Paid	-	10,000	-	10,000	-	10,000	-	10,000
Net Cash Outlay	65,168	63,308	53,275	52,075	169,918	166,418	144,805	141,305
Net Cash Benefit/(Loss) to Taxpayer		1,860		1,200		3,500		3,500
Tax Benefit as % of Contribution		119%		112%		135%		135%

**Comments on Illustrations:**

- (1) "An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018"; (P.L. 115-97); known as the "Tax Cuts and Jobs Act".
- (2) Illustrations assume 2018 federal tax rates and 2017 Georgia tax rates.
- (3) Illustrations assume 2018 federal tax rates and 2017 Georgia tax rates, but not the potential 20% deduction under new IRC Section 199A.
- (4) This amount reflects a reduction of state income taxes paid due to the offsetting credit received for a charitable contribution to a QSSO.
- (5) Beginning for the 2018 tax year, the deduction for state and local income and property taxes ("SALT" deduction) is limited to \$10,000 for all individual taxpayers.

Individuals whose SALT deduction is limited will receive a cash benefit by making a QSSO contribution. Individuals whose SALT deduction is limited both before and after the contribution will receive a federal tax benefit equal to the amount of the contribution multiplied by their marginal tax rate. They will receive a GA tax benefit equal to 100% of their contribution which represents a 100% Georgia tax credit. The addback of the charitable donation returns the taxpayer to their original GA taxable income prior to their contribution.

This presentation, prepared by Bennett Thrasher LLP, is for illustrative purposes only and is not intended as tax advice applicable to an actual situation. You should consult your tax advisor.

**Single Tax Rates**

Not over \$9,525	10% of taxable income	10.0%	-
Over \$9,525 but not over \$38,700	\$952.50 plus 12% of the excess over \$9,525	12.0%	952.50
Over \$38,700 but not over \$82,500	\$4,453.50 plus 22% of the excess over \$38,700	22.0%	4,453.50
Over \$82,500 but not over \$157,500	\$14,089.50 plus 24% of the excess over \$82,500	24.0%	14,089.50
Over \$157,500 but not over \$200,000	\$32,089.50 plus 32% of the excess over \$157,500	32.0%	32,089.50
Over \$200,000 but not over \$500,000	\$45,689.50 plus 35% of the excess over \$200,000	35.0%	45,689.50
Over \$500,000	\$150,689.50 plus 37% of the excess over \$500,000	37.0%	150,689.50

**Married Filing Jointly**

Not over \$19,050	10% of taxable income	10.0%	-
Over \$19,050 but not over \$77,400	\$1,905 plus 12% of the excess over \$19,050	12.0%	1,905.00
Over \$77,400 but not over \$165,000	\$8,907 plus 22% of the excess over \$77,400	22.0%	8,907.00
Over \$165,000 but not over \$315,000	\$28,179 plus 24% of the excess over \$165,000	24.0%	28,179.00
Over \$315,000 but not over \$400,000	\$64,179 plus 32% of the excess over \$315,000	32.0%	64,179.00
Over \$400,000 but not over \$600,000	\$91,379 plus 35% of the excess over \$400,000	35.0%	91,379.00
Over \$600,000	\$161,379 plus 37% of the excess over \$600,000	37.0%	161,379.00

Georgia GOAL Scholarship Program, Inc.

QSSO Contribution Illustrations (Reflecting federal tax laws for 2018 under the 2017 tax reform act (1), signed into law on December 22, 2017.)

Illustrations of Tax Consequences for Individuals and Married Couples who Itemize Deductions (2)

Overall: Taxpayers whose SALT deduction is limited both before and after contributing to a QSSO will receive a cash benefit will equal the amount of the contribution multiplied by their marginal tax rate. These taxpayers will trade a non-deductible state tax payment for a fully deductible charitable contribution.

	SALT Deduction Limited Before and After Contribution							
	\$1,000/\$2,500 Contribution Limitation				\$10,000 Business Income Contribution Limitation			
	NO CHARITABLE CONTRIBUTION		MAXIMUM GA GOAL CONTRIBUTION		NO CHARITABLE CONTRIBUTION		MAXIMUM GA GOAL CONTRIBUTION	
	SINGLE	SINGLE	MARRIED FILING JOINTLY	MARRIED FILING JOINTLY	SINGLE	SINGLE	MARRIED FILING JOINTLY	MARRIED FILING JOINTLY
<b>Federal</b>								
Adjusted Gross Income (3)	550,000	550,000	650,000	650,000	600,000	600,000	700,000	700,000
Itemized Deductions								
State/Local Income & Property Taxes Paid (SALT)	(38,000)	(38,000)	(44,000)	(44,000)	(41,000)	(41,000)	(47,000)	(47,000)
Reduction in Taxes Paid (4)	-	1,000	-	2,500	-	10,000	-	10,000
Excess over Limit on SALT Deduction (5)	28,000	27,000	34,000	31,500	31,000	21,000	37,000	27,000
Mortgage Interest	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)
Maximum QSSO Contribution	-	(1,000)	-	(2,500)	-	(10,000)	-	(10,000)
Taxable Income	518,000	517,000	618,000	615,500	568,000	558,000	668,000	658,000
Federal Regular Tax	157,350	156,980	168,039	167,114	175,850	172,150	186,539	182,839
0.9% Additional Medicare Tax	3,150	3,150	3,600	3,600	3,600	3,600	4,050	4,050
Total Federal Tax	160,500	160,130	171,639	170,714	179,450	175,750	190,589	186,889
<b>Georgia</b>								
Federal AGI	550,000	550,000	650,000	650,000	600,000	600,000	700,000	700,000
Addback of QSSO Contribution	-	1,000	-	2,500	-	10,000	-	10,000
Georgia Itemized Deductions	(32,000)	(33,000)	(32,000)	(34,500)	(32,000)	(42,000)	(32,000)	(42,000)
Georgia Personal Exemptions	(2,700)	(2,700)	(7,400)	(7,400)	(2,700)	(2,700)	(7,400)	(7,400)
Georgia Taxable Income	515,300	515,300	610,600	610,600	565,300	565,300	660,600	660,600
Georgia Tax Before Credit	30,728	30,728	36,376	36,376	33,728	33,728	39,376	39,376
Georgia Scholarship Credit	-	(1,000)	-	(2,500)	-	(10,000)	-	(10,000)
Net Georgia Tax	30,728	29,728	36,376	33,876	33,728	23,728	39,376	29,376
Net Federal and Georgia Tax	191,228	189,858	208,015	204,590	213,178	199,478	229,965	216,265
Contribution Paid	-	1,000	-	2,500	-	10,000	-	10,000
Net Cash Outlay	191,228	190,858	208,015	207,090	213,178	209,478	229,965	226,265
Net Cash Benefit/(Cost) to Taxpayer		370		925		3,700		3,700
Tax Benefit as % of Contribution		137%		137%		137%		137%

**Comments on Illustrations:**

- (1) "An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018"; (P.L. 115-97); known as the "Tax Cuts and Jobs Act".
- (2) Illustrations assume 2018 federal tax rates and 2017 Georgia tax rates.
- (3) Illustrations assume 2018 federal tax rates and 2017 Georgia tax rates, but not the potential 20% deduction under new IRC Section 199A.
- (4) This amount reflects a reduction of state income taxes paid due to the offsetting credit received for a charitable contribution to a qualified rural hospital organization.
- (5) Beginning for the 2018 tax year, the deduction for state and local income and property taxes ("SALT" deduction) is limited to \$10,000 for all individual taxpayers.

Individuals whose SALT deduction is limited both before and after the QSSO contribution will receive a federal tax benefit equal to the amount of the contribution multiplied by their marginal tax rate, as they are substituting a non-deductible state tax payment with a fully deductible charitable contribution. They will receive a GA tax benefit equal to 100% of their contribution which represents a 100% GA tax credit. The addback of the charitable donation returns the taxpayer to their original GA taxable income prior to the contribution.

This presentation, prepared by Bennett Thrasher LLP, is for illustrative purposes only and is not intended as tax advice applicable to an actual situation. You should consult your tax advisor.

**Single Tax Rates**

Not over \$9,525	10% of taxable income	10.0%	-
Over \$9,525 but not over \$38,700	\$952.50 plus 12% of the excess over \$9,525	12.0%	952.50
Over \$38,700 but not over \$82,500	\$4,453.50 plus 22% of the excess over \$38,700	22.0%	4,453.50
Over \$82,500 but not over \$157,500	\$14,089.50 plus 24% of the excess over \$82,500	24.0%	14,089.50
Over \$157,500 but not over \$200,000	\$32,089.50 plus 32% of the excess over \$157,500	32.0%	32,089.50
Over \$200,000 but not over \$500,000	\$45,689.50 plus 35% of the excess over \$200,000	35.0%	45,689.50
Over \$500,000	\$150,689.50 plus 37% of the excess over \$500,000	37.0%	150,689.50

**Married Filing Jointly**

Not over \$19,050	10% of taxable income	10.0%	-
Over \$19,050 but not over \$77,400	\$1,905 plus 12% of the excess over \$19,050	12.0%	1,905.00
Over \$77,400 but not over \$165,000	\$8,907 plus 22% of the excess over \$77,400	22.0%	8,907.00
Over \$165,000 but not over \$315,000	\$28,179 plus 24% of the excess over \$165,000	24.0%	28,179.00
Over \$315,000 but not over \$400,000	\$64,179 plus 32% of the excess over \$315,000	32.0%	64,179.00
Over \$400,000 but not over \$600,000	\$91,379 plus 35% of the excess over \$400,000	35.0%	91,379.00
Over \$600,000	\$161,379 plus 37% of the excess over \$600,000	37.0%	161,379.00

Georgia GOAL Scholarship Program, Inc.  
 QSSO Contribution Illustrations (Reflecting federal tax laws for 2018 under the 2017 tax reform act (1), signed into law on December 22, 2017.)  
 Illustrations of Tax Consequences for C-Corporations (2)

C-Corporations								
	100% GA		20% GA Apportionment		100% GA		20% GA Apportionment	
	<u>NO CHARITABLE CONTRIBUTION</u>	<u>MAXIMUM GA GOAL CONTRIBUTION</u>	<u>NO CHARITABLE CONTRIBUTION</u>	<u>MAXIMUM GA GOAL CONTRIBUTION</u>	<u>NO CHARITABLE CONTRIBUTION</u>	<u>MAXIMUM GA GOAL CONTRIBUTION</u>	<u>NO CHARITABLE CONTRIBUTION</u>	<u>MAXIMUM GA GOAL CONTRIBUTION</u>
<b>Federal</b>								
Federal Taxable Income Before State Tax Deduction	100,000	100,000	100,000	100,000	1,000,000	1,000,000	1,000,000	1,000,000
Scholarship Contribution (up to 75% of Georgia tax)		(4,433)		(897)		(44,335)		(8,973)
Accrued Other States Taxes (assumes 6% rate)			(4,800)	(4,757)			(48,000)	(47,569)
Accrued Georgia State Tax	(5,660)	(1,478)	(1,186)	(299)	(56,604)	(14,778)	(11,858)	(2,991)
Adjusted Federal Taxable Income	<u>94,340</u>	<u>94,089</u>	<u>94,014</u>	<u>94,047</u>	<u>943,396</u>	<u>940,887</u>	<u>940,142</u>	<u>940,467</u>
Federal Tax	<u>19,811</u>	<u>19,759</u>	<u>19,743</u>	<u>19,750</u>	<u>198,113</u>	<u>197,586</u>	<u>197,430</u>	<u>197,498</u>
<b>Georgia</b>								
Federal Taxable Income	94,340	94,089	94,014	94,047	943,396	940,887	940,142	940,467
Addback Other State Taxes			4,800	4,757			48,000	47,569
Georgia Contribution Addback		4,433		897		44,335		8,973
Georgia Taxable Income	<u>94,340</u>	<u>98,522</u>	<u>19,763</u>	<u>19,940</u>	<u>943,396</u>	<u>985,222</u>	<u>197,628</u>	<u>199,402</u>
Georgia Tax @ 6% before tax credit	5,660	5,911	1,186	1,196	56,604	59,113	11,858	11,964
Georgia Scholarship Credit (75% max) (3)	-	(4,433)	-	(897)	-	(44,335)	-	(8,973)
Georgia Tax	<u>5,660</u>	<u>1,478</u>	<u>1,186</u>	<u>299</u>	<u>56,604</u>	<u>14,778</u>	<u>11,858</u>	<u>2,991</u>
<b>Other States</b>								
Federal Taxable Income			94,014	94,047			940,142	940,467
Addback Other State Taxes			4,800	4,757			48,000	47,569
Accrued Georgia State Tax			1,186	299			11,858	2,991
Other States Taxable Income			<u>100,000</u>	<u>99,103</u>			<u>1,000,000</u>	<u>991,027</u>
80% Apportionment			<u>80,000</u>	<u>79,282</u>			<u>800,000</u>	<u>792,822</u>
Accrued Other States Taxes (assumes 6% rate)			<u>4,800</u>	<u>4,757</u>			<u>48,000</u>	<u>47,569</u>
Net Federal and Georgia Tax	25,472	21,236	20,929	20,049	254,717	212,365	209,288	200,489
Other State Taxes (assume 6% of remaining 80% of income)	-	-	4,800	4,757	-	-	48,000	47,569
Contribution paid	-	4,433	-	897	-	44,335	-	8,973
Net Cash Outlay	<u>25,472</u>	<u>25,670</u>	<u>25,729</u>	<u>25,703</u>	<u>254,717</u>	<u>256,699</u>	<u>257,288</u>	<u>257,031</u>
Net Cash Benefit/(Cost) to Taxpayer		(198)		26		(1,982)		256
Tax Benefit as % of Contribution		96%		103%		96%		103%

**Comments on Illustrations:**

- (1) "An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018" (P.L. 115-97); known as the "Tax Cuts and Jobs Act".
- (2) Illustrations assume 2018 federal tax rates and 2017 Georgia tax rates, but not the potential 20% deduction under the new IRC Section 199A.
- (3) Corporations are allowed a Georgia income tax credit for qualified student scholarship organization expense in an amount equal to 75% of the corporation's income tax liability.

Georgia: C Corporations receive a Georgia tax benefit equal to approximately 96 - 103% of the contribution. In effect, Georgia is subsidizing a substantial portion of the contribution. This is the result of three factors: 1. 100% of the Georgia tax credit for amount of contribution up to 75% of Georgia tax liability. 2. Offset by 6% additional Georgia taxes on higher Georgia income. The higher Georgia income is because the law does not allow a deduction for the scholarship contribution when taking the Georgia tax credit. 3. Lower other state taxes because nondeductible state tax expense is converted to a deductible charitable contribution for other states.

This presentation, prepared by Bennett Thrasher LLP, is for illustrative purposes only and is not intended as tax advice applicable to an actual situation. You should consult your tax advisor.