



January 25, 2024

Dear 2023 GOAL Contributor:

Thank you for your 2023 contribution to the Georgia GOAL Scholarship Program, Inc. ("GOAL"). In 2023, 11,600 Georgia taxpayers contributed \$54 million to GOAL, and GOAL issued \$50 million in scholarships to students in 141 Georgia counties. Thanks to your involvement, GOAL has provided outstanding K-12 educational opportunities to more than 28,000 students.

As you know, your GOAL contribution entitles you to take the Georgia Qualified Education Expense Credit on your 2023 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 for individual taxpayers:

Please note that you are required to file your return electronically to claim the Georgia Qualified Education Expense (QEE) Credit. Before selecting your e-filing software for 2023, please review the most recent list of approved software vendors on the Georgia Department of Revenue website: <https://dor.georgia.gov/approved-software-vendors>. The QEE credit code is 125. That code should be supported by the software vendor which you select. (Note that TurboTax is a product owned by the vendor "Intuit.")

1. Form IT-QEE-SSO1 – GOAL has sent to you Form IT-QEE-SSO1 to acknowledge your contribution. It is advisable to keep a copy of Form IT-QEE-SSO1 with your tax records. Additionally, the Georgia Department of Revenue recommends that, if permitted by your tax filing software, you include this form with your electronically filed return, as it could facilitate the processing of your tax credit.

2. Form IT-QEE-TP2 – A copy of Georgia Form IT-QEE-TP2, Qualified Education Expense Credit Computation, is available at <http://dor.georgia.gov/documents/it-qee-tp2>. The form needs to be completed by you and transmitted with an electronically filed return. A software program's Form IT-QEE-TP2 that is electronically filed with the Georgia income tax return satisfies this requirement. *Please note that this form calculates the credit amount allowed for owners of a pass-through entity (entities). The maximum amount that may be claimed as a credit by owners of pass-through entities is 5.75% of the Georgia taxable income from the pass-through entity (entities), not including any such income that is taxed at the pass-through entity level in Georgia. Any excess over this amount may not be claimed as a credit in the current year or carried forward to succeeding years.*

3. Form 500 – Georgia Income Adjustment – If you itemized your deductions on your federal income tax return, in order to prevent “double dipping” you must add back to Georgia taxable income any portion of your contribution that is deducted as a state income tax payment on Schedule A of your federal income tax return and for which a Georgia qualified education expense credit is allowed. The amount of the increase to Georgia taxable income is reported on Form 500 Schedule 1 - Adjustments to Income, as “Other”. “Qualified Education Expense Credit Adjustment” can be used for the description.

4. Form 500 – Credit – The code number for the Qualified Education Expense Credit is “125”. This code number will need to be entered on Form 500 Schedule 2* - Georgia Tax Credit Usage and Carryover. Enter your “Credit Certificate #,” your social security number, and credit amount to report the credit you are claiming for 2023.

The Qualified Education Expense Credit is a “series 100” Georgia tax credit, and all Georgia tax credits (series 100) must be claimed on Schedule 2. Note that the amount of tax credits used from all Schedule 2s, from IND-CR, from other state(s) tax credit, and from the low-income housing credit may not be greater than the total amount of your tax obligation per the Form 500. If the total available credits exceed your tax, you must indicate which credits are being used in 2023 and report the amount to be carried forward. Amounts of the Qualified Education Expense Credit in excess of the 2023 tax may be carried forward for up to five years.

**Note that the appropriate schedule to claim the credit for “C” corporations is Schedule 10 and for fiduciaries is Schedule 5.*

Notes for pass-through entities:

When the GOAL payment is made by a pass-through entity which is not electing to pay Georgia tax at the pass-through entity level, the entity must allocate the credit (on its pass-through return) to the owner(s) for the credit to be claimed by the individual pass-through owner(s) on their tax return(s).

When the GOAL payment is made by a pass-through entity electing to pay Georgia tax at the pass-through entity level:

- The credit will be claimed on the pass-through entity’s return and reported on either Form 600S, Schedule 11 for an electing S corporation or Form 700, Schedule 10 for an electing partnership or limited liability company.
- The Form 600S or Form 700 must be filed electronically to claim the credit.
- Form IT-QEE-TP2 needs to be completed and transmitted with the electronically filed return, and a software program’s Form IT-QEE-TP2 that is electronically filed with the Georgia return satisfies this requirement.



- The credit allowed is limited to 75% of the electing pass-through entity's Georgia income tax liability, and any excess cannot be claimed or carried forward. Any portion of the allowed credit that is not used in the current year may be carried forward to apply to the entity's succeeding five years' tax liability.
- The electing pass-through entity cannot claim a deduction for the credit claimed, and therefore must add back to Georgia taxable income any portion of the claimed credit for which a deduction is taken on the federal return.
- The credit will not pass through to the owner(s) of the pass-through entity.
- The owner(s) is not taxed on the income subject to Georgia taxation at the pass-through entity level. Therefore, the owner(s) of the electing pass-through entity subtracts their allocable share of the income taxed at the entity level on Form 500, Schedule 1, Line 12, using the description "PTEDED."

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 is continuing to provide a growing number of students with *Greater Opportunities for Access to Learning* (GOAL).

Very truly yours,

A handwritten signature in black ink that reads "Lisa M. Kelly".

Lisa Kelly
President and Executive Director
Georgia GOAL Scholarship Program, Inc.