

# GEORGIA TAX CREDIT FAQ'S

## 1. What is the history and purpose of the new tuition tax credit legislation that gave rise to the Next Generation Scholarship Program?

In 2008, the Georgia General Assembly passed House Bill 1133 and Governor Sonny Perdue signed it into law. The new law provides for the creation of student scholarship organizations (“SSOs”) that use Georgia income tax credit-eligible contributions to provide public school or kindergarten-entry students with the opportunity to attend private schools. Georgia GOAL Scholarship Program, Inc. is one of the SSOs created to implement the new law.

## 2. What other schools are participating in Next Generation Scholarship Foundation?

There are presently many participating Schools, including Grace Baptist Christian School. The list of **NGSF** Participating Schools, which also includes such schools as North Point Christian Academy, King’s Way Christian School, Bible Baptist Christian School, Grace Christian School, TLE Christian Academy , is posted on the NGSF website at: <http://www.ngsf.org/site/pages/schools.html>

## 3. How does NGSF benefit from this legislation?

Any tax dollars that are directed to the **Next Generation Scholarship Foundation** and designate **GBCS** as the beneficiary will be used to provide financial assistance to new students desiring to enter **GBCS** and have already passed the admission standards of the school. In so doing, this allows **GBCS** to use current funds that have been allotted for financial aid to new students to be redirected towards existing **GBCS** students who may need financial assistance.

## 4. How does the tax credit work?

A taxpayer re-directing all or a portion of his or her Georgia income tax payments to **NGSF** and designating **GBCS** receives an income tax CREDIT against their Georgia income taxes for the amount of their check to Georgia Goal Scholarship Program. For example, if a married couple filing a joint return has a tax liability of \$6,000 of Georgia income taxes and makes the maximum contribution to **NGSF** of \$2,500, they will only truly owe \$3,500 of income taxes to the state of Georgia. Therefore if \$6,000 had been taken out of their paycheck (or paid quarterly already) they would receive the \$2,500 as a refund.