



FOUNDED 1808

WALNUT STREET THEATRE PHILADELPHIA

PA Special Purpose Entity Program

The Pennsylvania EITC Special Purpose Entity (SPE) Program allows individuals with a PA state income tax liability in excess of \$5,000 to donate to **Walnut Street Theatre** and receive a PA state tax credit for 90% of their donation each year. The remaining 10% of their donation is a deductible charitable contribution for federal tax purposes.

Your redirected state taxes can benefit over 125,000 students who are served by our Education Programs!

SPE

**Transform your TAXES
into STUDENT SUPPORT.**

A Special Purpose Entity allows individuals to gain PA tax credits by donating to the Walnut. You are eligible if your PA state tax amounts to \$5,000+, or if you hold 1 share of stock from a PA business.



Three steps...as easy as S.P.E.!

SEND

joinder application naming WST a beneficiary (provided by Friends of Education) in ASAP.

PAY

your contribution to Friends of Education once your tax credit is approved.

ENTER

your contribution on your 2023 PA tax return for a 90% tax credit, and on your federal return for at least a 10% deduction.

FAQs on Special Purpose Entity (SPE)

Can these credits be used on both individual and joint income tax returns?

- Yes, you qualify if your individual or combine PA tax liability is \$5,000 or more (if you are a government or non-profit employee, you need to own 1 share of stock in a PA business to participate)

If I participate in these tax credits, how much will it cost me?

- Upon acceptance, you will be asked to make an out-of-pocket donation, up to the amount of your anticipated annual state taxes. Early the following year, you will receive a K-1 form to be used when you file your taxes. The K-1 will qualify you to receive a refund (or credit) or 90% of your donation from your PA state income tax liability, and a federal tax deduction on the remaining 10% of your donation.

What does my gift support?

- Your gift directly supports the students participating in the Adopt-A-School Program, those impacted by the Touring Outreach Program and individuals from underserved communities who receive scholarships to the WST Theatre School and Camp Walnut.

Do I need to reapply to the SPE annually?

- Yes, each year you will need to complete your contribution to the SPE; however, Walnut Street Theatre and Friends of Education ask for a two-year commitment to ensure stability for our Education Programs. Your initial joinder application will acknowledge this.

Who can work with me and my accountant to submit the proper paperwork?

- Walnut Street Theatre is partnered with Friends of Education, an SPE staffed by expert tax attorneys. You can connect with Jeff Coon, WST's Director of Development for the joinder form and contact information

Help WST Students through EITC/SPE Program

The following is an example based on \$10,000 of state income tax liability. Households may start to participate at \$5,000.

Tom itemizes his deductions, and typically gives a \$1,000 gift to the Walnut. This year, he directs \$10,000 contribution to Walnut Street Theatre through an SPE.

For his donation, Tom receives a 90% tax credit, and a \$250 charitable gift deduction on his federal taxes.

With the SPE tax credit, Tom's net out of pocket is \$750. Since Tom's annual gift is \$1,000, he has now magnified his giving impact 10x and made a \$10,000 contribution, while spending the same amount of money out of pocket.

EITC/SPE Donation	\$10,000
PA Tax Credit	(\$9,000)*
Federal Tax Charitable Gift Deduction	\$250
Net Out of Pocket	\$750

*Important to make sure your expected PA tax is greater than this; excess credit money is lost. Note: PA tax rate is 3.07%



**10
MINUTES**

Average amount of time to
complete the application
and make your gift



125,000

Number of students
impacted by your gift