



November 2, 2022

PAY PCS IN PLACE OF STATE TAXES

It is the time of year our team works to cue PCS up for the highest level of success as it relates to the Children's Promise Act, a Mississippi state tax credit measure that allows for businesses to pay up to 50% of their state tax liability directly to PCS.

We have participated in this program since its founding in 2019, and hope to hit our max cap for the 2023 year. [We need your help.](#)

If you are a business owner or executive of a business that pays Mississippi state income taxes, insurance premium tax, insurance premium retaliatory taxes, or ad valorem taxes on real property– this is for you!

Please see below some question/answer explanations to better explain the details of this incredible program.

If you are interested in learning more about this mutually beneficial tax credit measure, we would love to set up a time to sit down with you and/or your financial consultants to see if this would be a good fit. **To request a meeting to discuss this, please email rshillito@pcsk12.org so we can help you bless Presbyterian Christian School in lieu of writing a check to the Mississippi Department of Revenue.**

Thank you!

Question/Answer Explanations on the Children's Promise Act (HB1613):

Question: What is the Children's Promise Act (HB 1613)?

Answer: The Children's Promise Act was established in 2019 by the Mississippi State Legislature in House Bill 1613. It authorizes a credit for businesses that donate to an Educational Services Charitable Organization (ESCO). This was amended for the 2023 calendar year to increase the amount each ESCO, like Presbyterian Christian School, could earn to a cap of \$405,000.

Question: Why should you look into participating in the Children's Promise Act to benefit Presbyterian Christian School?

Answer: Businesses are permitted to donate up to 50% of their state tax liability until our PCS cap of \$405,000 is reached instead of paying those funds to the state.

Question: Who is eligible to participate in the State of Mississippi's Children's Promise Act?

Answer: The tax credit is only available to a taxpayer who is a business enterprise engaged in commercial, industrial, or professional activities and operating as a corporation (S-Corp; C-Corp), limited liability company (LLC, PLLC), Partnership, or sole proprietorship.

Question: What can this tax credit be used against?

Answer: Business taxpayers may utilize the credit against state income tax, insurance premium tax, and insurance premium retaliatory tax. Taxpayers, not operating as a corporation, may also utilize the credit against ad valorem taxes on real property.

Question: What is the process to participate in the Children's Promise Act?

Answer: The first step to participate is to fill out this [[APPLICATION](#) (*link or see attachment to this packet*)] form in the name of your business and **email your completed application to rshillito@pcsk12.org by Monday, December 13th**. These forms will be submitted on your behalf at 12:00 AM of the new year to allow PCS the best chance to collect the maximum allotment, due to the first-come, first-serve nature of the distributions.

Question: When will I know if my application was accepted?

Answer: The business name in which you applied will receive a notification LETTER via USPS directly from the Department of Revenue around the middle of January with your next steps and payment instructions. Please forward this letter to rshillito@pcsk12.org at your earliest convenience to ensure timely processing.

Question: When would my contribution to PCS be due, should my application be accepted?

Answer: The business name in which you applied will need to remit payment in the amount indicated on your application within 60 days of receiving your letter in the mail of acceptance. This usually falls approximately in the middle of March.

Question: Are there restrictions on what kind of business/organization can participate in the Children's Promise Act, (i.e. LLC, PLLC, S-Corp, C-Corp, etc.)?

Answer: No, however, the application must be filled out in the name of the business, not an individual. It is vital that the application, the payment, and the FEIN used all be congruent to the business entity that is applying for the credit.

Question: How can I find out more about this program and how it benefits Presbyterian Christian School?

Answer: To request a meeting to discuss this, please email rshillito@pcsk12.org so we can help you bless Presbyterian Christian School in lieu of writing a check to the Mississippi Department of Revenue.