

PYOMI's Special Purpose Entity for Tax-Credit Giving

The Philadelphia Youth Music Education Fund (PYMEF) is a Special Purpose Entity (SPE) supporting PYOMI, enabling Pennsylvania taxpayer households to participate in Educational Improvement Tax Credit (EITC) and Opportunity Scholarship Tax Credit (OSTC) programs. This initiative provides a unique opportunity for individuals to support PYOMI's mission while earning a significant state tax credit. Below are the steps and requirements to participate:

1. Assess Your Tax Position

- **Action:** Consult with your accountant or financial advisor to determine your Pennsylvania state tax liability and decide on your contribution level.
 - **Note:** Contributions require a two-year commitment, with participants receiving a 90% state tax credit on their pledged amount. 10% of your committed tax value will not be reimbursed.
 - **Example:** A \$10,000 contribution yields a \$9,000 credit, with \$1,000 remaining as state tax liability for the year.
-

2. Review and Sign Membership Agreement

- **Action:** Review the SPE Membership Agreement and Operating Agreement, which govern participation in the SPE LLC. As a participant, you become a member of our SPE LLC.
 - **Commitment:** You will contribute the full pledged amount each year during the two-year period.
 - **Example:** You plan to provide a \$10,000 contribution to us for the 2024 tax year. A check payable in this amount (the full \$10K amount) will need to be provided to PYMEF by the end of 2024. 90% 2024 tax credit for that donation is provided against an SPE investment made in Calendar Year 2024, along with the declaration of a repeat payment by the end of 2025.
-

3. Submit Contribution

- **Action:** Provide a check for the full committed amount to PYMEF no later than December 28, 2024. This payment activates your participation in the SPE for that tax year.
-

4. Receive and File Tax Documents

- **Action:** After the calendar year closes, PYOMI will issue a Form K-1 to be included in your tax filing, which triggers the 90% tax credit.
 - **Consult Your Advisor:** Discuss federal or other tax implications with your financial professional.
 - **Note:** The 10% of your commitment value that will not be reimbursed is fully tax deductible.
 - **Example:** A \$10,000 contribution yields a \$9,000 PA State Tax credit, with the \$1,000 remaining as federally deductible amount for that year.
-

Key Benefits

- **Impact:** Your contribution directly supports PYOMI's mission of transformative music education for youth.
- **Tax Savings:** Receive 90% of your paid amount as a PA tax credit. And 10% as a federal charitable gift deduction.
- **Flexible Contributions:** Minimum contribution level is \$3,000 annually for two consecutive years.

For further information or to participate, contact **Rick Clark, Director of Development**, at RClark@pyomusic.org or **215.545.0502**.

This program not only enhances your philanthropic impact but also provides substantial state tax benefits, ensuring a mutually rewarding partnership. Donors generate 10x the impact with their giving while benefitting from credits and deductions.