



Making a donation to a Scholarship Granting Organization through a pass-through entity, then claiming an individual tax credit against individual Alabama State income taxes, requires just a few simple steps. Always consult your accountant or tax advisor.

PART I

Create a My Alabama Taxes Account

You must first register your entity with the Alabama Department of Revenue through My Alabama Taxes (MAT). Visit MyAlabamaTaxes.Alabama.gov to complete this process. *You may skip this step and login if you have already registered your entity.*

Note: If your pass-through entity is already registered (i.e., already has a Business Privilege Tax Account), the Alabama Accountability Act option can simply be added to its existing registration.

PART II

Registering Your Donation

To claim your tax credit, you will use the My Alabama Taxes (MAT) portal on the Alabama Department of Revenue website.

1. Visit MyAlabamaTaxes.Alabama.gov. Sign in with your username and password. (*You may be prompted to enter a Security Code to verify your identity.*)
2. On your home screen, you will see a **Tax Incentives** box. Choose **Manage Tax Incentives**.
3. Select **Report a Donation to an SGO** (Scholarship Granting Organization) in the **Scholarship Granting Organization Credit** box.
4. Enter the following information:
 - a. Entity Name
 - b. Address
 - i. Select **Click here to enter your address**. Fill out the Address Line 1, City, State, and ZIP.
 - ii. Select **Verify Address**. Select your preferred address, and click **Ok**. If successful, you will now have a green check and "Verified" at the bottom of the box. Click **Save**.
 - c. Phone Number
 - d. Email
 - e. SGO Name: Select **SCHOLARSHIPS FOR KIDS, INC.** from the dropdown menu.
 - f. Donation Date
 - g. Donation Amount
 - h. Click **Next**. Check the agreement box, and click **Submit**.

PART III

Make & Document Your Donation

1. Write a check for your exact donation amount made out to **Scholarships for Kids**. **Include a note saying you are a friend of Cornerstone**. Although donations cannot be restricted to a specific school, a note will help ensure Cornerstone students receive the scholarships they need.
2. After receiving confirmation from the SGO, you must then submit a credit claim on your MAT Account.
 - a. Go to MyAlabamaTaxes.Alabama.gov. Sign in with your username and password.
 - b. Select **Pass-through Entity** Account Type.

- c. Select ***Submit a Credit Claim*** link under the ***I Want To*** tab, found on the right side of the screen.
- d. Under Credit Type, select ***Alabama Accountability Act Credit – Scholarship Granting Organization***.
- e. Complete the information requested for the credit claim (including): Credit Type, Filing Period, Credit Amount, and upload attachments. **Be sure to attach the confirmation letter received from the SGO**, then click ***Next*** and confirm the information is correct.
- f. Click ***Submit***.

Mail your check within 30 days, or if possible, the same day:

Scholarships for Kids, Inc.
P.O. Box 10204
Birmingham, AL 35202

Important Note: Checks must be for the same amount as the donation amount entered on MAT and must be written from your entity account.

Acknowledgment: Once the check is received, Scholarships for Kids will verify the donation with the Department of Revenue and send you an acknowledgment letter through the mail.

See Maynard Nexsen memorandum, updated November 2, 2022, entitled “Final Regulations Relating to Business Expense Deductions and State Tax Credits for Donations to Charitable Organizations” for an overview of the Final Regulations (T.D. 9907 (Aug. 11, 2020)). The memo is not intended to be a complete description of the laws, rules or regulations and should not be relied on as legal or tax planning advice to any particular taxpayer without a full consideration of his, her or its specific facts and circumstances. Potential donors to Scholarship Granting Organizations should consult their own tax advisors prior to making any donation that might be claimed as a deductible expense.