



TAX SCENARIOS

1. Already receiving a refund before the contribution

A. Joe tax payer has GA taxes withheld from his paycheck each month. When Joe is filing his taxes, he learns that although his total tax liability is \$3,000, he paid into the system \$3,500. Joe would typically get back \$500 as a refund for overpayment of his tax liability. Joe made a \$2,500 contribution to the Apogee Scholarship Fund as well, effectively reducing his GA tax liability from \$3,000 to \$500. Since Joe had already paid \$3,500 into the system, he will now receive approximately \$3,000 as a refund.

2. Tax bill owed before the contribution

A. Joe tax payer has GA taxes withheld from his paycheck each month, but because his withholdings were high, he ended up owing GA taxes when doing his return. Joe has a total GA tax liability of \$3,000, but he only paid into the system \$2,600, leaving Joe with a \$400 tax bill due when filing his GA return. After making a \$2,500 contribution to the Apogee Scholarship Fund, Joe reduced his total tax liability from \$3,000 to \$500. Since Joe has already paid in \$2,600 in taxes, Joe would receive an approximate refund of \$2,100 from the state of GA.

3. Liability less than donation amount

A. Joe tax payer has GA taxes withheld from his paycheck each month. At the end of the year, Joe learns that he paid into the system \$3,000. He also learns that his total tax liability is only \$2,000. Essentially, Joe is looking at a \$1,000 refund. Joe made a contribution to the Apogee Scholarship Fund for \$2,500. Since Joe's tax liability was less than the amount he contributed, Joe will have to carry forward the balance to next year's tax return. By making the contribution, Joe reduced his tax liability from \$2,000 to \$0 for this year and since Joe had paid into the system \$3,000, he would receive an approximate refund of \$3,000. When Joe files his tax return the next year, he will use the left over \$500 from the previous year's contribution as a credit on his GA tax liability.