Alabama Accountability Act of 2013
Section 9
Tax Credits for Contributions to Scholarship Granting Organizations

The Department of Revenue has developed a procedure to ensure that the maximum $30,000,000.00 of annual tax credits issued to individuals and corporations for contributions to Scholarship Granting Organizations (SGOs) is not exceeded.

Procedure

501(c)(3) organizations wishing to become SGOs must apply to ADOR using a form available on the Department's website.

Those organizations applying and meeting the requirements have been included in the list of SGOs that may accept qualifying scholarship donations, which is posted on the Department’s website and updated as needed.

The Department's website contains an electronic portal for donors to enter actual scholarship donations made during the year.

Donors must enter actual scholarship donations and the identifying information of the SGO to which the donation was made, in order to be allocated a portion of the available $30,000,000.00 in scholarship tax credits.

Credits are assigned to donors on a first-come, first-served basis, and the system displays the amount of available unallocated tax credits as of the current point in time.

The allocation of a portion of the available tax credit amount to the donor is conditional, pending verification of the donation by the SGO. No tax credits will be allowed to donors, if the SGO receiving the donation fails to verify the donation by entering the amounts into the system by the required date.

Within 30 days of receiving notice of a donation, the SGO must enter the donation and the identifying information of the donor into the system, in order to create the electronic receipt, which will entitle the donor to the tax credit.

The portion of the $30,000,000.00 in available tax credits which has been allocated for a particular donation may be released and made available to other donors if the SGO fails to enter information to provide verification by the required date.