### Sample Calculations of Tax Savings

**REV: 10/2009**

<table>
<thead>
<tr>
<th>No Contribution</th>
<th>C-Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 Year</td>
</tr>
<tr>
<td></td>
<td>75% EITC Tax Credit</td>
</tr>
</tbody>
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1. **Net Income Before Contribution & CNI Tax**
   - No Contribution: $220,000
   - 75% EITC Contribution: $220,000
   - 90% EITC Contribution: $220,000

2. **EITC Contribution**
   - No Contribution: $10,000
   - 75% EITC Contribution: $10,000
   - 90% EITC Contribution: $10,000

3. **Federal Taxable Income Before PA CNI Tax**
   - No Contribution: $220,000
   - 75% EITC Contribution: $210,000
   - 90% EITC Contribution: $210,000

4. **PA CNI Tax @ 9.99%**
   - No Contribution: $21,978
   - 75% EITC Contribution: $20,979
   - 90% EITC Contribution: $20,979

5. **Federal Income After PA CNI Tax**
   - No Contribution: $198,022
   - 75% EITC Contribution: $189,021
   - 90% EITC Contribution: $189,021

6. **PA CNI Tax Savings (After Deduction for Contributions)**
   - No Contribution: None
   - 75% EITC Contribution: $999
   - 90% EITC Contribution: $999

7. **EITC (PA CNI Tax Savings)**
   - No Contribution: None
   - 75% EITC Contribution: $7,500
   - 90% EITC Contribution: $9,000

8. **PA Tax Savings Total**
   - No Contribution: None
   - 75% EITC Contribution: $8,499
   - 90% EITC Contribution: $9,999

9. **Federal Taxable Income**
   - No Contribution: $198,022
   - 75% EITC Contribution: $196,521
   - 90% EITC Contribution: $198,021

10. **Federal Tax**
    - No Contribution: $60,479
    - 75% EITC Contribution: $59,893
    - 90% EITC Contribution: $60,478

11. **Federal Tax Savings**
    - No Contribution: None
    - 75% EITC Contribution: $586
    - 90% EITC Contribution: $1

12. **PA Tax Savings - Total**
    - No Contribution: None
    - 75% EITC Contribution: $8,499
    - 90% EITC Contribution: $9,999

13. **Federal Tax Savings**
    - No Contribution: None
    - 75% EITC Contribution: $586
    - 90% EITC Contribution: $1

14. **Total Tax Savings**
    - No Contribution: None
    - 75% EITC Contribution: $9,999
    - 90% EITC Contribution: $10,000

15. **Annual Cash Required to Contribute $10,000**
    - No Contribution: $915

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**Percentage Effective Total Tax Savings when contributing $10,000 with an EITC**

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<thead>
<tr>
<th></th>
<th>90.85%</th>
<th>100.00%</th>
</tr>
</thead>
</table>

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This information is intended as a sample illustration of tax savings from participation in the PA EITC Program. Experiences may vary due to unique and specific business income and tax circumstances.