



## SOUTHERN INDIANA OFFICES

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May 29, 2026

Dear Friend of Harmony School,

Attached is a table which illustrates the potential tax savings and net out of pocket cost available to Harmony School donors when utilizing the 50% School Scholarship Tax Credit.

This example is based on 2026 tax tables, a Married Filing Joint taxpayer who itemizes deductions, and a \$1,000 contribution made to Harmony School. The Federal contribution deduction is reduced by the amount of the state credit received.

The Indiana School Scholarship Tax Credit program has no maximum donation limit and may be carried forward up to 9 years and applied to offset a donor's future Indiana tax liabilities. This may be beneficial to certain taxpayers who wish to make larger donations.

The School Scholarship Credit is also available to C-Corporations which have an Indiana tax liability, as well as owners of S-Corporations, LLCs, and other "pass-through" entities.

This information is intended to give a general idea of the tax benefits available to donors. Many factors may affect a donor's particular situation and tax savings. Each potential contributor is advised to consult with a tax advisor to review his or her own particular tax situation.

	\$0 to	\$24,801	\$100,801	\$211,401	\$403,551	\$512,451	over
Taxable Income	\$24,800	\$100,800	\$211,400	\$403,550	\$512,450	\$768,700	\$768,700
Federal Marginal							
Tax Bracket	<u>10%</u>	<u>12%</u>	<u>22%</u>	<u>24%</u>	<u>32%</u>	<u>35%</u>	<u>37%</u>
Federal Tax							
Savings	\$50	\$60	\$110	\$120	\$160	\$175	\$185
50% State Tax							
Credit	<u>\$500</u>	<u>\$500</u>	<u>\$500</u>	<u>\$500</u>	<u>\$500</u>	<u>\$500</u>	<u>\$500</u>
Total Tax							
Savings	<u>\$550</u>	<u>\$560</u>	<u>\$610</u>	<u>\$620</u>	<u>\$660</u>	<u>\$675</u>	<u>\$685</u>
Net Out-of-							
Pocket Cost of							
Contribution	<u>\$450</u>	<u>\$440</u>	<u>\$390</u>	<u>\$380</u>	<u>\$340</u>	<u>\$325</u>	<u>\$315</u>

I would be happy to offer additional assistance in explaining the cost and tax benefits to any potential contributor.

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