



# FEDERAL SCHOLARSHIP TAX CREDIT

## WHAT YOU NEED TO KNOW

The Federal Scholarship Tax Credit – also called the Education Freedom Tax Credit – is a new federal program that helps families access the educational setting that works best for their children. It creates a permanent, dollar-for-dollar federal tax credit for individuals who donate to nonprofit scholarship organizations serving K-12 students.

Any taxpayer with liability can receive the tax credit – with or without children in school. Individuals may donate up to \$1,700 per year to an approved Scholarship Granting Organization (SGO) and claim the full amount as a credit on their federal taxes, beginning with the 2027 tax year.

In states that already offer school choice programs, families are able to combine state scholarships – expanding access and increasing purchasing power for even more students.

States must opt in before SGOs in their jurisdiction can participate. Governors – or another entity authorized under state law – are responsible for making that election.

If your state has not opted in, you can still donate to SGOs in participating states and receive the federal tax credit while supporting students and families elsewhere.

### FUND USES:

- Private school tuition and fees
- Tutoring and special education services
- Curriculum and instructional materials
- Transportation
- Computers and technology
- Other approved educational expenses

Students in families earning up to 300% of the median income by area are eligible for scholarships, which cover approximately 90% of K-12 students nationwide.

**Visit the IRS website at [IRS.gov](https://www.irs.gov) for an up-to-date list of participating states and approved scholarship organizations.**

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