



# Education Freedom Tax Credit: K-12 SCHOLARSHIPS FOR EVERY STATE

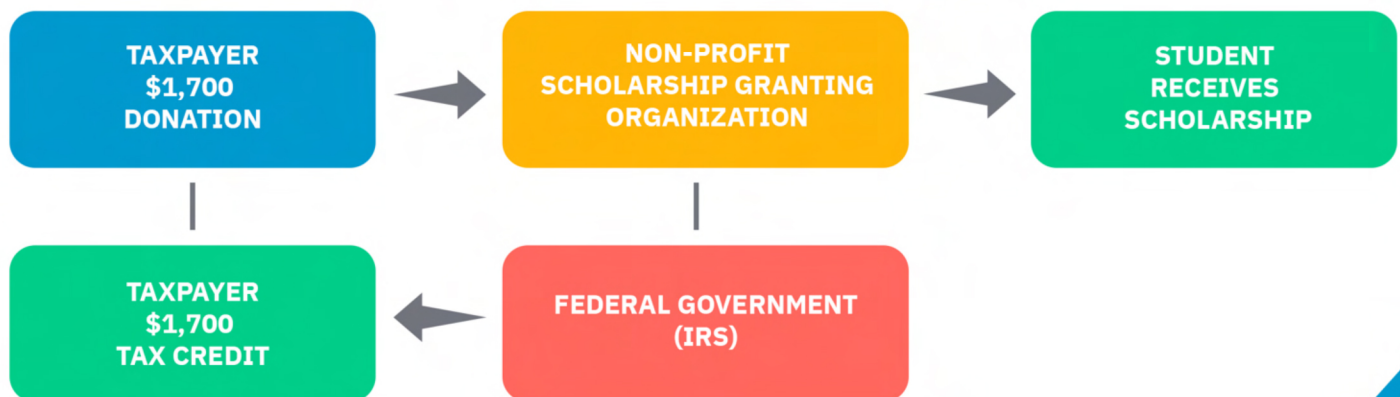
## WHAT IS NATIONAL SCHOOL CHOICE?

The education freedom tax credit (EFTC) provision in H.R.1, the One Big Beautiful Bill Act (OBBBA), is the most ambitious school choice advancement in our nation's history, with the potential to unlock education freedom in all 50 states.

The EFTC is a 100% non-refundable, uncapped federal tax credit for education resources and services.

## HOW DOES IT WORK?

- **Taxpayers donate** to a non-profit scholarship granting organization (SGO)
- **They then receive up to a \$1,700** dollar-for-dollar federal tax credit for their contribution



## KEY FACTS

- Begins **January 2027**
- Applies nationwide (**all 50 states**)
- Available only for cash contributions to SGOs (**must be 501(c)(3), not private foundations**)
- **Donors cannot claim both a federal tax credit and federal charitable deduction for the same gift**

### PERMANENT

*This program has no sunset timeline.*

### UNCAPPED

*This program has no limit on the amount of donations that SGOs can receive.*

### DOLLAR-FOR-DOLLAR

*For every dollar donated up to \$1,700, taxpayers will receive a tax credit.*

## WHO BENEFITS?

### STUDENTS

- ➔ Families making up to 300% of area media income are eligible (covers ~90% of K-12 students)
- ➔ Scholarships can cover tuition, fees, tutoring, special needs, materials, transportation, technology, and more

### STATES

- ➔ States “opt in” to participate (**governor or designated state official/agency annually submit a list of SGOs that meet the requirements outlined in the federal bill**)
- ➔ Scholarships available in every state that submits eligible SGO list annually

## WHAT’S DIFFERENT?

This is a tax credit, not a voucher or federal education program.

No federal or state restrictions on school type  
*(public, private, religious – all eligible)*

Not run by the U.S. Department of Education. These are federally generated, privately funded scholarships.

## WHY DO WE NEED THIS?

This tax credit augments current state-level school choice, while promising to unlock it in states without choice, with no effect on state budgets or state school funding. Too many families are still locked out of opportunity. Now, for the first time, school choice can reach every state, empowering all families, especially lower-income families, to choose the best K-12 education for their kids.

*AFC will work tirelessly to ensure this tax credit is implemented quickly and fairly, so educational freedom becomes a reality for every family in America.*

***To learn more, please visit:***

**[www.FederalScholarships.com](http://www.FederalScholarships.com)**