1) What is the Federal Scholarship Tax Credit?

Beginning in 2027, the Federal Scholarship Tax Credit encourages charitable donations to Scholarship Granting Organizations (SGOs), which provide scholarships for eligible K–12 students' education expenses.

2) How much is the tax credit?

Eligible taxpayers can receive a dollar-for-dollar federal income tax credit of up to $1,700 per individual or $3,400 for married couples filing jointly for qualified cash contributions to SGOs.

3) How does the program work?

Taxpayers make a donation to an eligible SGO and designate the contribution for the federal tax credit. They then claim the credit on their federal income tax return. The credit is nonrefundable, but unused amounts may be carried forward for up to five years. A donor may earmark a gift to a specific school (subject to SGO rules) but not to specific children.

4) Who can claim the tax credit?

U.S. citizens and residents with federal income tax liability and who make qualified cash contributions to eligible SGOs may claim the credit. You do not need to itemize deductions.

5) What is a Scholarship Granting Organization (SGO)?

An SGO is a qualifying nonprofit public charity that awards scholarships to eligible K–12 students. It must meet federal requirements and be included on a participating state's approved SGO list.

6) Which students qualify for scholarships?

Students are eligible if they are enrolled in a public or private elementary or secondary school and may qualify if their household income is no more than 300% of the area's median gross income, adjusted for family size. Eligibility does not guarantee an award.

7) What can scholarships pay for?

Qualified expenses may include private or religious school tuition, tutoring, special education services, books, supplies and extended-day programs. Scholarships can support eligible students attending public, private, religious or charter schools.

8) How can families apply for scholarships?

Each diocese will partner with an SGO to support Catholic schools. Families should contact participating SGOs to learn about application requirements, available funding, and scholarship opportunities. The Diocese of Ogdensburg will announce its chosen SGO soon.

9) Has New York opted in to the program?

Yes! Governor Kathy Hochul has opted New York into the Federal Scholarship Tax Credit program.

10) Does this program take funding away from public schools?

No. The credit encourages voluntary charitable donations to support eligible students' education expenses, including public school students. It does not divert state or local tax revenue from public schools.