

BUSINESS CASE FOR BUYING MISSOURI SCHOLAR TAX CREDITS

Background:

Missouri Scholar (MOScholar) Tax Credits are tax credits that can be applied to the Missouri taxes that an individual, corporation or other entity can use to meet the State tax liability. This only applies to Missouri taxes and is limited to 50% of the year's tax liability. If the purchase of tax credits exceeds the 50% limitation, the excess credits can be carried over for up to four years.

The underlying bill that created these tax credits was to provide choice to parents as to where their children can obtain an education. The focus is to provide options for parents to seek scholarships funded by the tax credits to improve the education of children.

Why these scholarships are needed:

The scholarships provide opportunities for parents to select a school they deem best for their children in two specific situations: Children with learning disabilities are able to attend schools better tailored to meet the needs than the public schools in their geographic area; and Children from families with lower income are provided an opportunity to attend a school that is not currently an option due to finances.

To qualify for these scholarships, the student must meet one or more of the five Missouri state rules based on available funding as outlined in Exhibit A (under qualifying paths):

- Sibling of current MOScholars recipients
- Student with an approved IEP (Individual Education Plan) or ISP (Individual Service Plan) under the Individuals with Disabilities Act. (see Exhibit A for more details)
- Student who attended a public school as a full time student for at least one semester during the previous twelve months
- Student eligible to begin kindergarten or first grade
- Family must meet MOScholars income eligibility guidelines (see Exhibit A for more details)

These scholarships are targeted primarily to assist children with special needs and those who come from families where the public school system may not be the best suited to educate their child.

The benefit to participating in the tax credit program:

This is a unique tax credit that provides a 100% offset to tax liability. As a result, there are no costs incurred by the participant. This is unlike donation to one of the schools that participates. In addition, there could be a small additional income by taking these credits based on the income earned on investing the money you have to pay Missouri for a longer period. (See exhibit B for an example).

Why choose Bright Futures Fund (BFF) as the Educational Assistance Organization (EAO):

The state of Missouri has only approved six EAOs to collect the tax credit payments, make sure the tax credits meet the State's requirements, approve qualified scholarship applicants and distribute the payments to the school selected by each parent.

BFF is a 501(c)(3) organization within the Diocese of Kansas City-St. Joseph and awards scholarships to qualifying families within the boundaries. Since the beginning of the program, the State of Missouri has provided the most funding to BFF every year demonstrating the success of the program the State's approval of the administration. To date, BFF has distributed 1,918 totaling in excess of \$12 million in scholarships for the 2025/2026 school year.

Some statistical information regarding BFF's MOScholar History is provided in Exhibit B.

Additional Information and Resources Regarding Bright Futures Fund:

Any assistance needed when processing the MOScholar Tax Credit requests or additional information regarding the program can be found at the website: brightfuturesfund.org or by contacting Lisa Kremer at 816-714-2358 or lkremer@diocesekcsj.org.

Ask:

Bright Futures Fund requests that you consider purchasing MOScholar tax credits to provide desperately needed scholarships enabling the availability of more opportunities to children in the State of Missouri. There is no net cost to you and in fact by using this approach, there may be a small savings in terms of being able to hold onto tax payments longer thereby producing a small amount of investment income.

EXHIBIT A



MOScholars

Missouri's Empowerment Scholarship Accounts Program

Direct half of your Missouri State Taxes to Catholic Education at No Cost to You



Missouri's tax credit program allows any individual or any business to redirect up to half of your state income tax liability to education at no cost to you.

The **Bright Futures Fund** uses these purchased tax credits to provide over \$12 million in scholarships for K-12 students at 57 Catholic schools in Missouri.

You receive a 100% tax credit for the amount you reserved and paid when you file next year. Practice good stewardship and support Catholic education by reserving your tax credits before December 31.

HOW TO RESERVE TAX CREDITS IN 5 EASY STEPS

Step 1

GO TO
BRIGHT FUTURES
FUND.ORG

Click on "MOScholars Program- Reserve MOScholars Tax Credits".

Step 2

ESTIMATE YOUR LIABILITY
BASED ON WHAT YOU
OWED THE PREVIOUS YEAR

Fill out all fields for the MOScholars Tax Credit Reservation System. You can reserve tax credits for up to half of what you will owe.

Step 3

CHOOSE BRIGHT
FUTURES FUND

Select
Bright Futures Fund from the EAO (Educational Assistance Organization) drop down menu.

Step 4

RESERVE YOUR TAX
CREDIT AMOUNT
BEFORE DECEMBER 31

Click "submit" and you will receive an email from the MO State Treasurer's office. **Print and save your confirmation number.**

Step 5 WRITE A CHECK TO THE BRIGHT FUTURES FUND

Write a check to the Bright Futures Fund for the amount of the tax credits reserved. Mail the check within 30 days of your reservation and no later than December 31 to: **Bright Futures Fund, P.O. Box 419037, Kansas City, MO, 64141.** After your funds are received and verified, you will receive an email receipt from the State Treasurer's Office. **Include the receipt and an MO-TC form with your state income tax filing.**

☒ Reserved tax credits are equal to 100% of an eligible contribution and can be used for up to 50% of the donor's annual tax liability.

☒ For the current MO-TC form, visit [BrightFuturesFund.org](https://dor.mo.gov/forms/) OR search MO-TC at: <https://dor.mo.gov/forms/>

☒ Tax credits may be carried forward for four (4) additional tax years. Tax credits are non-refundable, non-transferable, and cannot be sold.

Reserve tax credits now. When you file next year, you will have already paid up to half and will have directed your tax dollars towards quality Catholic education. No minimum contribution. Please call or visit website for more details.

BrightFuturesFund.org



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MOScholars-Bright Futures Fund
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"As each one has received a gift, use it to serve one another as good stewards of God's varied grace." 1 Peter 4:10



MOScholars

Missouri's Empowerment Scholarship Accounts Program

HOW TO APPLY FOR A MOSCHOLARS SCHOLARSHIP

Go to BrightFuturesFund.org - MOScholars Program

How to Qualify

IEP / ISP

OR

INCOME

Students with an approved IEP 'individualized education plan' developed under federal Individuals with Disabilities Education Act (IDEA) or an individual service plan (ISP) that is developed in cooperation with a local education agency under IDEA, specifically those provisions pertaining to parentally placed private school children found in 20 U.S. Code 1412 (a) (10) and 34 CFR 300(b).*

All students must meet MOScholars income eligibility guidelines (see chart below)

AND ONE OF THE FOLLOWING

- 1) are entering kindergarten or first grade
- 2) are coming from public school and have attended as a full-time student for at least one semester during the previous 12 months.
- 3) is a sibling of a current MOScholars recipient

*Any IEP / ISP must be dated within the last 12 months from the date of the student's application to the program.

MOScholars Income Eligibility Guidelines
(Effective July 1, 2025—June 30, 2026)

Household Size	Annual Income		
	100%	200%	300%
1	\$28,953	\$57,906	\$86,859
2	\$39,128	\$78,256	\$117,384
3	\$49,303	\$98,606	\$147,909
4	\$59,478	\$118,956	\$178,434
5	\$69,653	\$139,306	\$208,959
6	\$79,828	\$159,656	\$239,484
7	\$90,003	\$180,006	\$270,009
8	\$100,178	\$200,356	\$300,534

Eligible Schools 2026-2027

Diocese of Springfield-Cape Girardeau

Guardian Angel
Immaculate Conception, Jackson
Immaculate Conception, New Madrid
Immaculate Conception, Springfield
McAuley Catholic High School
Notre Dame Regional High School
Sacred Heart
Springfield Catholic High School
St. Agnes Cathedral
St. Ambrose
St. Ann
St. Augustine
St. Denis
St. Elizabeth Ann Seton
St. Eustachius
St. Francis Xavier
St. Henry
St. Joseph, Scott City
St. Joseph Catholic Academy, Springfield
St. Lawrence
St. Mary Cathedral, Cape Girardeau
St. Mary, Joplin
St. Mary, Pierce City
St. Peter the Apostle
St. Teresa
St. Vincent de Paul

Questions about scholarships?

Lisa Kremer

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MOScholars Program Coordinator



BrightFuturesFund.org

EXHIBIT B

Example of Tax Credit Purchase and Investment Income Calculations

Actual Missouri Income Taxes for 2024	\$ 275,000
Estimated Missouri Taxes for 2025	\$ 300,000
Estimated Limit on MOScholar Tax Credits for 2025	\$ 150,000
Reserve MOScholar Credits from Bright Futures Fund	\$ 150,000
Pay Tax Credits on December 1, 2025	\$ 150,000

Normal Estimated Tax Payments Due to Missouri

April 15, 2025	\$ 75,000
June 15, 2025	\$ 75,000
September 15, 2025	\$ 75,000
December 15, 2025	\$ 75,000

If no estimated tax payments were made in the first and second quarter, those funds could be invested and earn some income until December 1, 2025 (229 days between April 15 and December 1 and 168 days between June 15 and December 1).

MOScholars Historical Key Statistics:

	2022-2023	2023-2024	2024-2025	2025-2026
Number of Participating Schools	27	27	40	64
Total Number of Scholarships Granted	365	738	1,051	1,918
Approximate Dollar Amount of Scholarships Granted	\$2,326,875	\$4,704,750	\$6,700,125	\$12,227,250
Total Students on an IEP or ISP	75	150	179	213
Percentage of People of Color	51%	51%	49%	49%
Percentage of Female Students	51%	49%	51%	51%
The information for 2022 through 2024 is principally comprised of schools within the Kansas City-St. Joseph area excluding rural areas. Beginning in the school year of 2024-2025, the information includes schools within the Springfield and Cape Girardeau areas. Beginning in the school year of 2025-2026, rural schools were added.				