

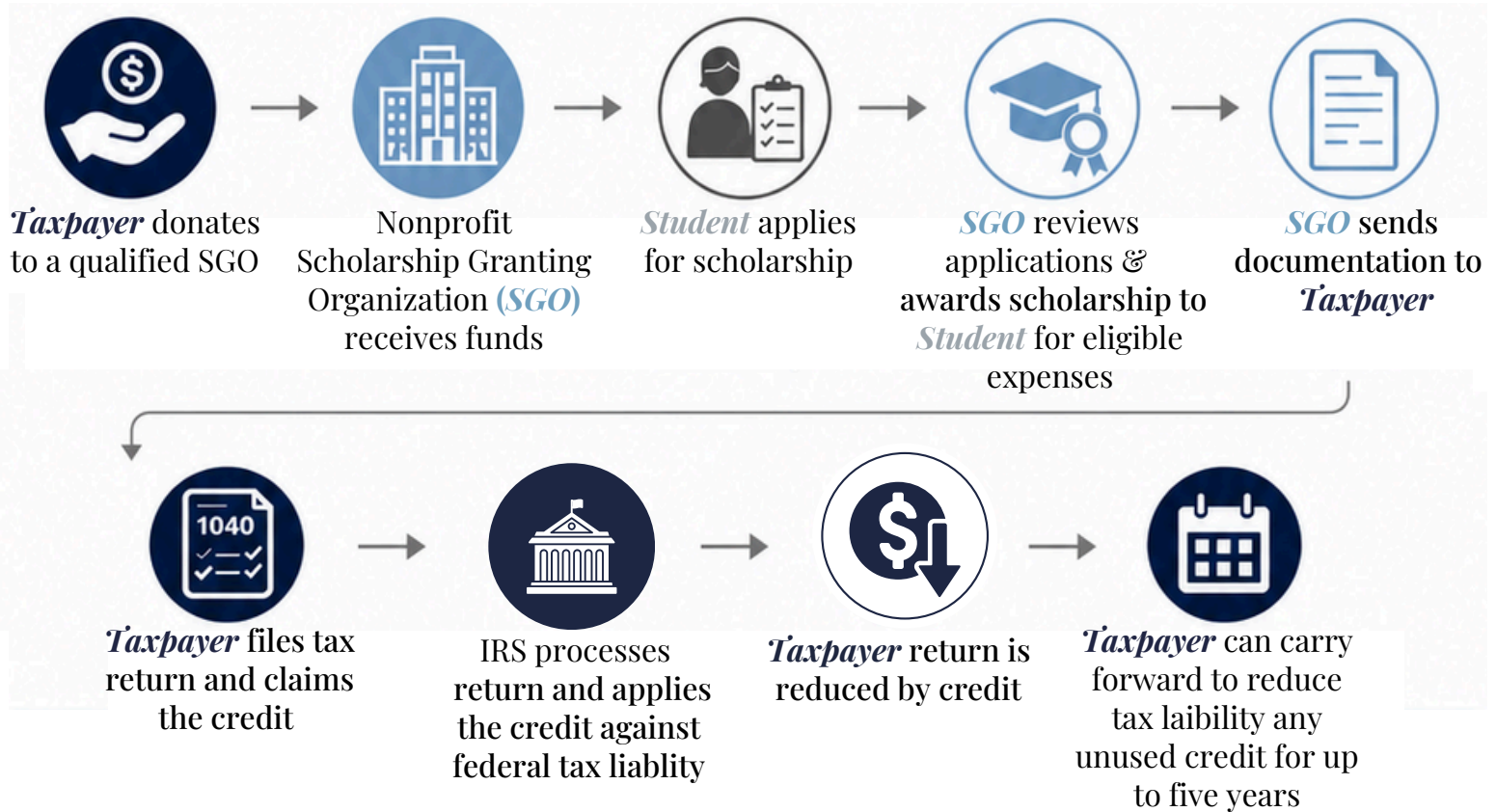
OPPORTUNITIES FOR MASSACHUSETTS CHILDREN

Federal Scholarship Tax Credit



Beginning in January 2027, the Federal Scholarship Tax Credit is a federal law that has the potential to generate hundreds of millions of dollars in scholarships for our children.

WHAT IS THE FEDERAL SCHOLARSHIP TAX CREDIT?



The Federal Scholarship Tax Credit is not a voucher program. Vouchers are government-funded and use public dollars, whereas the FSTC incentivizes private charitable contributions to SGOs. Under the FSTC, funds flow from private donors to SGOs and then to families; in contrast, voucher programs direct funds from the government to schools.

100%

This is 100% new funding with no impact on public school funding.

\$1B

If MA doesn't opt in, we could forgo up to \$1 billion over three years in tax-credit eligible gifts for education.

WHAT CAN YOU DO TO ACCESS THIS OPPORTUNITY?

Submit a letter to the Governor to ask her to opt into the program at bit.ly/FSTCEMAIL

Learn more at macoalition.com.



Massachusetts Educational
OPPORTUNITIES COALITION

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WHO CAN USE THE CREDIT?

Using the IRS tax calculator and basic assumptions, we estimate that a **single filer earning \$32,500** and a **married couple with two children earning \$87,600** would each have at least \$1,700 in federal income tax liability and could therefore claim the full Federal Scholarship Tax Credit.

Single Filer, No Children

Gross Income:	\$32,500
Standard Deduction:	<u>-\$16,100</u>
Taxable Income:	\$16,400

Federal Income Tax:

10% of first \$12,400:	\$1,240
12% of remaining \$4,000:	<u>+\$480</u>
Total Tax Liability:	\$1,720

Married Filing Jointly, Two Children

Gross Income:	\$87,600
Standard Deduction:	<u>-\$32,200</u>
Taxable Income:	\$55,400

Federal Income Tax:

10% of first \$24,800:	\$2,480
12% of remaining \$30,600:	<u>+\$3,672</u>
2 Child Tax Credits:	<u>-\$4,400</u>
Total Tax Liability:	\$1,752

Illustrative examples using 2026 federal tax parameters and standard deductions. Actual liability depends on individual circumstances.

WHAT ARE ELIGIBLE EXPENSES?

Scholarship Granting Organizations (SGOs) are nonprofit 501(c)(3) organizations, excluding private foundations, that are approved to distribute FSTC scholarships. These organizations must serve at least 10 students across multiple schools and may be structured in a variety of ways.



SCHOOLS & ACADEMIC PROGRAMS

- Tutoring & academic support
- Dual enrollment & exam fees
- Career & technical education
- Tuition, books & technology



ARTS, MUSIC & ENRICHMENT

- Before- & after-school programs
- Summer & enrichment programs
- Arts & music
- STEM, robotics & academic clubs



SPECIALIZED SERVICES

- Speech & language therapy
- Occupational therapy
- Behavioral supports
- Special education services



TRANSPORTATION & ACCESS

- School transportation
- Transportation to educational opportunities
- Field trips



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