





Rules and Deadlines of the FTSC program


Key timing rules, limits, and compliance reminders for the Federal Scholarship Tax Credit (IRC §25F)


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1 State Participation Is Required
The credit works only in a participating state or Washington, D.C. The state must elect to participate and identify approved Scholarship Granting Organizations (SGOs).
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2 Program Start Date
Qualified cash contributions made on or after January 1, 2027 may be eligible for the federal credit.
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3 Donate Cash to an Approved SGO
Only cash contributions by an individual U.S. citizen or resident qualify, and the donation must go to an approved SGO listed for that calendar year.
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4 Credit Limit
The federal credit is dollar-for-dollar, up to \$1,700 per taxpayer, subject to the program rules.
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5 Claim and Carryforward
The credit is nonrefundable. Unused credit may generally be carried forward for up to 5 years.
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6 Student Eligibility Rule
Scholarships generally serve K-12 students eligible to enroll in public elementary or secondary school and from households at or below 300% of area median gross income.
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7 State Election Timeline
States may make an Advance Election using Form 15714 on or after January 1, 2026. Additional IRS guidance governs the SGO-list submission process for participation.

Key Rule Highlights

 <p>Credit amount: Up to \$1,700</p>	 <p>Credit type: Federal nonrefundable credit</p>	 <p>Carryforward: Up to 5 years</p>	 <p>Contribution type: Cash only</p>	 <p>State rule: Participating state + approved SGO required</p>	 <p>Student rule: Generally up to 300% of area median gross income</p>
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Important Reminders

 <p>State tax credits reduce the federal credit for the same contribution</p>	 <p>The same amount generally cannot also be claimed as a charitable deduction</p>	 <p>Donors cannot earmark a contribution for a specific student or family</p>	 <p>Keep donation records for tax filing</p>	 <p>SGOs use contributions to fund scholarships within the listed state</p>
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