



Commissioner Sean M. Morrison ■ 17th District
Cook County Board of Commissioners

FEDERAL SCHOLARSHIP TAX CREDIT FACT SHEET

The Federal Scholarship Tax Credit is a win-win-win: 1) Illinois students get privately donated funds, 2) taxpayers receive a tax credit and 3) no money is diverted from public schools.

What can students use these scholarships for?

- ACT/SAT prep courses
- AP exams
- Tutoring
- Book or online learning materials
- Special education therapies
- Trade school and vocational training
- Dual enrollment

How does the program work?

- Gov. J.B. Pritzker must opt-in to the Federal Scholarship Tax Credit in order for Illinois' public, private and home school students to benefit.
- Donors will receive a dollar-for-dollar Tax Credit up to \$1,700 per filer.
- All K-12 students whose household income is at or below 300% of the median income level in their area are eligible.

Who supports FSTC?

- Currently 28 states have already indicated they will opt into the program, with more expected to follow.
- Gov. Jared Polis, D-CO, said, "The more Democratic governors learn about it, I fully expect that most will come around and participate... Because from our perspective, it's free money."
- Illinois State Comptroller Susana Mendoza wrote, "Many Illinoisans have been strong critics of the Trump administration, me included. But especially Illinoisans who strongly oppose the Trump administration must recognize that Illinois benefits from recapturing federal tax incentives. Opting out means our Illinois children lose."
- "It is clear as day," said Jorge Elorza, a former mayor of Providence, Rhode Island, and the CEO of Democrats for Education Reform. His organization urges Democratic governors to participate in the federal program: "It's written into the statute that public school students can benefit."



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Who is eligible?

- All K-12 students whose household income is at or below 300% of the median income level in their area are eligible.
- Students can be in traditional public, public charter, private, religious or home schools.
- Cause IQ lists hundreds of organizations in Illinois categorized as "public school foundations". Each of those could file to become Scholarship Granting Organizations (SGO) and benefit from the new donation rules while being able to distribute funds to their own community families.

If Illinois doesn't opt in, students are losers:

- Any taxpayer can receive a dollar-for-dollar federal tax credit up to \$1,700 for contributing to a scholarship granting organization. Illinois taxpayers get the tax credit no matter what.
- Student funding is dependent on state action: Pritzker must opt in for their students to get funds.

Potential Opposition:

- The Illinois Federation of Teachers calls the program a "private school choice expansion" when in reality it will secure millions in funding for public school students. Illinois will keep money away from public school kids unless we adopt this program.
- The reality is the funds can be used by students in public or private schools for educational services for tutoring, additional educational classes, books or online educational materials, fees for standardized or college admission exams, fees for dual enrollment, educational therapies for students with disabilities.
- A public school student struggling in certain academic areas or needing extra help or materials won't have to leave his or her local public schools to find support or opportunities and public school educational foundations could start their own SGOs to provide funding opportunities to public school K-12 students.

Governor Pritzker has until January 1, 2027, to let Illinois join and let Illinois students benefit from the donated funds.