SCHOLARSHIPS FOR EDUCATION CHOICE

INDIANA TAX CREDIT SCHOLARSHIPS

A brief guide on state and federal programs for wealth advisors

There are two scholarship tax credit programs through certified Scholarship Granting Organizations (SGOs) available to Indiana residents.

Indiana School Scholarship Tax Credit Program

Authorized under Indiana Code 20-51 and Indiana Code 6-3.1-30. this program allows Indiana residents or businesses to make unlimited donations to a participating school through an SGO to support students' tuition. **Donors receive a 50% state Indiana state tax credit on their donation and are eligible for an additional 50% federal charitable deduction if they itemize**.

- **How to Donate:** Cash (online or check) or non-cash assets (stock), with recurring options available. Individuals and businesses may donate.
- **Great For:** Large and/or regular gifts due to no cap on donations and the state's significant tax credit fund ($18.5 million annually).
- **Credit Carry Over:** 9 years

Learn More: in.gov/doe/students/indiana-choice-scholarship-program/school-scholarships/

Federal Scholarship Tax Credit (Begins January 1, 2027)

This new program, authorized by Congress in 2025 and also known as the Education Freedom Tax Credit, allows individual taxpayers to receive a **100% federal tax credit of up to $1,700** on their donation to schools through an SGO. In January 2026 the State of Indiana opted in to the program and Indiana residents may begin donating on January 1, 2027.

- **How to Donate:** Only cash donations (online or check) are accepted, capped at $1,700. Only individuals can donate to the federal program. Couples filing jointly may qualify for up to $3,400 via two separate gifts.
- **Great For:** An easy way to annually reduce federal tax liability by $1,700 or $3,400
- **Credit Carry Over:** 5 years

Learn more: https://www.irs.gov/newsroom/the-trump-administration-advances-the-establishment-of-americas-first-nationwide-school-choice-program

HOW WE WORK

Scholarships for Education Choice, a certified participating SGO, makes it easy for donors and their financial and tax advisors to make an impact while reducing tax liability.

1. **Individuals can donate online, via check, or non-cash assets (state only), with one-time or recurring options.** Donors can choose their school(s) or donate to a general fund.
2. **Within 2-3 days, we send a receipt letter with all the information needed for filing taxes.** We also send a year end report that summarizes all donations and explains exact steps on how to claim the credits.

→ **Have questions about a donation or want to learn more? Reach out to us.**

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