

A game changer for affording your kids' K-12 tuition

Quick guide for busy parents about the Federal Education Tax Credit

Imagine receiving financial assistance for your kids' out-of-pocket education expenses—such as tuition—as well as other costs associated with school: tutoring, technology, books, and more. Starting January 1, 2027, such assistance will be available to families of both public and nonpublic school students thanks to the new Federal Education Tax Credit.

What is the Federal Education Tax Credit?

1 Any taxpayer can donate to scholarship granting organizations.



2 Scholarship granting organizations receive donations and distribute scholarships to families that apply.



3 Families use scholarships to pay for education expenses, such as: tuition, technology, tutoring, and special needs services.



How can my family benefit?

The state of Michigan must first opt into the program. Once it does, Scholarship Granting Organizations (SGOs) can form in Michigan, and families can apply to an SGO for scholarships.

Michigan has not yet opted into the program. Both Michigan Catholic Conference (MCC) and Michigan Association of Non-public Schools (MANS) continue to promote the benefits of joining nearly 30 other states that have opted in or plan to do so.

Both MANS and several Catholic dioceses across the state will form SGOs to benefit families who attend their respective member schools.

What can I do now?

A decision for Michigan to opt in could still be a few months away, potentially after this year's November general election. In the coming months, MANS and MCC may call upon parents like you to contact public officials and share how this policy could help you and your children.

To stay updated on this important issue, look for information from your local school leadership. You may also consider signing up for the Catholic Advocacy Network (CAN), which MCC would use to invite grassroots individuals like you to urge public officials to act on this issue. To sign up for the CAN, scan the QR code, or visit

micatholic.org/can



More FAQs on the Federal Education Tax Credit

How do I know if I am an “eligible” family?

Most families with students who are eligible to enroll in elementary or secondary school (public or nonpublic) may apply for scholarships. There is an income limit set at 300% of the area’s median household income, which will include most if not all middle to upper middle-income earners.

How much can our family receive in a scholarship?

Scholarship funding is not capped by the federal law. Scholarship Granting Organizations will determine the amount provided in the scholarships.

What is a Scholarship Granting Organization (SGO)?

An SGO is a nonprofit entity that receives private donations and distributes scholarships funded by those donations to eligible K-12 students. When a state opts into the federal education tax credit program, it must inform the federal government of the eligible SGOs in the state.

At this point in time, some Catholic dioceses in the state are planning to form their own SGO so families within those dioceses can apply for funding.

The Michigan Association of Non-public Schools (MANS) has formed the MANS Scholarship Fund, designed to provide scholarships to students in MANS member schools across Michigan. To learn more about MANS, scan the QR code, or visit m-a-n-s.org.



Is this just for nonpublic school students?

No. Public school students are also eligible to apply for and receive funding from SGOs to pay for education-related expenses. Families with children in both public and nonpublic schools can benefit from the program.

Is this a voucher?

No. A voucher is a direct appropriation of public government dollars to families that can be used for tuition at nonpublic schools. This program is not a voucher because:

- The scholarship funding originates from private donors.
- No existing federal or state funding is being diverted toward these scholarships.
- Families whose children attend public schools can also apply and receive scholarships.

What’s the cost to all this?

This program would not impact existing public school funding. It also would cost the state of Michigan nothing.

Can I donate to an SGO and receive a tax credit?

Yes, beginning in January 2027. Taxpayers can donate to an SGO and receive a tax credit up to \$1,700 even if their home state has not opted into the program. If Michigan has not yet opted in, no SGOs would be operating in Michigan, and Michigan families would not be able to benefit from scholarships. Yet a Michigan taxpayer could still donate to an SGO in Ohio (which has already opted in) and receive the tax credit.