



TAX CREDITS AND DEDUCTIONS

Across the country, school choice options are provided to students and families in a number of different ways. The laws and regulations governing school choice programs can vary dramatically from state to state. For more information, click on the QR code below, or go to [hoover.org/schoolchoicemap](https://www.hoover.org/schoolchoicemap).

TAX CREDITS AND DEDUCTIONS DEFINED

Individual tax credits and deductions allow parents to receive state income tax relief for approved educational expenses, which can include private school tuition, books, supplies, computers, tutoring, and transportation. Many of these programs have been in place for over two decades, but recently passed programs are more likely to include tuition as an eligible expense and to support higher levels of spending by families.

KEY VARIABLES

In about half the states, these programs cap benefits at low levels for families—between \$250 and \$1,000. These resources are still helpful to families who would choose private schooling or homeschooling regardless. In the remaining states, these programs are designed to cover a majority or all of private school tuition or homeschooling expenses for the year.

Tax-deduction programs have a tendency to benefit families of greater means, who are more likely to have tax liabilities or itemize deductions. Tax credits are available to more families, but if those credits are not refundable, they do not benefit families unless those families have a tax liability.

POLICY IN PRACTICE: STATE HIGHLIGHT



Minnesota

Minnesota's K–12 Education Credit has been in place since 1997, and tens of thousands of families claim it annually. It cannot be applied to tuition, but it can be used for educational expenses like afterschool programs, books, and tutoring. It is also means-tested, with the benefit being reduced for families over a certain income threshold and disappearing entirely for families of greater means.

For more information click here:

