



# TAX-CREDIT SCHOLARSHIPS

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-CREDIT SCHOLARSHIPS DEFINED

Tax-credit scholarships are private school scholarships provided by nonprofits and funded by donations from individuals and businesses, who earn full or partial tax credits in return. They typically involve a scholarship-granting organization who seeks donations, provides the tax credit to individuals or businesses, and distributes funds to families.

## KEY VARIABLES

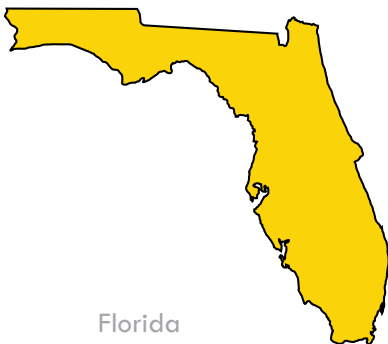
The amount of the scholarship is set by each state and varies based on a number of factors, such as average state expenditure per pupil, whether the student has special education needs, household income levels, or federal free and reduced lunch qualification. Some states simply establish a set amount and adjust for cost of living each year.

Eligibility to receive a tax-credit scholarship most often depends on a family's household income. For some scholarships, a household income cannot exceed a certain percentage of the federal poverty line or the federal free and reduced lunch eligibility guidelines.

There are some tax-credit scholarships that are designed specifically for students with disabilities.

Transportation is not always included as an approved use of tax-credit scholarship funds, though there are a few exceptions.

## POLICY IN PRACTICE: STATE HIGHLIGHT



Florida

Florida's tax-credit scholarship program is the largest school choice program in the nation, with more than one hundred thousand low-income students accessing schools chosen by families. Eligibility is limited to 375% of the federal poverty line, with preference given to lower-income families. Florida offers a second tax-credit scholarship program designed for victims of bullying called the Hope Scholarship.

For more information click here:

