

## **More than half the U.S. States signed up to participate in the federal scholarship tax credit program enacted under the One, Big, Beautiful Bill**

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Washington — The Internal Revenue Service announced that 27 states have elected to participate in the Federal Scholarship Tax Credit (FSTC) program, which enables eligible taxpayers to claim a federal tax credit for qualified contributions to Scholarship Granting Organizations (SGOs) providing scholarships for qualified elementary and secondary education expenses.

For taxpayers to claim the tax credit of up to \$1,700, they must contribute to an SGO located in a state that elects to participate in the FSTC program and submits a list of qualified SGOs. State participation in the program, enacted under the One, Big, Beautiful Bill, is voluntary.

“It’s encouraging to see that 27 states have already signed up to participate in this program that promotes and supports elementary and secondary education,” said IRS Chief Executive Officer Frank J. Bisignano. “We are hopeful that additional states will decide to participate.”

As of early 2026 multiple states have formally opted into the program, including: Alabama, Alaska, Arkansas, Colorado, Florida, Georgia, Idaho, Indiana, Iowa, Louisiana, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, West Virginia, and Wyoming.

The IRS will maintain and update the official list of participating states as they complete the required election and submission process. The most current information is available at Federal Scholarship Tax Credit. Some state websites may not yet reflect their current participation status.

For additional information on Section 25F and the FSTC, visit One Big, Beautiful Bill Provisions on [IRS.gov](https://www.irs.gov).