



The New Federal Tax Credit is a Private School Voucher Program & Other Facts

Following the June 9 invite-only in-person event at the U.S. Department of Treasury where the Administration talked about what the forthcoming regulations for the Federal Tax Credit Private School Voucher Program [may contain](#), NCPE is releasing this factsheet that outlines the harms this program poses to public schools, which can be known from examining its statute, documents released by the Administration, and similar state voucher programs.

- This is a [private school voucher program](#), championed by [Project 2025](#), [Besty DeVos](#), [Senator Ted Cruz](#) and others, designed to funnel public funds into unaccountable K-12 private and religious schools.
- States that opt-in will start or expand a near-universal K-12 private school voucher program. Opt-in states cannot put conditions on the program that would change this fact. States cannot transform this into a program that solely supports public school students.
- States, public school districts and their schools [cannot be direct recipients of program funds](#). Private entities defined in the law as "[Scholarship Granting Organizations](#)" or "[SGOs](#)" get taxpayer subsidized contributions and control which families get vouchers.
- Moreover, the program pays for K-12 tuition, fees, room and board, transportation, and more, that public schools do not charge for, making the program largely incompatible with public education.
- Private schools that accept vouchers under the federal tax credit voucher program [do not provide the same civil rights and protections](#) as public schools, such as those in Titles IV and VI of the Civil Rights Act, Title IX of the Education Amendments Act of 1972, and the Elementary and Secondary Education Act of 1965 (ESEA).
- Students with disabilities [will lose many protections and rights](#) if they use a voucher through this program to attend a private school, including those in the Individuals with Disabilities Education Act, Title II of the Americans with Disabilities Act, and Section 504 of the Rehabilitation Act.
- Basic academic accountability and reporting requirements such as annual comparable testing for K-12 students, monitoring of high school graduation rates, and oversight for struggling schools are absent from this program.
- Private school voucher programs are rooted in the effort to [resist school integration and preserve racial segregation](#) after the *Brown v. Board* decision. Today, these programs can exacerbate already high levels of de-facto school segregation.
- The official Congressional estimate finds that this program will cost taxpayers [\\$25.9 billion](#) over ten years. Other estimates for this uncapped federal program are as high as [\\$51 billion annually](#). These

taxpayer funds could all be directly put into public schools if Congress repealed the voucher program and reinvested these funds.

- This program requires taxpayers in rural areas to foot the bill for a program that is largely inaccessible to them, as rural areas have little, if any, access to private schools.
- This program is an unfunded mandate for opt-in states. In Florida's budget passed in May, the state allocated \$2 million to help operate this program.
- With extremely high-income eligibility – about \$500,000 annually for a family of four in the DC-metro area alone – this program will underwrite private school for wealthy families.
- There are no meaningful protections for waste fraud and abuse, despite the fact that state universal voucher programs have lost track of hundreds of millions of dollars, and paid for espresso machines, and tickets to Disney World.
- The law does not set voucher award amounts, ranges, or caps nor does it require reporting on this. A U.S. Departments of Education and Treasury fact sheet declares “scholarship amounts are not capped and will be determined by the SGO.” Arizona's voucher program has no cap and over 11,000 students received vouchers worth anywhere from \$30,000 to nearly \$48,000 in fiscal year 2026. Meanwhile, the state ranks 48th in its per-pupil funding for public schools.
- The program privileges contributions to private school vouchers over charitable causes. It allows taxpayers to shift up to \$1,700 of their tax obligation to SGOs and get a full refund via a tax credit in return. In contrast, taxpayers can only claim up to 35 cents on the dollar for donations to food banks, children's hospitals, disaster relief, local non-profits, and other non-SGO causes.
- Over 160, national, state, and local education, civil rights, disability rights, and religious freedom organizations have called on Congress to repeal the federal voucher program.

For more information on the federal tax credit private school voucher program's many harms, please visit the National Coalition for Public Education's website and the Public Funds Public Schools Project.